Aeroporti di Roma

Half-year financial report as of June 30, 2012

Aeroporti di Roma Società per Azioni
Registered office in Fiumicino (Rome) - Via dell'Aeroporto di Fiumicino, 320
Fully paid-in capital stock €62,224,743.00
A company managed and coordinated by Gemina S.p.A.

www.adr.it

Aeroporti di Roma SpA

after the General Meeting and Board Meeting of April 15, 2010, the General Meeting of April 13, 2011, the Board Meeting of May 9, 2011, the General Meeting of June 8, 2011 and the Board Meeting of September 29, 2011, the General Meeting of November 10, 2011 and the Board Meeting of November 11, 2011

Board of Directors *(Three-year period 2010-2012)*	
Chairman	Fabrizio Palenzona
Deputy Executive Chairman	Carlo Bertazzo
Managing Director	Lorenzo Lo Presti
Directors	Giuseppe Angiolini Mario Canapini Stefano Cao Mr. Beng Huat Ho Enzo Mei Gianni Mion Clemente Rebecchini Paolo Roverato
Secretary	Antonio Sanna

Board of Statutory Auditors *(Three-year period 2010-2012)*	
Chairman	Maria Laura Prislei
Statutory Auditors	Luca Aurelio Guarna Silvano Montaldo Enrico Proia Mario Tonucci
Alternate Auditors	Piero Alonzo Cristiano Proserpio

Independent Auditors *(period 2007-2012)*	Deloitte & Touche SpA

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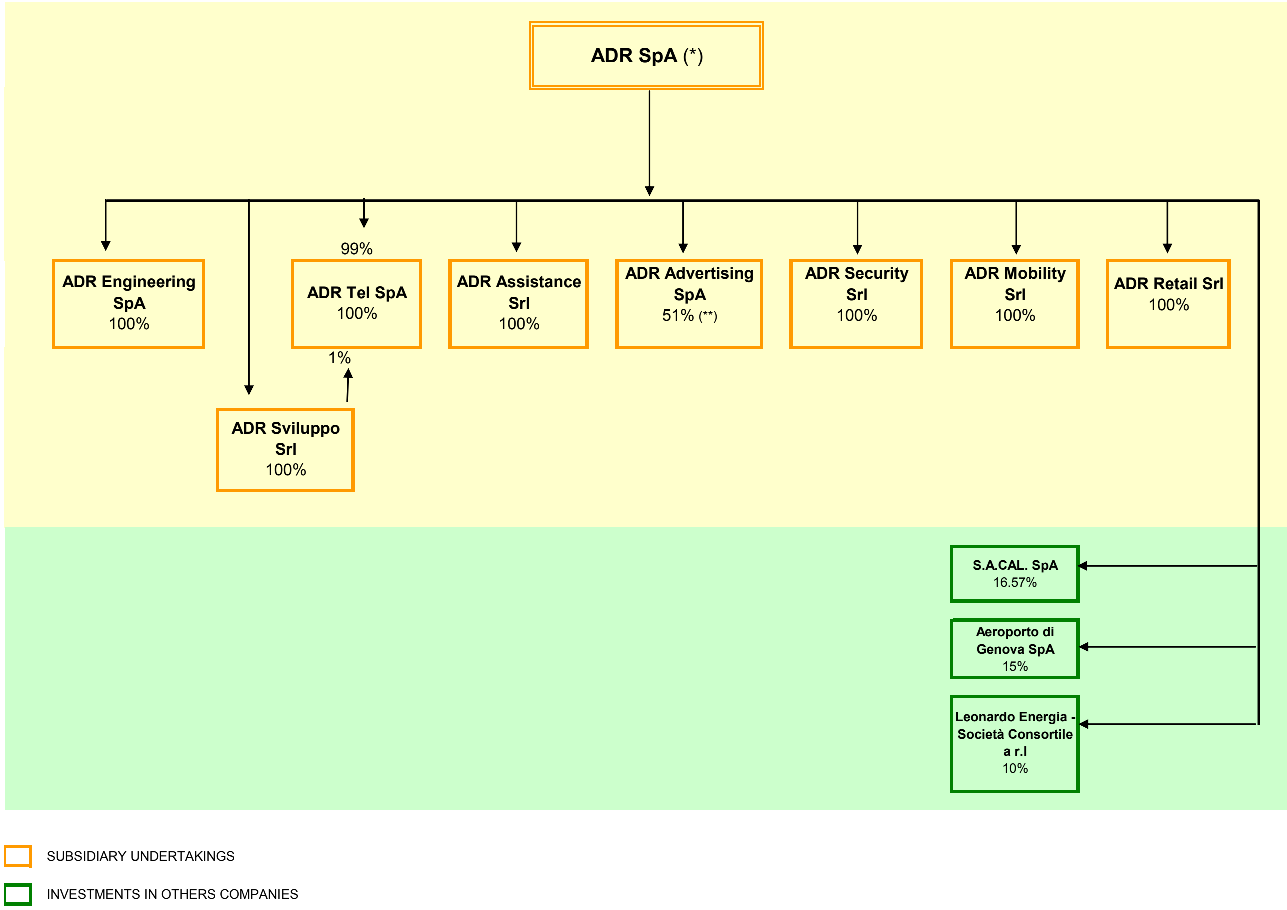
THE ADR GROUP AT JUNE 30, 2012



(*) ADR SpA also a 25% holding in the E.T.L. - European Transport Law Consortium in liquidation
(**) of ordinary share capital

Highlights

The table below summarizes the main traffic data for the first half of 2012 for the Roman airport system managed by the Parent Company Aeroporti di Roma SpA ("ADR") showing changes with respect to the same period in 2011.

TRAFFIC PERFORMANCE

Traffic component	**SYSTEM (°)**	**% change**
Movements (no.)	177,198	(5.2%)
Aircraft tonnage (tons)	13,896,620	(4.3%)
Total passengers (no.)	19,659,224	(1.1%)
Total freight (kg)	74,060,026	(8.2%)

(°) Fiumicino + Ciampino

The following table shows the Aeroporti di Roma Group's ("ADR Group") financial and operational highlights for the first half of 2012.

ADR GROUP

Consolidated financial and operational highlights *(€000)*			
	1st half 2012	**2011**	***1st half 2011***
Revenues	292,896	620,036	290,930
EBITDA	134,308	295,654	132,844
EBIT	67,501	157,297	63,480
Net income (loss):			
minority interest	237	424	308
Group share	13,552	41,492	10,213
Investments (including the portion charged to the Civil Aviation Authority[1])	20,993	67,986	33,325
	06.30.2012	***12.31.2011***	***06.30.2011***
Invested capital	1,890,464	1,946,587	1,956,372
Shareholders' equity (including minority interest)	806,337	792,548	761,153
Group shareholders' equity	805,497	791,945	760,666
Net financial indebtedness	1,084,127	1,154,039	1,195,219
Headcount at period end	2,756	2,589	2,701

Ratios	***1st half 2012***	**2011**	***1st half 2011***
EBITDA/Revenues	45.9%	47.7%	45.8%
ROS	23.0%	25.4%	21.8%
ROI	3.5%	8.0%	3.2%
ROE	1.7%	5.4%	1.4%
Net earnings per share (€)	0.2	0.7	0.2
Group shareholders' equity per share (€)	12.9	12.7	12.2
Net borrowing/Shareholders' equity	1.3	1.5	1.6
Net borrowing/EBITDA[2]	3.6	3.9	4.2
Net finance costs/Revenues	11.4%	11.5%	12.3%
Shareholders' equity/Fixed assets	40%	39%	37%

[1] Italian Civil Aviation Authority ("ENAC")
[2] The ratio is calculated on an annual basis, by adding to the EBITDA of the first half the one of the second half of the previous year.

Ratios	***1st half 2012***	**2011**	***1st half 2011***
Capital investment per passenger (€)	1.1	1.6	1.7
Accounts receivable turnover (turnover of accounts receivable/revenues *365 days)	101	108	110
Accounts payable turnover (turnover of accounts payable/costs and investments *365 days)	181	179	197
Average revenue per passenger (€)	14.9	14.6	14.6
Average revenue per employee (€000)	126	258	124
No. of passengers/ Average headcount	8,439	17,708	8,459

The following table summarizes financial and operational highlights for the first half of 2012 for ADR.

ADR

Financial and operational highlights *(€000)*			
	1st half 2012	***2011***	***1st half 2011***
Revenues	272,355	615,616	288,780
EBITDA	126,630	290,820	131,028
EBIT	60,895	153,567	61,695
Net income (loss)	9,699	39,686	9,533
Capital investment (including the portion charged to the Civil Aviation Authority)	20,460	69,121	33,626
	06.30.2012	***12.31.2011***	***06.30.2011***
Invested capital	1,938,909	1,979,996	1,990,622
Shareholders' equity	835,270	825,571	795,418
Net financial indebtedness	1,103,639	1,154,425	1,195,204
Headcount at period end	1,147	2,252	2,312

INTERIM REPORT ON OPERATIONS

GROUP OPERATING REVIEW

INTRODUCTION

When commenting on the results of the first half of 2012, it should be noted that the activity levels of ADR were correlated to the mobility flows of people and goods, which feature a marked seasonality. The traffic volumes in the first half are historically the most restrained of the year, with traffic being mostly concentrated in the second half. Such seasonal activity is also reflected on the economic and financial results of the individual quarters.

The negative traffic trend already recorded in the last two months of 2011 continued in the first half of 2012, compounded by the effects of the general macroeconomic performance, particularly in Italy and in the European Union area; however, it must be pointed out that the Roman airport system still shows great resilience to such negative situations, due to the characteristics of its own traffic and its geographical position; consequently, the reduction in volumes recorded in the period (-1.1%) is considerably lower, in the period, than the decreases experienced in other transport segments in Italy in general.

Consolidated revenues totaled 292.9 million euros, with a slight (below the percentage point) but significant growth in consideration of the negative economic elements reflected also in the mentioned traffic trends. The turnover was mostly supported by the commercial and real estate segments, which together reached +3.8% compared to the first half of 2011. Aeronautical revenues were substantially stable (+0.2%).

The substantially unchanged operating costs (+0.4%) resulted in a slight increase in both the gross operation margin, equaling 134.3 million euros, (+1.1%) and the operating income, equal to 67.5 million euros (+6.3%); the latter further benefitted from the lower adjusting provisions needed in the period.

The Group's net profit for the period equaled 13.6 million euros, thus recording an improvement despite the difficult operating environment.

The Group's financial position at the end of the first half shows a net debt of 1,084.1 million euros, considerably lower (-69.9 million euros) than the end of 2011 as an effect of the operating cash flow and the positive contribution in containing the working capital.

In the second quarter, the activities were completed which are aimed to a greater business focus through the spin-off and management via three companies, 100% owned by the parent company ADR, of the direct sales activities of the "core categories" in duty free/duty paid outlets (ADR Retail S.r.l.), of the car parks – or more generally of the mobility - (ADR Mobility S.r.l.) and airport security (ADR Security S.r.l.). Moreover, the procedures were started to identify, through a transparent process, important partners specialized in the relevant sectors, to be entrusted with implementing the development project through the company sale and sub-concession agreements.
The procedure regarding ADR Retail was completed at the beginning of July with awarding to the company Aelia of the Lagardère group, while the conditions precedent are about to be finalized (authorization of the Antitrust Authority and ADR's lenders).

This puts an end to the direct Duty Free/ Duty Paid management by the ADR Group which, by following the business models that prevail in the main international airports, is assigned to a specialized operator with the best expertise to achieve the set developments, thus contributing to further increasing the value of the ADR Group.

In February ADR repaid the last outstanding portion of the bank facility stipulated in 2005 for 65.5 million euros, entirely repaid with the company's resources.

At the end of May a new bank loan was taken out with a syndicate of eight banks for 500 million euros, allowing ADR to have a line, in addition to the revolving line of 100 million euros that replaced the one taken out in August 2011, of a maximum amount of 400 million euros destined to repay the most significant debt tranche coming due (Line A1 Romulus for 500 million euros falling due in February 2013). The new credit line falls due in February 2015.

This new line eased the pressure on liquidity and the refinancing risk that had forced the two agencies (Standard & Poor's and Moody's) to put ADR under observation for a possible downgrade between the end of 2011 and the start of 2012.
The two agencies removed the status of observation on June 7, 2012 (S&P) and June 15, 2012 (Moody's), giving positive outlook for ADR and, in the case of Standard &Poor's, raising the rating to BB+ (from BB).

Activities continued in the period, which are aimed at defining the Planning Agreement with ENAC and the competent Ministries. The collaboration with the Grantor in particular concerned the drafting of the final Investigation Report, which was subsequently sent to the Ministries together with the complete text of the draft of the Planning Agreement accompanied by all of its attachments, the investment plan as at 2044 (for a total of 12 billion euros), the economic and financial plan and the structure of the tariff scheme for the entire period of the concession.
Consequently to the studies conducted and particularly to the methodology adopted to calculate the Initial Invested Capital, on July 3 the Board of Directors of ENAC resolved on an additional method that was agreed by ADR.
In addition the company, despite the uncertain outcome of the discussions in progress, completed the drafting of the Master Plan regarding the modernization and expansion of the airport infrastructures at Fiumicino until 2044, with the support of the companies Scott/Wilson and Changi, incurring into considerable costs that would be lost in case the Planning Agreement was not approved.
At this stage we can simply underline the absolute and fundamental need to start the set investments that can be activated with the signature of the Planning Agreement, while pointing out, though, that the deadline of December 31, 2012 set by law imposes the conclusion of the phase of consultation with operators by October.

AIR TRAFFIC

The reference air transport scenario continues to be negatively affected by the unfavorable economic scenario both at national and international level and, in this context, the airlines continue to pursue strategies highly focused on costs with the consequent rationalization of their networks, in particular on lower-traffic and/or less profitable routes, also due to the high incidence of the cost of fuel.

In the first five months of 2012 (latest available data) global air transport in any case recorded an increase in passenger flow of 4.8%, compared to 2011: the rise in passenger traffic was common at both International (up 6.1%) and Domestic (up 3.9%) level.

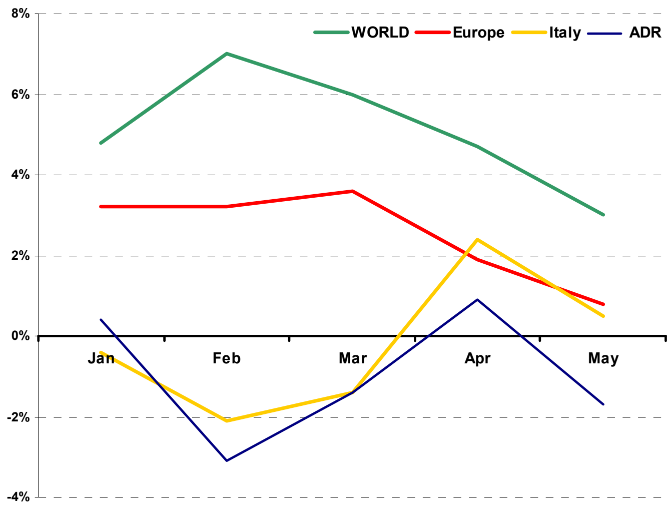
In the same period, also Europe, though affected by the global economic slowdown, recorded an increase in passengers (up 2.5% compared to 2011) and, in this case, the International component represented the driver behind the growth (up 3.4%), against an overall confirmation of the volumes of the Domestic segment (down 0.1%).

In the first five months of 2012, passenger traffic in Italy substantially recorded the transport volumes of the previous year (down 0.02%): this trend was the result of the reduced Domestic traffic (down 1.1%), against the slight overall growth in the International segment (up 0.9%).

	∆% Annual Progressive (Jan - May)
WORLD (a)	**4.8%**
Europe (a)	**2.5%**
Italy (b)	**0.0%**
FCO+CIA (*)	***-0.9%***

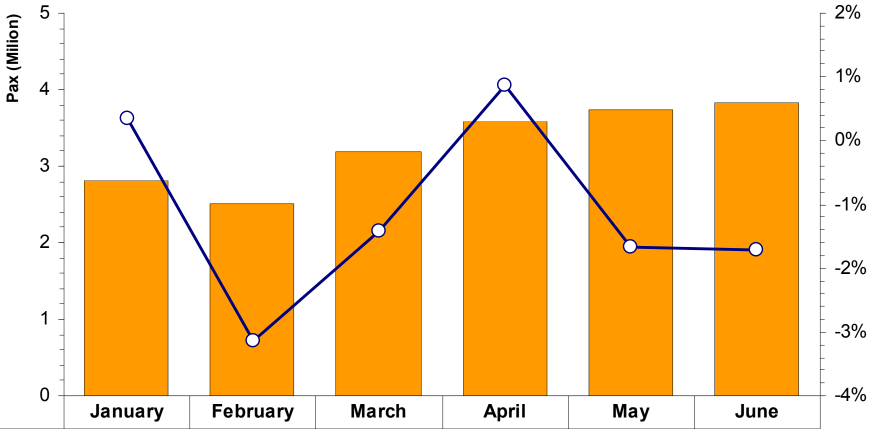
Source:
(a) ACI Pax Flash Report (2012)
(b) ASSAEROPORTI (2012)
(°) = Roman Fiumicino and Ciampino Airport System

Passenger traffic - 2012 percentage increases compared to the previous year



In the first five months of 2012 the main European airports recorded the following passenger traffic trends: Madrid (down 7.7%), Milan Linate and Malpensa (down 1.1%), London (up 1.0%), Paris (up 2.2%), Frankfurt (up 2.9%), Munich (up 3.6%) and Amsterdam (up 4.1%).
In the same time span the Roman airport system recorded a reduction in passenger volumes equal to 0.9%.

The monthly trend of passenger traffic in the Roman airport system, for the entire first half of 2012, is shown in the graph below:



	January	February	March	April	May	June
2012	**2,803,124**	**2,512,220**	**3,196,397**	**3,576,046**	**3,737,667**	**3,833,770**
Change % vs. PY	**0.4%**	**-3.1%**	**-1.4%**	**0.9%**	**-1.7%**	**-1.7%**

The **Roman airport system**, analysed in the division between Domestic and International segment (the latter broken down between the European Union and non-European Union), recorded the following trend:

	ROME SYSTEM	Domestic	International	int. UE	int. Extra UE
Movementes	177,198	69,442	107,756	73,133	34,623
D% vs PY	(5.2%)	(7.2%)	(3.8%)	(4.2%)	(2.9%)
Mtow	13,896,620	4,392,751	9,503,869	5,107,054	4,396,815
D% vs PY	(4.3%)	(6.7%)	(3.2%)	(4.7%)	(1.3%)
Total Pax	19,659,224	6,414,405	13,244,819	8,642,051	4,602,768
D% vs PY	(1.1%)	(4.2%)	+0.5%	(0.2%)	+1.9%
Freight (Kg)	74,060,026	2,407,774	71,652,252	15,071,764	56,580,488
D% vs PY	(8.2%)	(29.1%)	(7.2%)	(8.3%)	(6.9%)

Fiumicino airport recorded a drop in passengers of 1.1% compared to the first half of 2011; in capacity terms the results were as follows: movements (down 5.7%), seats (down 3.3%) and aircraft tonnage (down 4.4%).

	Fiumicino	Domestic	International	int.UE	int. Extra UE
Movementes	150,806	59,553	91,253	58,168	33,085
D% vs PY	(5.7%)	(9.3%)	(3.2%)	(4.2%)	(1.6%)
Mtow	12,563,132	4,029,109	8,534,023	4,183,695	4,350,328
D% vs PY	(4.4%)	(8.4%)	(2.3%)	(3.9%)	(0.8%)
Total Pax	17,363,629	5,861,750	11,501,879	6,930,118	4,571,761
D% vs PY	(1.1%)	(6.3%)	+1.7%	+1.1%	+2.7%
Freight (Kg)	65,327,068	2,343,612	62,983,456	6,402,968	56,580,488
D% vs PY	(8.0%)	(29.9%)	(7.0%)	(7.1%)	(6.9%)

with the sequent concentration on the national flag carrier Alitalia:

	Fiumicino	Domestic	International	int.UE	int. Extra UE
Movementes	69,888	43,183	26,705	14,513	12,192
D% vs PY	(5.5%)	(5.7%)	(5.3%)	(7.8%)	(2.2%)
Mtow	5,686,045	2,970,631	2,715,414	1,077,796	1,637,618
D% vs PY	(4.8%)	(4.8%)	(4.8%)	(10.7%)	(0.5%)
Total Pax	7,864,186	4,460,028	3,404,158	1,653,526	1,750,632
D% vs PY	(2.9%)	(3.4%)	(2.2%)	(7.3%)	+3.1%
Freight (Kg)	23,995,038	1,399,807	22,595,231	1,394,202	21,201,029
D% vs PY	(3.0%)	(13.5%)	(2.2%)	(4.8%)	(2.1%)

The airport's overall load factor stands at 69.5%, with a growth of 1.5 percentage points compared to the same period of the previous year.

During the first six months of the year, two events worth highlighting occurred at Fiumicino, which negatively affected air traffic: the snow emergency and the negative impact of several days of strike which overall led to an estimated loss of more 90,000 passengers and the cancellation of more than 500 flights. The effects were partially compensated by the extra day in February 2012 (leap year).

Breakdowns for the different areas are as follows:

- **Domestic Traffic** (with Alitalia market share of 76.1% and other airlines 23.9%): the overall drop reached 6.3% in terms of passengers, while the capacity offered recorded a drop of 9.3% for the movements and 8.4% for the tonnage. The segment accounts for 33.8% of total passenger traffic;
- **International European Union Traffic** (with Alitalia market share of 23.9% and other airlines 76.1%): in this context the traffic reported a growth in passengers (up 1.1%) against a drop in the capacity offered (movements down 4.2% and seats down 1.7%). This segment represents 39.9% of total passenger traffic;
- **International non European Union Traffci** (with Alitalia market share of 38.3% and other airlines 61.7%): represents the component with the best airport performance and an overall growth of 2.7% in passengers while, just as for the EU segment, a reduction is recorded in the capacity offered equal to 1.6% for movements and 0.8% for aircraft tonnage. The segment represents 26.3% of total passenger traffic.

In terms of network development, it should be noted that Fiumicino airport recorded some increases in the frequency of already existing connections (for example Alitalia to Rio de Janeiro; China Eastern to Shanghai), as well as new flights being opened: including Azerbaijan Airlines to Baku; Jet2.com to Glasgow and Newcastle, Monarch Airlines to Birmingham and London Luton; Meridiana to Yerevan; Bmibaby to Birmingham; Vueling and Transavia France to Nantes.
On the other hand, the traffic trend at Rome airport was negatively affected by the insolvency of some airlines (Malev to Budapest, Cimber Sterling to Copenaghen) and the review of the network of other carriers with a view to optimizing their performance, which have terminated their operations (Air Seychelles to Mahe, Malaysia to Kuala Lumpur, Kenya Airways to Nairobi). The passenger traffic volumes, with particular reference to the first quarter of the year, were likewise conditioned by the reductions in capacity made by some carriers since November 2011 (winter 2011-12): examples in this sense were recorded on the Rome – USA routes with Alitalia reductions to Los Angeles and Chicago, Delta Airlines to New York, US Airways to Charlotte.

Ciampino airport, while maintaining the maximum limit of a hundred commercial movements a day as capacity that can be allocated, in the first half of 2012 recorded a slight decrease in the passenger traffic (down 0.8%). The capacity offered in terms of movements dropped by 1.8%, while the seats rose by 2.3%.

The snow emergency effects led to an overall reduction in traffic also at Ciampino, equaling about 20,000 passengers for about 110 flights cancelled.

	Ciampino	Domestic	International	int. UE	int.Extra UE
Movementes	26,392	9,889	16,503	14,965	1,538
D% vs PY	(1.8%)	+7.8%	(6.8%)	(4.4%)	(24.7%)
Mtow	1,333,488	363,642	969,846	923,359	46,487
D% vs PY	(3.6%)	+18.5%	(9.9%)	(8.1%)	(35.7%)
Total Pax	2,295,595	552,655	1,742,940	1,711,933	31,007
D% vs PY	(0.8%)	+24.5%	(6.9%)	(5.3%)	(50.6%)
Freight (Kg)	8,732,958	64,162	8,668,796	8,668,796	0
D% vs PY	(9.0%)	+16.2%	(9.2%)	(9.2%)	+0.0%

Activities

In the period, the Group's activities generated total revenues of 292.9 million euros, which break down as follows:

(in millions of euros)	First half 2012	First half 2011	Change %
Airport fees	84.2	85.2	(1.2%)
Centralized Infrastructures	19.4	18.5	5.0%
Security	32.5	32.9	(1.3%)
Other (PRM services, check-in desks, etc.)	15.0	14.3	4.7%
AERONAUTICAL REVENUES	**151.1**	**150.9**	**0.2%**
"Duty free" and "duty paid"	41.0	41.0	(0.0%)
Sub-concessions and utilities			
- sub-concession and utilities	30.1	29.1	3.5%
- commercial activities in sub-concession	28.3	27.2	4.0%
	58.4	56.3	3.8%
Parking	14.9	15.2	(2.1%)
Advertising	9.4	9.9	(4.7%)
Canteen	3.8	3.8	0.3%
Contract work in progress	2.7	2.7	1.6%
Other (maintenance, other sales, cleaning, ICT, etc)	11.5	11.1	3.6%
NON AERONAUTICAL REVENUES	**141.8**	**140.0**	**1.3%**
TOTAL REVENUES (*)	**292.9**	**290.9**	**0.7%**
(*) Revenues net of contract work in progress	290.2	288.2	0.7%

A review of operations in the first half in the various areas of business in which the Group is involved is provided below.

Aeronautical activities

Revenues from **airport fees**, equal to 84.2 million euros, decreased by 1.2% compared to the same period of 2011, broken down as follows:

- landing, take-off and parking fees: equaling 27.3 million euros, decreased by 3.4% compared to the first half of 2011 due to a drop in the number of movements recorded (down 5.2%), which was partly mitigated by a lower percentage reduction in terms of both the number of flights and the non-EU tonnage with a higher unit fee;
- passenger boarding fees: these amount to 55.5 million euros, with a performance that is substantially in line with 2011 (up 0.2%) since the lost revenues due to the reduction in the number of domestic passengers handled (down 4.2%) was offset by an increase in non-EU passengers (up 2.0%) with a higher unit fee.
- cargo revenues: the revenues stand at 1.4 million euros, down by 9.5% consequently to the reduced goods transported compared to the previous year (down 8.2%).

Finally, regarding airport fees, the adjustment with the target inflation rate (up 1.5% on average) took place on June 6, 2012 and, therefore, only marginally affects the results of the first half.

In the first half of 2012 the management of **centralized infrastructures** registered revenues of 19.4 million euros corresponding to a 5.0% increase compared to the previous year, due to:

- 5.0% increase in revenues from baggage handling systems. Concerning the dispute pending with some carriers (mainly Alitalia) as regards the fee for the use of the “NET6000” system, following the negative opinion of the Attorney’s Office concerning the possibility for the Civil Aviation Authority (ENAC) to impose the prohibition for the flights of defaulting carriers to depart, injunctions were issued for the amounts due;
- 6.3% increase compared to the previous year in revenues relating to the loading bridges due to the greater availability of some systems of Satellite Ovest (subject to penalization for upgrade works in 2011) and improvements in bridge management.

Security activities (security checks on passengers and carry-on and checked baggage, 100% screening of checked baggage, explosive detection checks, other security checks requested) generated revenues of 32.5 million euros in the first half of 2012, 1.3% lower than the same period in 2011. This performance derives from a decrease in passenger traffic and revenues for on-demand services provided at Fiumicino.

As part of the revenues related to the **other aeronautical activities**, equal in total to 15.0 million euros (up 4.7%), the trend of the following items is shown:
- assistance to passengers with reduced mobility (“PRM”): for this activity, carried out by the Parent Company ADR via a service agreement entrusted to the subsidiary ADR Assistance, revenues were recorded for 7.1 million euros, up by 5.4% compared to the previous year for various fees applied in the two periods being compared; this effect is partly mitigated by the reduction in passengers handled;
- passenger check-in desks: revenues, equaling 5.5 million euros, increased by 0.8% compared to last year due to the combined effect of the reduction in outgoing flights and the new methods of use which, being based on a maximum number of passengers to be accepted per flight on the individual desks, encourage a more intense use of the infrastructure;
- other aeronautical revenues: equal to 2.4 million euros and consisting of revenues for the use of common assets, luggage porters and left luggage, self-service trolleys, etc.

"*Non-aeronautical*" activities

In the first half of 2012, revenues deriving from **direct sales** recorded a turnover of 41.0 million euros, in line with the figure of the same period of 2011. Against the drop in the outbound traffic volumes (down 1.0%), the average expenditure per passenger grew by 4%.
During the first half the creation of the new newsagent area was completed at shop 3 (departure area C), a project financed by the supplier JTI. In May a temporary outlet was also opened at the arrivals of Terminal 3 with the aim of tapping into the potential expenditure of the arriving passenger flow and the meeters & greeters who frequent the area**.**

With reference to **real estate management,** revenues from retail and other sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amount to 23.3 million euros, registering a 4.3% increase compared to the same period of the previous year.
This trend is basically attributable to the adjustment of the unit values of the sub-concession fees to the inflation trends – where contractually provided for – recorded in the previous year as well as the greater fees for license, user and service fees to the “rent a car” following the transfer to Office Tower 2 in April 2011, with an overall doubling of the spaces used.
In addition, a general increase in electricity consumption is noted, with a consequent positive effect on the fees for the recovery of the related charges.
The income originating from other fees charged at Fiumicino and Ciampino amount to 6.8 million, substantially in line with the comparison period (up 0.6%).

With reference to the **retail outlets managed by sub-concession**, a new procedure for the assignment of spaces managed by sub-concessionaires was defined and applied the six-month period. This innovation lets us seize, via tenders, all the opportunities of commercial development while guaranteeing maximum opening to the market and the achievement of the best contractual conditions for ADR. Therefore, in the six-month period tenders were started and concluded with the awarding of about thirty premises.

Revenues from retail outlets managed by sub-concessionaires in the first half of 2012 equalled 28.3 million euros, with an increase compared to 2011 of 4.0%; the average revenue per passenger grew by 5.3%.

In the first half of 2012 “Specialist Retail” activities recorded revenues for ADR equal to 14.6 million euros, up compared to the same period in 2011 by 1.7% (up 2.7% in terms of average passenger revenue).
The “Other royalties” segment reported revenues equaling 3.3 million euros with an increase of 0.6 million euros. Following a tender procedure, from June 1 twelve currency exchange counters at Fiumicino and Ciampino were awarded to America Express, the remaining six at Fiumicino to the company Yex Change.
Concerning “Food & Beverage” activities, the six-month period recorded a turnover of 10.3 million euros, up by 2.7% with an increase in passenger expenditure of 3.7%. Worth noting in the six-month period is the opening of a new refreshment point at the centre dedicated to car rental with driver.

The management of **car parks** generated revenues for 14.9 million euros with a decrease of 2.1% compared to the previous year. The reduction was slightly higher than the trend of the potential customer market, consisting of “outgoing” passengers, which dropped by 1.1%, thus determining a negative value in expenditure terms per passenger equal to 1.0%.
In detail the following trends were registered:

- cash car parks: revenues equaling 12.7 million euros (down 1.9%) with an average expenditure aligned to the period of comparison;
- airport operator car parking: revenues of 2.2 million euros (down 3.2%).

During the first half, new fee actions were implemented aiming to recover profitability margins in the passenger car park customer segments of the booking on line and walk-in distribution channels.
Regarding marketing to support the Easy Parking brand, the Telepass campaign continued in the media and two Telepass points were installed in the terminals; the online part of the media plan was implemented (Google Adwords) and the new short-term signs were created at Ciampino. “The VIP” was also created, a complementary service package dedicated to Easy Parking customers and accessible at facilitated conditions (fast track, VIP room, free trolleys). The activity was supported by a poster campaign in the airport.

Revenues from advertising equal 9.4 million euros in the first half of 2012, down by 4.7% compared to the same period of 2011.

In the first half of 2012 **refreshment outlets** (management of canteens for airport operators) registered revenues of 3.8 million euros, in line with the reference period (up 0.3%). Concerning the plan to focus on the core business, since July 1, 2012, this activity is no longer carried out by ADR but directly by the service supplier ADR provided spaces and equipment to by sub-concession.

“**Contract work in progress**”, substantially comprising the revenues to repay the works financed by the State, relating to departure area F (formerly Pier C) net of the change in works in progress of the same nature, equalled 2.7 million euros in line with the first half of 2011.

In the “**other activities**” segment, with revenues of 11.5 million euros in the period in question, the following trend is shown compared to reference six-month period:

- revenues for maintenance operations provided to third parties, equaling 4.8 million euros up 10.2%;
- revenues for cleaning fees and biological wastewater treatment for 1.9 million euros, slightly up (1.8%);
- revenues for other sales (fuel, consumable materials, etc), equal to 1.5 million euros, up 14.1%.

Environmental protection

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

The program regarding the development of the sorting of recyclable waste at Fiumicino airport, relating to the portion comprising paper, cardboard, wood and plastic, proceeded and, starting from May 2012, with the start of the new contract, the waste collection, transport and disposal service is now provided with new operating methods.
In February the ENAC issued, on ADR's request, a specific ruling (2/2012) aimed at regulating the management of urban solid waste and the relevant control method at Fiumicino airport from May 1, 2012.

Monitoring of air quality continued to be carried out at Fiumicino and Ciampino airports with the integration, in addition to the sampling and analysis activities carried out in the past years, of the measurement of dusts similarly to what happens for inhabited centers.
The "Project for the quantification of CO_2 emissions deriving" from the activities at the Ciampino airport was started for the subsequent certification of the methodology used to quantify emissions at the airport (Airport Carbon Accreditation) and to define the improvement programs.
The continuous monitoring of the performance of wastewater treatment systems was continued at Fiumicino airport, which showed the optimal operation of the same systems. These results were confirmed also by ARPA Lazio (supervisory body of the Province of Rome), which in February and March run the annual checks on the biological wastewater treatment system. Drinking water sampling was further enhanced with the aim of submitting for inspection all the infrastructures at the airport.

Regarding the issue of noise abatement, ADR continued airport noise monitoring activities at both airports in compliance with the specific legal provisions.
On July 1, 2010 the Service Conference set up by Lazio Regional Authority to define acoustic zoning for Ciampino airport completed its work, with approval resolution published in the Official Bulletin of the Lazio Regional Board on October 7, 2010. Compared to the areas initially estimated, due to a change introduced by ENAV to the take-off procedure due, as declared by ENAC, safety reasons, the areas where the limits are exceeded were increased. Studies are being conducted in agreement with ENAC and ENAV to reduce these areas.
A deed is pending before the Lazio Regional Administrative Court with which ADR lodged the report of the above Conference which approved the acoustic zoning.

Quality

In the first half of 2012 monitoring of the level of service provided at Fiumicino and Ciampino airports was ensured, as established by the Quality Plan for 2012, by about 15,000 objective checks being carried out. The quality of the main services provided to passengers was verified and in particular: check-in, carry-on baggage checks, baggage reclaim and punctuality of departing flights.

At Fiumicino airport, the analysis of the trend of the quality levels shows a general compliance with the indicators of the Service Charter and an improvement compared to the same period of 2011. The only exceptions concern security checks on carry-on baggage, for which the overall data for the six-month period is not in line with the Charter with a worsening over 2011 in connection with the gradual enforcement of new procedures for security checks to adjust to the security measures imposed by ENAC and ECAC. The actions taken led to an improved process in June 2012 that allowed the compliance with the Service Charter for the first time since the start of the year. The trends of the main indicators are as follows:

- passengers checked in in the domestic area within the set 10 minutes in 97.7% of cases (the figure recorded for the same period in 2011 is 94.5%) and in the international area within 20 minutes in 89.4% (84% in 2011), compared to a standard of 90%;
- 82.9% of passengers waited less than 12 minutes for carry-on baggage security checks; the airport did not respect the indicator of the Service Charter (90%) and worsened compared to the same period of 2011 (91.4%);
- baggage reclaim took place by the set time in 90.8% of cases for the first piece of luggage and 92.6% for the last (89.5% and 92.6% in 2011), compared to a standard of 90%;

- the percentage of outgoing flights with delays of more than 15 minutes was 16.9% (standard 25%); this percentage was improved by about 1 percentage point compared to the data of 2011.

At Ciampino airport, the analysis of the trend of the quality levels shows, for all the controlled processes, compliance with the indicators of the Service Charter and an improvement compared to the reference period; security checks, though in line with the Service Charter, worsened by three percentage points compared to the same period of 2011:

- passengers checked in in the domestic area within the set 20 minutes in 99.1% of cases, recording an improvement compared to 93.5% in 2011;
- 96.3% of passengers waited less than 14 minutes for carry-on baggage security checks, 6% more than the standard published in the Service Charter (99.1% in the first half of 2011);
- baggage reclaim took place by the set time in 98.9% of cases for the first piece of luggage and 99.7% for the last (respectively 96.7% and 98.2% in 2011);
- the percentage of outgoing flights with delays of more than 15 minutes was 13.4%; the airport met the standard regarding delays to outgoing flights (17%), improving by 3% over 2011.

GROUP CAPITAL INVESTMENT

In a reference context that still features uncertainty as to the timing of the tariff increases and the persisting constraints on cash management imposed by the loan agreements, the Group limited its volume of investments to 21.0 million euros compared to 33.3 million euros of the same period of 2011. Also in this first portion of the year, as in 2011, the investments were focused on the extraordinary maintenance needed to maintain the current safety and quality standards.

Below the main investments made in the six-month are described.

(in millions of euros)	**First half 2012**	**First half 2011**	**Δ**
The boarding Area E/F (Pier C and 3° BHS)	5.6	6.2	(0.6)
Interventions on runways and aprons	2.7	1.8	0.9
Fiumicino - Maintenance works on electrical network and air conditioning	1.9	2.0	(0.1)
Works on Luggage plants and new machinery RX	1.1	6.7	(5.6)
Maintenance works and optimization of terminals	0.9	2.4	(1.5)
Works on airport road network	0.9	1.2	(0.3)
Fiumicino - electrical maintenance	0.9		0.9
North Fiumicino: plan for long-term development	0.7	1.1	(0.4)
Ciampino: infrastructural works	0.5	1.8	(1.3)
Fiumicino: Maintenance works on civil works	0.5	1.0	(0.5)
Fiumicino - Maintenance works on plant electromechanical	0.4	1.5	(1.1)
Fiumicino - Maintenance works on water supply and drainage	0.4	0.5	(0.1)
Acquisition of Plant and machinary	0.3	0.3	0.0
Works of commercial areas and parking	0.2	0.4	(0.2)
HBS/BHS ex Cargo Alitalia	0.1	1.3	(1.2)
Maintenance works on building in subconcession	0.1	0.5	(0.4)
Upgrade of "Satellite" for A380	0.0	0.6	(0.6)
New Airport (flights low-cost)	0.0	0.1	(0.1)
Urbanized west area / Aprons "W" 1st stage	0.0	0.2	(0.2)
Others	3.8	3.7	0.1
TOTAL INVESTMENTS	**21.0**	**33.3**	**(12.3)**
including:			
- autofinancing	*18.3*	*30.6*	*(12.3)*
- state-funded	*2.7*	*2.7*	*0.0*

- Terminals

The construction works at departure area F (formerly Pier C) continued, at a slow pace, just like in the previous year. To date, the following activities are underway: placement of the metal framework comprising the structure of the new pier, creation of stairways and laying roof tiles. According to the agreement signed with A.T.I. Cimolai and while waiting for the planning agreement to be finalized, the works will continue until September 30, 2012.
The installation works were also started for the new service elevator for the transportation of goods to the direct retail warehouses of Terminal 3 to allow the inclusion to the site of the front part for the works at "pier".
At T3 departures, as part of the initiative aimed at reorganizing the passport control area and upgrading the security checks area, the preparatory works were completed and the works were started, which were planned for the end of the year.
In June the executive design was completed which concerns the reorganization of the arrival area at Terminal 3 and the decongestion of the area by increasing the spaces for operating activities and the circulation of passengers and making them more efficiently used, and for the reconfiguration of the customs entry points and the relevant Government Authority offices, the upgrading and renovation of rest rooms both land side and air side.
As part of the works to improve the image and functionality of the terminals, activities were started that concern the creation/renovation of ADR information desks and the works continued for the renovation of rest rooms.

- Baggage handling

The restructuring works previously suspended were completed in the area (former Alitalia cargo) that will host the automated baggage handling system dedicated to Terminal 1; in the meanwhile, the executive design of the system has been completed.
At front T3 airside, a manual checked baggage handling carousel was created to serve as back-up for the sorters of the BHS in departure area D. This temporary system is located inside a canopy structure and will be removed when the area is turned into a worksite to create the front building of departure area F.

- Infrastructure and buildings

The works were completed to create the first recycling point for the sorting of the waste from airport activities and the works are being entrusted to create another four points.
The works were started to remake the road connections on the departures flyover.
The adaptation of the curbside route to the departure hall was also completed, including the new car park next to the Ceremonial Office.
Also concluded were the consultations with the authorities responsible for issuing the water and government permit for the creation of the Tevere industrial water suction and the imminent final authorization is awaited.

- Runways and aprons

For the upgrading works of runway 07-25, the legal activities are underway concerning the appeal against the awarding presented by both A.T.I. Claudio Salini being established (excluded after the congruity analysis) and A.T.I. Mattioli being established.
The upgrading work was completed at the Northern part of runway 16L/34R as well as the executive design of the extraordinary maintenance works of the strip of the runway 16C/34C.
Upgrading works are being carried out at the Bravo-Delta taxiway. The upgrading design of runway 3 has started and the monitoring activities of the airport surfaces are underway according to the provisions of the Airport Manual (PMS- Pavement management System).
Being completed is the executive design for the makeover of the electrical network servicing the flight area.

- Infrastructure planning and development

The drafting of the 2044 Fiumicino Masterplan is being concluded. ADR and URS (formerly Scott Wilson), with the technical support of CAPE (Changi Airports Planners Engineers), in the first half of 2012 defined the structure and dimensional parameters concerning the infrastructure of Fiumicino Nord regarding the runways, the aircraft parking aprons, the terminal, the Ground Transportation Center (GTC) and the connections with the territory. The documents being drawn up include the arrangement into phases of the interventions and the amount of the investments.

The environmental sustainability of Fiumicino Nord, a key part of the Masterplan, was defined through the main elements: the energy requirements, the technological systems (photovoltaic, biomass, small wind turbines, cogeneration, geothermal), the disposal and re-protection of the subservices that interfere with the new infrastructures, the restructuring of the existing channels, the network of mitigation and environmental compensation works and the initial assessment of the landscape impact.
The environmental impact assessment investigation continues regarding the project for the completion of the infrastructure of Fiumicino Sud. In February the Investigation Group of the VIA Commission asked ADR for some integrations of a landscape and environmental interrelation nature, for which the Italian Civil Aviation Authority requested an extension of the investigation equal to 60 days. The project and environmental studies were drawn up in close coordination with the VIA Commission, delivered on July 9, 2012.
The capitalized external costs for the execution of these activities (4.3 million euros at June 30, 2012 – 3.9 million euros net of amortizations) will have to be wrote off in case the failed implementation of the Planning Agreement does not allow the activation of the investments stated.
The definitive Master Plan was presented by the Company to the press on July 26, 2012.

- ICT

The investment activity described previously was accompanied by a host of technological and functional improvements in the Information Technology area (ICT). In particular:

- A-CDM (Airport Collaborative Decision Making): the project continued, started in 2011, for the development of the IT platform to support the new airport operating process, defined at European level by Eurocontrol, which integrates in a single global vision all the specific processes concerning the various airport stakeholders (manager, control tower, handlers, airlines, etc.);
- spin-offs: all the IT systems were adjusted to start the operations of the newly established ADR Retail ("ADR Retail"), ADR Security S.r.l. ("ADR Security") and ADR Mobility ("ADR Mobility");
- new access control system: all the activities are being implemented for the creation of the new integrated Airport Access Control system;
- fire extinguisher management: the IT system was implemented to support the scheduled and failure maintenance of the extinguishers within Fiumicino.

RESEARCH AND DEVELOPMENT

The ADR Group did not carry out any research and development activities during the first half of 2012.

GROUP PERSONNEL

Group headcount at 30 June 2012

At the end of the first half of the year, the headcount was 2,756. The changes recorded in comparison to the closure of the previous year are specified in the following table:

Headcount	06.30.2012	12.31.2011	Δ
Managers	42	45	(3)
Supervisors	183	184	(1)
White-collar	1,797	1,791	6
Blue-collar	734	569	165
Total Group	**2,756**	**2,589**	**167**
including:			
on permanent contracts	2,072	2,017	55
on temporary contracts	684	572	112

In the period in question, a spin-off program was created, which led to the establishment of three new companies, entirely controlled by ADR (ADR Retail, ADR Security and ADR Mobility) through the contribution in kind of the company branches of the Parent Company ADR.

Downstream of these operations, the commitment of the personnel is distributed among the Group companies as follows:

	06.30.2012			12.31.2011			Δ 2012 vs 2011		
HEADCOUNT	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**
ADR S.p.A.	1,002	145	1,147	1,788	464	2,252	(786)	(319)	(1,105)
ADR Engineering S.p.A.	33		33	34		34	(1)		(1)
ADR Tel S.p.A.	16		16	16		16			
ADR Advertising S.p.A.	8	1	9	8	1	9			
ADR Assistance S.r.l.	170	262	432	171	107	278	(1)	155	154
ADR Security S.r.l.	603	216	819				603	216	819
ADR Retail S.r.l.	188	53	241				188	53	241
ADR Mobility S.r.l.	52	7	59				52	7	59
Total Group	**2,072**	**684**	**2,756**	**2,017**	**572**	**2,589**	**55**	**112**	**167**

Compared to the closure of the previous year, the Group's headcount increased by 167. The situation is attributable to the summer increase in operations and the service quality improvement program created by ADR Assistance through the establishment of the fixed controls at the check in areas of the Terminals aiming to shorten service times (about 100 resources).
Also worth considering is that the figures at the end of last year refer to the headcount at December 31, therefore a different season from the one of June 30, 2012.
In terms of contract type (up 55 permanent contracts, up 112 temporary contracts), the increase in the permanently employed workforce (up 55 units) derives from the transformation of temporary contracts in all the Group companies (up 64 units) due to the application of the general legislation on transformation, a partially compensated effect the termination of employment due to resignation and dismissal (down 9 units),

Average Group headcount up to June 30, 2012

The average force recorded in the first half of 2012 is 2,329.7 full time equivalent ("fte"), divided by qualification, contract type and distributed by company:

Average Group headcount	**Jan-Jun 2012**	**Jan-Jun 2011**	**Δ**
Managers	42.1	42.3	(0.2)
Supervisors	183.8	178.8	5.0
White-collar	1,595.4	1,604.1	(8.7)
Blue-collar	508.5	524.5	(16.1)
Total Group	**2,329.7**	**2,349.7**	**(20.0)**
including:			
on permanent contracts	1,939.9	1,797.7	142.2
on temporary contracts	389.8	552.0	(162.2)

	Jan-Jun 2012			Jan-Jun 2011			Δ		
Average Group headcount	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**
ADR S.p.A.	1,449.3	233.6	1,682.8	1,571.5	482.9	2,054.4	(122.2)	(249.3)	(371.6)
ADR Engineering S.p.A.	33.1		33.1	34.0		34.0	(0.9)		(0.9)
ADR Tel S.p.A.	16.0		16.0	15.2	0.8	16.0	0.8	(0.8)	
ADR Advertising S.p.A.	8.0	1.0	9.0	7.0	1.0	8.0	1.0		1.0
ADR Assistance S.r.l.	165.8	82.0	247.8	170.0	67.3	237.3	(4.2)	14.7	10.5
ADR Security S.r.l.	172.6	52.3	224.9				172.6	52.3	224.9
ADR Retail S.r.l.	78.7	19.0	97.6				78.7	19.0	97.6
ADR Mobility S.r.l.	16.4	2.0	18.4				16.4	2.0	18.4
Total Group	**1,939.9**	**389.8**	**2,329.7**	**1,797.7**	**552.0**	**2,349.7**	**142.2**	**(162.2)**	**(20.0)**

The comparison with the similar period of the previous year shows a reduction in the use of the force of 20.0 fte, which ADR and the newly established companies largely affect.

By only considering the perimeter of pre-spin-offs ADR (currently ADR, ADR Security, ADR Retail and ADR Mobility), the reduction in the headcount is 30.6 fte. This saving is the result of managerial actions aimed at optimizing the use of the workforce employed in operations also, for example, through the use of more suitable contractual forms to cover the service needs (part time at 4 hours), and the effect of the efficiency programs started during 2011. Still with reference to the same organizational perimeter, the increased presence of personnel employed permanently (up 142.2 fte) compared to the first half of the previous year, is mainly connected to the conversion to temporary contracts, in compliance with the regulations in force, occurred between November 2011 and January of this year, offset by lower temporary recruitments.

For ADR Assistance, the increase in average headcount (up 10.5 fte) is mainly attributable to the temporary contracts (up 14.7 fte) dedicated to the service quality improvement program.

In the two periods being compared, the productivity of the ADR Group (indicator: passengers/fte) remains basically unchanged (down 0.2%) as a response of the organization to passenger traffic trends (down 1.1%).

Organizational aspects

In organizational terms, the most important event of the six-month period is the creation of the three new companies dedicated to the management of the security, retail and car park businesses, each with individual organization. The organizational structures concerned by the break up of the company branches were redefined and updated also in ADR. To support the reconfiguration of the ADR Group, a parallel process of redefinition of the governance system was commenced by starting three dedicated projects.

Still in the same period, with the aim of focusing on the mission of the Infrastructure Management regarding airport development, the main maintenance activities were made to converge in the Aviation area, which was thus renamed Airport Management. At the same time, the Terminal management organizational model was reviewed to support the quality of the service provided to passengers.

With the review of the responsibility perimeters for the two Offices, Airport Management and Infrastructure Development (formerly Infrastructure), a new Post Holder was appointed for the Fiumicino civil, plant and system maintenance area.
On May 11, 2012, ADR's Board of Directors resolved on new governance instruments to guarantee maximum transparency and continuous improvement of the competitive procedures in the corporate processes. In particular:
- a "Contract Governance Committee" was established, chaired by Ms. Maria Grazia Cappugi (former President of the Chamber of the Council of State), which will deal with defining the guidelines on the awarding via a public tender, in compliance with the legislation in force and which will annually report on its activities to ADR's Board of Directors;
- the "Committee for the Management of the Valorization Process and the Transfer of the Direct Retail and Mobility Business areas" was established, consisting of the independent directors of Gemina S.p.A. ("Gemina"), Mr. Giuseppe Angiolini and Mr. Giuseppe Bencini and ADR's Managing Director, Mr. Lorenzo Lo Presti, in order to verify the complete transparency, rigor and objectivity of the sale process underway while assessing the utmost compatibility with the company's interests;
- a "New procedure for the assignment of the retail outlet spaces managed by sub-concession" was approved by establishing criteria of fair treatment, transparency, non discrimination and proportionality on the choice of the sub-concessionaries, through the identification of specific competitive procedures depending on the various characteristics of the activities to be entrusted to third parties.

The update was published of the procedure regarding the Organizational, management and control model Law 231/01, which envisages the adoption of a suitable sheet to support the periodic information flow from the Management to the Supervisory Board.

On March 1, 2012 the ordinary general meeting of the shareholders of Gemina ("Gemina") approved the general lines and the regulation framework of a stock option plan pursuant to art. 114-bis of Leg. Decree no. 58 of February 24, 1998 called "***Stock option plan 2012***".

In compliance with the guidelines approved by the meeting, on March 1, 2012 Gemina's Board of Directors approved a special regulation that defines the terms and conditions of the plan aimed to encourage the beneficiaries to valorize the Gemina Group while creating a loyalty instrument by promoting a culture of value creation.
The Plan is reserved for employees, associates and directors holding special offices at Gemina and the companies controlled by it, identified at the unquestionable judgment of the Board of Directors, on the proposal of the Human Resource and Remuneration Committee, among the subjects holding key strategic positions within the companies and the subsidiaries, concerning the respective positions held.

Industrial relations

The spin-off program that ADR planned to create during 2012 for the "Direct Retail", "Security" and "Car Park" activities was made official by the Trade Union Organizations on March 2, 2012, through communication pursuant to art. 47 of L. 428/90 and subsequent amendments and integrations. The communication anticipated the establishment of three new companies, fully controlled by ADR which the three abovementioned business branches would be conferred to.
During talks with the trade unions, which took place in March, the interventions were also assessed relating to the current labor regulations, aiming to contain the cost of the labor. Based on the developed hypotheses, on March 29, 2012 an Agreement was signed with Cisl, Uil and Ugl of the Air Transportation, which concluded the procedure, providing for a 16% reduction in salaries (basic and contingent) for new recruits, both temporary and permanent. The agreement also provided for the conversion of the temporary contracts that has already reached the maximum limit of 44 months of employment.

Cgil did not sign the agreement as it does not support the planned action since this deviates from the contractual regulation, which is now being renewed, since the current contract is overextended after the natural expiry of December 31, 2011.

The conditions defined by the trade union agreement on the salaries of new recruits allowed us to achieve the labor cost target set for the three new Companies.

After signing the agreement, in April and May the transfer of the three corporate branches took place, including the staff in each.
In June an agreement was signed for ADR Security with the company trade union representatives from Fit Cisl, Uil Trasporti and Ugl Trasporti on the use of part time contracts with 4 hours shifts, governing beforehand the use of this type of contract for the years 2012/13 for both peak periods and low periods.
At the same time, the agreement included 46 contract transformations from part time to full time (26 units on October 1, 2012 and 20 units on January 1, 2013), to contain the existing percentage ratio between these two types of contracts, to date vastly higher than the set contractual value (45% foreseen).

Training

During the six-month period, about 9,000 hours of training were provided to 550 participants. Training focused on developing priority knowledge to support the corporate targets with special attention to the subjects of operating quality, continuous improvement and safety in the workplace.
Worth noting are: the ADR Quality project aimed at professional airport employees for a total of 1,000 hours provided and the ADR Kaizen course where the blue and white collar staff were taught the basics for the continuous improvement of the operating processes they are dedicated to.
To support the Purchase and Tender department, a training project was developed for Procurement professionals to achieve the key skills for the organizational change.
Finally, worth noting is the set of training/specialist actions involving the maintenance and safety staff to consolidate the knowledge on the use of the security systems and the deterioration of the runways, respectively.

All the training was financed by resorting to the Fondimpresa cross-industry funds.

<u>Prevention, protection, emergency management and social responsibility of the company</u>

The spin-off program also affected the health and safety in the workplace activities. The usual updating of the Risk Assessment Document carried out for ADR, also based on the accidents occurring in 2011, was supported by the drawing up of the Risk Assessment Documents for the newly established companies.

As part of the initiatives aiming to increase the sensitivity of the staff towards safety in the workplace, the training activities continued, both basic and refreshers, for the firefighting teams and the employees of the emergency teams. In addition the personnel dedicated to emergencies were fitted with customized waistcoats with the identification of their role (emergency manager, emergency team member, evacuation employee).
The training programs on health and safety in the workplace were updated according to the new State-Region Agreement and about 350 resources were trained with an average of 8 hear per head.

CORPORATE TRANSACTIONS

In the first half of 2012, the activities aimed at changing the corporate structure of the ADR Group continued, to be achieved through the establishment of new special-purpose companies dedicated to the management of the following activities: direct retail, car parks, security and vehicle maintenance. In particular:

- **Direct Retail**

On April 2, 2012 ADR Retail was set up through the contribution in kind of the company branch called "Direct Retail", pursuant to art. 2465 of the Italian Civil Code. This branch consists of the assets and liabilities relating to the management of the Duty Free and Duty Paid shops inside the airports of Fiumicino and Ciampino, managed by ADR, and the existing contractual relations connected directly, including those relating to the employees included in the same Branch.
In addition, the actions were identified for the release and valorization of the business and the selection process was started for a reference specialized operator and the subsequent sale with sub-concession agreement. On July 13, 2012, ADR's Board of Directors approved the proposal of the Lagardère Services group which is currently waiting for the conditions precedent to be satisfied (authorization of the Antitrust Authority and release of the waiver by ADR's financing institutions).

- **Car parks**

On May 3, 2012 ADR Mobility was established through the contribution in kind, pursuant to art. 2465 of the Italian Civil Code, of the company branch called "Mobility", consisting of the assets and liabilities relating to the management of the car parks within the airports of Fiumicino and Ciampino and the relations with the car hire companies, managed by ADR, and the existing contractual relations directly connected, including those relating the employees included in the same branch.
As regards the actions taken to launch this business, a partner is being selected to implement the valorization plan via the business transfer and the stipulation of the sub-concession agreement. At the moment, four operators have been admitted to the data room analysis phase for the release of the binding bid; the procedure is estimated to end this October.

- **Security**

On May 2, 2012 ADR Security was established through the contribution in kind, pursuant to art. 2465 of the Italian Civil Code, of the company branch called "Security", consisting of the assets and liabilities relating to the management of the Security activities within the airports of Fiumicino and Ciampino, managed by ADR, and the existing contractual relations directly connected, including those relating the employees included in the same branch.

- **Vehicle maintenance**

The procedure for the transfer of the ADR vehicle maintenance activity branch is in progress (fixed assets, warehouse, specific resources on permanent contracts and related debts for severance indemnities and other liabilities). The procedure was opened to a host of potential operators and at present is in the final phase of producing the binding bids; the selection of the operator, which will be awarded by sub-concession the workshops for the performance of the vehicle maintenance activity, is currently expected for October.

ADR GROUP'S RESULTS FOR THE PERIOD

Reclassified consolidated income statement

(Euros/thousand)

2011		First half 2012		First half 2011		Change	Change %
614,408	Revenues from sales and services	290,168		288,246		1,922	0.7%
5,628	Contract work in progress	2,728		2,684		44	1.6%
620,036	A.- REVENUES	292,896	100.0%	290,930	100.0%	1,966	0.7%
4,631	Capitalized costs and expenses	1,684		1,550		134	8.6%
624,667	B.- REVENUES FROM ORDINARY ACTIVITIES	294,580		292,480		2,100	0.7%
(204,005)	Cost of materials and external services	(96,924)	(33.1%)	(96,504)	(33.2%)	(420)	0.4%
420,662	C.- GROSS MARGIN	197,656	67.5%	195,976	67.4%	1,680	0.9%
(125,008)	Payroll costs	(63,348)	(21.6%)	(63,132)	(21.7%)	(216)	0.3%
295,654	D.- GROSS OPERATING INCOME	134,308	45.9%	132,844	45.7%	1,464	1.1%
(116,106)	Amortization and depreciation	(58,466)		(57,772)		(694)	1.2%
(7,367)	Other provisions	(4,444)		(4,957)		513	(10.3%)
(20,772)	Provisions for risks and charges	(3,832)		(6,598)		2,766	(41.9%)
5,888	Other income (expense), net	(65)		(37)		(28)	75.7%
157,297	E.- OPERATING INCOME	67,501	23.0%	63,480	21.8%	4,021	6.3%
(71,578)	Financial income (expense), net	(33,433)	(11.4%)	(35,805)	(12.3%)	2,372	(6.6%)
	Adjustments to financial assests	(6)		0		(6)	0.0%
85,719	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	34,062		27,675		6,387	23.1%
127	Extraordinary income (expense), net	(2,560)		25		(2,585)	n.e.
85,846	G.- INCOME BEFORE TAXES	31,502		27,700		3,802	13.7%
(52,626)	Income taxes for the period	(20,183)		(19,311)		(872)	4.5%
8,696	Deferred tax assets	2,470		2,133		337	15.8%
41,916	H.- NET INCOME FOR THE PERIOD	13,789		10,522		3,267	31.0%
	including:						
424	- Minority interest	237		308		(71)	(23.1%)
41,492	**- Group interest**	**13,552**		**10,213**		**3,339**	**32.7%**

For a more in-depth description of the performance of the Group revenues, reference should be made to the paragraph dedicated to "The Group's activities".

The **cost of raw materials and external services** totaled 96.9 million euros, with a slight 0.4% increase mainly attributable to the combined effect of:

- *raw materials and goods for resale*: increase of 2.2 million euros substantially due to higher charges for the purchase of electricity deriving from the increased oil price and excise duties;
- *external service costs*: decrease of 1.8 million euros thanks to the drop in consultancy costs, costs for cleaning contracts and general and communication expenses.

Payroll costs, amounting to 63.3 million euros, are substantially in line (+0.3%) with the first half of 2011 consequently to a reduction in the workforce (-20 staff), partially offset by a more unfavorable workforce mix and higher unit costs.

The **gross operating income**, equal to 134.3 million euros, rose compared to the reference period by 1.1%, with an impact on of revenues growing from 45.7% in 2011 to 45.9%.

The lower provisions for doubtful accounts and allowances for risks and charges for 3.3 million euros led to a 6.3% increase in the **operating income**, which reached 67.5 million euros compared to 63.5 million euros in 2011.

Net financial expense of 33.4 million euros were 2.4 million euros lower than the first half of 2011 thanks to the progressive borrowing reduction and the favorable performance of floating rates.

Extraordinary items recorded a negative balance of 2.6 million euros due to the non recurrent costs incurred, which relate to corporate transactions and the sales procedures which are about to be finalized.

The slight increase in the absolute value (+0.5 million euros) of taxes caused a reduction in the tax rate, which is also related to the effects of the changes in the tax legislation introduced by the so-called "Save Italy measure".
The first half consequently ended with a profit of 13.6 million euros, growing by 3.3 million euros compared to the same period of the previous year.

Reclassified consolidated balance sheet

(Euros/thousand)

06-30-2011		06-30-2012	12-31-2011	Change
	A. - NET FIXED ASSETS			
1,887,081	Intangible fixed assets *	1,841,071	1,864,611	(23,540)
191,892	Tangible fixed assets	183,813	189,075	(5,262)
2,784	Non - current financial assets	2,771	2,782	(11)
2,081,757		2,027,655	2,056,468	(28,813)
	B. - WORKING CAPITAL			
20,471	Inventory	20,339	18,494	1,845
183,439	Trade receivables	172,873	183,529	(10,656)
66,007	Other assets	83,152	76,321	6,831
(153,001)	Trade payables	(129,047)	(133,455)	4,408
(71,386)	Allowances for risks and charges	(87,034)	(84,333)	(2,701)
(146,181)	Other liabilities	(172,493)	(145,645)	(26,848)
(100,651)		(112,210)	(85,089)	(27,121)
	C. - INVESTED CAPITAL, minus			
1,981,106	short-term liabilities (A+B)	1,915,445	1,971,379	(55,934)
24,734	D. - EMPLOYEE SEVERANCE INDEMNITIES	24,981	24,792	189
	E. - INVESTED CAPITAL, minus short-term			
1,956,372	**liabilities and E.S.I. (C-D)**	**1,890,464**	**1,946,587**	**(56,123)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
760,666	- Group interest	805,497	791,945	13,552
487	- Minority interest	840	603	237
761,153		806,337	792,548	13,789
1,299,361	G. - MEDIUM/LONG-TERM BORROWING	790,861	1,295,111	(504,250)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
79,850	.Short-term borrowing	511,453	89,465	421,988
(183,992)	.Cash and current receivables	(218,187)	(230,537)	12,350
(104,142)		293,266	(141,072)	434,338
1,195,219	(G+H)	1,084,127	1,154,039	(69,912)
1,956,372	**I. - TOTALE AS IN "E" (F+G+H)**	**1,890,464**	**1,946,587**	**(56,123)**
1,626,359	*(*) including the value of the concession totaling*	*1,577,075*	*1,601,717*	*(24,642)*

As of June 30, 2012 the **consolidated invested capital** amounted to 1,890.5 million euros, down by 56.1 million euros compared to the end of the year as a result of both a reduction in fixed assets and the contained working capital.

The contained investments by the Parent Company ADR affected the decrease in **fixed assets** by 28.8 million euros compared to December 31, 2011, as these were less than proportional compared to the amortization and depreciation in the period.

The **working capital** decreased by 27.1 million euros mainly thanks to a reduction in trade receivables of 10.7 million euros deriving essentially from the improved collection periods.
The main changes in the other working capital components are:
- increase in inventory for 1.8 million euros mainly attributable to the goods for resale for which the procurement policies reflect the seasonal trends;
- increase in “other assets” by 6.8 million euros, 2.5 million euros of which refer to a rise in deferred tax assets;
- decrease of 4.4 million euros in trade payables;
- increase of 2.7 million euros in allowance for risks and charges due to the updated assessment of risks/disputes pending with the staff and with contractors;
- increase in “other liabilities” of 26.8 million euros, 16.7 million euros of which refer to tax due for current taxes to estimate the tax expense for the period, and 7.4 million euros of which concern accrued expense for advance billing.

In terms of funding, the reduction in invested capital led mainly to a reduction in **net debt** (down 69.9 million euros), which reached 1,084.1 million euros as at June 30, 2012.

The **shareholders’ equity** rose compared to the end of 2011 (up 13.8 million euros) thanks to the positive result for the period.

Consolidated net debt

(Euros/thousand)

06-30-2011		06-30-2012	12-31-2011	Change
(2,758)	Titles - Bonds	(2,758)	(2,758)	0
102,100	Due to banks	93,600	97,850	(4,250)
1,200,019	Due to other financial institutions	700,019	1,200,019	(500,000)
1,299,361	**A- MEDIUM/LONG -TERM BORROWING**	**790,861**	**1,295,111**	**(504,250)**
78,198	Due to banks	9,895	75,322	(65,427)
1,652	Due to other financial institutions	501,558	14,143	487,415
79,850	**Short-Term Borrowing**	**511,453**	**89,465**	**421,988**
(56,034)	Receivables due from others	(50,390)	(56,112)	5,722
(127,958)	Cash on hand and in banks	(167,797)	(174,425)	6,628
(183,992)	**Cash and current receivables**	**(218,187)**	**(230,537)**	**12,350**
(104,142)	**B- NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)**	**293,266**	**(141,072)**	**434,338**
1,195,219	**NET DEBT (A+B)**	**1,084,127**	**1,154,039**	**(69,912)**

A 504.3 million euros reduction in the **medium/long-term borrowing** was reported deriving from:
- reclassification to short-term debt of Tranche A1, equal to 500.0 million euros, of the payable to Romulus Finance S.r.l. (“Romulus Finance”) maturing in February 2013;
- reclassification to short-term debt of a portion of 4.3 million euros of the Banca BIIS loan falling due in March 2013.

Short-term borrowing rose by 434.3 million euros, reflecting the combined effect of:

- a 65.4 million euros reduction in amounts due to banks related to the repayment, upon the maturity date of February 20, 2012, of the residual amount of the Term Loan Facility; the reclassification of the 4.3 million euros portion of the Banca BIIS loan falling due on March 2013 was offset by the payment of the portion of the BIIS loan of the same amount falling due in March 2012;
- increased amounts due to other financial institutions by 487.4 million euros attributable to the reclassification of Tranche A1 for 500.0 million euros, net of the reduction of 12.6 million euros of the debt related to the ascertained interest accrued in the period but not settled yet;
- lower cash on hand and in banks and current receivables of 12.4 million euros mainly attributable to the loan repayment above.

Cash on hand and in banks of the Group amounting to 167.8 million euros as at June 30, 2012, include, for 75.4 million euros, the balance of the account called “loan collateral” on which, on the application date of March 2012, 23.2 million euros were deposited to securitize Tranche A1.

Statement of consolidated cash flows

ADR GROUP
CONSOLIDATED CASH FLOWS STATEMENT
(Euros/thousand)

2011		First half 2012	First half 2011
222,235	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	141,072	222,235
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
41,916	Net income (loss) for the period	13,789	10,522
116,106	Amortization and depreciation	58,466	57,772
(2)	(Gains) losses on disposal of fixed assets	(10)	0
0	(Revaluations) write-downs of fixed assets	0	0
(4,292)	Net change in working capital	27,121	11,270
(3,698)	Net change in employee severance indemnities	189	(3,756)
150,030		99,555	75,808
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(42,924)	.intangible	(24,415)	(17,703)
(21,847)	.tangible	(5,449)	(14,077)
(8)	.financial	0	(7)
194	Proceeds from disposal, or redemption value of fixed assets	221	244
(64,585)		(29,643)	(31,543)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
(92,766)	Repayments of loans	0	(90,272)
(74,022)	Current portion of m/l term financial debt	(504,250)	(72,266)
180	Other changes	0	180
(166,608)		(504,250)	(162,358)
0	E.- DIVIDENDS PAID	0	0
(81,163)	F.- CASH FLOW FOR THE PERIOD (B+C+D+E)	(434,338)	(118,093)
141,072	**G.- NET CASH AND CASH EQUIVALENTS - (NET SHORT-TERM BORROWING) closing balance (A+F)**	(293,266)	104,142

The operating cash flow of the ADR Group in the first half of 2012 amounted to 99.6 million euros, growing significantly compared to the value recorded (75.8 million euros) in the reference period, mainly due to the improved working capital, in addition to the growth in the profit for the period.

The internally generated financial resources were only partially absorbed by the coverage of the self-financed net investments equaling 29.6 million euros, also including the investment regarding the ancillary charges of the loans (31.5 million euros in the first half of 2011).

Regarding the short term reclassification of the portion of medium/long-term loans falling due in the short term, amounting to 504.3 million euros, the net cash flow in the period was negative for 434.3 million euros. The Group consequently closes the six-month period with a net short-term borrowing position of 293.3 million euros compared to a net cash and cash equivalents of 104.1 million euros recorded at the end of the first half of 2011.

Analysis of consolidated net debt

2011	(Euros/thousand)	First half 2012	First half 2011
(1,239,664)	**A.- NET FINANCIAL BORROWING - opening balance**	**(1,154,039)**	**(1,239,664)**
295,654	EBITDA	134,308	132,844
(33,022)	Net change in operating working capital	(41)	(12,953)
(3,698)	Net change in employee severance indemnities	189	(3,756)
5,886	Other income (exp.), net	(75)	(37)
410	Extraordinary income (exp.), net	104	25
(46,214)	Current taxes paid	(3,485)	(3,721)
2,588	Other assets/liabilities (included allowances for risks and charges)	2,807	1,332
221,604	**B.- OPERATING CASH-FLOW**	**133,807**	**113,734**
(64,779)	Capex (tangibles, intangibles and financial)	(29,864)	(31,787)
194	Proceeds from disposal, or redemption value of fixed asset	221	244
157,019	**C.- FREE CASH-FLOW**	**104,164**	**82,191**
(71,574)	Financial income (exp.), net	(34,252)	(37,926)
180	Other changes	0	180
85,625	**D.- NET CASH-FLOW**	**69,912**	**44,445**
(1,154,039)	**E.- NET BORROWING - closing balance (A+D)**	**(1,084,127)**	**(1,195,219)**

LEGAL AND REGULATORY FRAMEWORK

In the first half of 2012, a host of actions took place of general interest for the industry and of specific interest for ADR. In particular:

- "Liberalization" Law Decree

In the period in question, the definitive framework of the liberalization provisions was outlined, including the provisions that are of particular importance to airports as they concern transportation regulations and airports fees implementing directive 2009/12/EC.

In Official Gazette no. 19 of January 24, 2012, Law Decree no. 1/2012 was published, reporting the "Urgent provisions for competition, the development of infrastructure and competition" (so-called liberalization law decree), which introduces important innovations to modernize and enhance the national infrastructures and encourage market liberalization and competition. The decree was converted with amendments to law no. 27/2012, published in Gazette on March 24, 2012.

- "Simplification" Law Decree and procedures underway for the stipulation of planning agreements

Law Decree no. 5/2012[3], in force since February 10, 2012, introduced standards to safeguard the procedures underway for the stipulation of Planning agreements with the airport management companies.

[3] "Urgent provisions concerning simplification and development" published in Ordinary Supplement 27/L to OG no. 33 of 2/9/2012.

Art. 22, paragraph 2 in particular stipulates that the absorption of Directive 2009/12/EC concerning airport fees by Law Decree no. 1/2012 in any case safeguards the completion of the procedures in progress to stipulate the "ordinary" (pursuant to L. 248/2005) and "special" (art. 17, paragraph 34-bis L. 102/09) planning agreements with the airport management companies. The same regulation also provides for these procedures to be concluded by and no later than December 31, 2012, establishing also that, in any case, the duration of the planning agreements stipulated according to the provisions for the previous period is to be set in compliance with national and community regulations concerning the respective fee models.
Finally, art. 22, paragraph 3 provides for the extent of the airport fees set in the planning agreements, stipulated prior to January 24, 2012 (coming into force of Law Decree no. 1/2012) to be able to be determined according to the new methods defined by the provision implementing EU regulations on airport fees upon the expiration of the same agreements.
In the Official Gazette of April 6, 2012, Law no. 35 of April 4, 2012, (conversion of Law Decree 5/2012) was published; the outcome of the parliamentary conversion procedure confirmed the original formulation of art. 22, paragraphs 2 and 3.

- Extension of the terms concerning airport fees

On February 27, 2012 Law no. 14/2012 "Conversion into law, with amendments, of Law Decree no. 216 of December 29, 2011, for the extension of the terms set by legislative provisions" (so-called "Thousand-Extensions Decree") was published in the Gazette.
Regarding the extensions concerning infrastructure and transportation, the term is extended to December 31, 2012 for the identification of the airports and airport systems of national interest, pursuant to art. 698 of the Navigation Code. The Decree also confirmed the extension from December 31, 2011 to December 31, 2012 of the term set for adjusting, with decree of the Ministry of Infrastructure and Transport, the extent of the airport fees to the rate of inflation planned for 2012.

- Updating of the fees to the rate of inflation for 2011

In the Official Gazette of May 4, 2012, Ministerial Decree of November 11, 2011 was published, concerning the "Updating of airport fees for 2011". The Ministerial Decree establishes the new extent of the airport fees updated to the rate of planned inflation for 2011, equal to 1.5% (value set in public document 2011-2013 of September 29, 2010). In consideration of the failed contextual publication in the OG of May 4, 2012 of the table attached to Ministerial Decree stating the new amounts, the updated size of the airport fees could only be applied starting from June 6, 2012 (i.e. from the thirtieth day following the publication of the mentioned table on the institutional site of the Ministry of Infrastructure and Transport).

- Provisions concerning municipal surtax on passenger fees (Roma Capitale)

Art. 12, paragraph 4 of Legislative Decree no. 61 of April 18, 2012, reporting "Additional provisions for the implementation of art. 24 of Law no. 42 of May 5, 2009, concerning the Roma Capitale order" (OG May 18, 2012) establishes that, for the exclusive financing of the investments included in the long-term programs for infrastructural development in the territory of Roma Capitale, the latter may "impose, limited to the period of amortization of the works, an additional municipal surtax on passenger fees on airplanes leaving from the airports of the city of Rome, up to a maximum of one euro per passenger".

- Updating the Security Planning Document

On March 30, 2012 the Planning document on the security of personal details was updated and signed by the ADR treatment owner.

THE MAIN GROUP COMPANIES

ADR Engineering SpA

The company ("ADR Engineering"), which provides airport engineering services (design, work supervision and technical consultancy), closed the first half of 2012 with a loss of 206 thousand euros, compared to the loss of 230 thousand euros reported at the end of the same period of the previous year.

“Revenues from ordinary activities” rose by 202 thousand euros, 11% higher than the same period in 2011; the revenues in the half year in question, substantially generated by relations with the Parent Company, equaled 2,003 thousand euros.
Consumption of materials and external services equaled 886 thousand euros (up 39.0%); staff costs are slightly lower (down 4.0%), reaching 1,298 thousand euros.
Negative EBITDA of 181 thousand euros was recorded, compared to 195 thousand euros of the reference period. A loss of 221 thousand euros was recorded (down 235 thousand euros in the first half of 2011).

ADR Tel SpA

ADR Tel S.p.A. (“ADR Tel”), a company that builds and manages the telecommunication systems on the Roman airport system, reported in the first half of 2012 a profit of 483 thousand euros, up by 105 thousand euros compared to the reference period.
The Company’s revenues amount to 5,190 million euros, marking a decrease of 4.7% on the first half of 2011, mainly due to the specific activities (works) commissioned by the Parent Company.
EBITDA, equal to 1,519 thousand euros, is up by 19.3%, due to the considerable decrease in raw materials and services, thanks to the improved efficiency of the maintenance-on-demand service and the awarding, starting from May, of the contract for the maintenance and management of the network at a more advantageous costs. The profit equals 744 thousand euros, up by 130 thousand euros compared to the first half of 2011.

ADR Assistance S.r.l.

The company, which manages ground airport assistance services to the disabled and persons with reduced mobility, by virtue of the service agreement in place with ADR, reported in the first half of the year a loss of 257 thousand euros compared to a loss of 106 thousand euros in the reference period.
The revenues, generated exclusively from relations with the Parent Company, amount to 7,203 thousand euros, up by 5.5% compared to the first half of 2011. The fee for the provision of the service for passengers with reduced mobility (PRM) at Fiumicino airport, paid by the Parent Company to the subsidiary, was unchanged with respect to 2011 for the first four months of the year (0.75 euro per outgoing passenger) to then rise to 0.92 euro from May, due to the agreements entered into in the first quarter of 2012 with the Users’ Committee by the Parent Company ADR to improve the quality of the service provided by ADR Assistance. The fee charged from January 1, 2012 at Ciampino airport is 0.22 euro compared to 0.34 euro in 2011.
The costs of raw materials and services rose by 3.6%, equaling 1,295 thousand euros, while staff costs are up by 7.5% due to the increase in the average workforce attributable to the assistance services developed.
EBITDA stood at 366 thousand euros, down by 12.6% compared to 2011, recording a loss of 37 thousand euros, down by 224 thousand euros.

ADR Advertising SpA

The company (“ADR Advertising”), which manages advertising space at the Roman airport system, reported a profit in the first half of 2012 equal to 312 thousand euros, down by 97 thousand euros compared to the reference period.
Revenues, equal to 8,087 thousand euros, dropped by 6.7% in connection with the crisis in the reference market while consumption of materials and external services decreased by 5.2%. EBITDA is 783 thousand euros, down 994 thousand euros compared to the first half of 2011. The profit amounts to 493 thousand euros compared to 644 thousand euros in the reference period.

ADR Retail S.r.l.

The company started operations on April 3 of this year through the contribution in kind of the company branch regarding the direct management of duty free and duty paid shops managed until then directly by the current 100% shareholder ADR. The activity is performed by sub-concession with the Parent Company. In the portion of the period, a profit of 1.3 million euros was recorded, given a turnover of 24.0 million euros. At the end of the six-month period the net debt is positive at 7.4 million euros.

ADR Mobility S.r.l.

The company started up on May 4, 2012 after the contribution in kind of the company branch regarding the car parks and the "mobility" system at the two main Roman airports managed until then by the Parent Company, 100% shareholder. The activity is performed by sub-concession with ADR. In the portion of the period, a profit of 1.6 million euros was recorded, given a turnover of 6.8 million euros. At the end of the six-month period the net debt is positive at 4.8 million euros.

ADR Security S.r.l.

The company started up on May 3, 2012 through the contribution in kind of the company branch regarding the security airport services at the two main Roman airports managed until then directly by the current 100% shareholder ADR. The activity is mainly performed for the same ADR. In the portion of the period, a profit of 178 thousand euros was recorded, given a turnover of 6.5 million euros. At the end of the six-month period the net debt is positive at 4.2 million 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 SpA is subject to "management and coordination" by Gemina.

In turn, ADR manages and coordinates" its subsidiary undertakings, ADR Engineering, ADR Tel, ADR Sviluppo S.r.l. ("ADR Sviluppo"), ADR Assistance, ADR Retail, ADR Security and ADR Mobility.

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 (€/000).

Relations with parent companies

ADR Group companies' relations with the Parent Company, Gemina, in the first half of 2012 primarily refer to participation in the consolidated taxation regime:

Sundry relations between the ADR Group and Gemina S.p.A.

	Balances at 06.30.2012		First half 2012	
			Tax Consolidation	
	Receivables	*Payables /(Receivables)*	*Income*	*Expense*
ADR S.p.A.	0	24,597	169	11,347
	0	**24,597**	**169**	**11,347**
Subsidiary undertakings subject to management and coordination:				
ADR Engineering S.p.A.	0	(162)	89	0
ADR Tel S.p.A.	0	317	0	186
ADR Assistance S.r.l.	0	(31)	10	0
	0	**124**	**99**	**186**
Unconsolidated subsidiary undertakings subject to management and coordination:				
ADR Sviluppo S.r.l.	0	(1)	0	0
	0	**(1)**	**0**	**0**
TOTAL	**0**	**24,720**	**268**	**11,533**

The effects on the balance sheet and income statement deriving from participation - in June 2010 - in the domestic tax consolidation regime for the three-year period 2010-2012, governed by art. 117 et seq. of the Consolidated Act, by ADR and some Group subsidiary undertakings (ADR Engineering, ADR Tel, ADR Assistance and ADR Sviluppo) as consolidated companies, and by the Parent Company Gemina, as the consolidating company, were classified under sundry relations.

On taxable income transferred to the consolidating company, Gemina, by the consolidated companies, consolidated taxation (IRES) of 11,533 thousand euros was recorded. Income from consolidated taxation of 268 thousand euros has been recorded as a result of the application – in the form of remuneration - of the IRES rate to 50% of the positive difference between taxable operating income and interest expense, in accordance with contractual agreements.
As a result of accounts receivable and accounts payable relating to the previous year and tax credits transferred by the consolidated companies, in addition to the above income and expense, an amount of 24,720 thousand euros due to Gemina has been recorded.

Trading relations with the Parent Company break down as follows:

Trading relations between the ADR Group and Gemina S.p.A.

	Balances at 06.30.2012		First half 2012	
	Receivables	*Payables*	*Income*	*Expense*
ADR S.p.A.	371	369	375	366
ADR Tel S.p.A.	0	0	0	0
TOTAL	**371**	**369**	**375**	**366**

The revenues of ADR towards Gemina refer to the debiting of payroll cost and the full-service contract between ADR and Gemina in force since August 1, 2011, through which the subsidiary company provides the holding company with all the services required to carry out its corporate functions.
The costs incurred with regard to Gemina include the debiting of payroll costs and insurance for Directors.

Relations with subsidiary undertakings

Transactions carried out by ADR with subsidiary undertakings in the first half of 2012 refer primarily to the supply of goods, trade and centralized treasury services.

Trading, financial and other relations between ADR and subsidiary undertakings subject to management and coordination, other subsidiary undertakings and associated undertakings are analyzed below.

Trading relations between the ADR SpA and subsidiary and associated undertakings

	Balances at 06.30.2012				First half 2012						
	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.	185	5,659	250	9,557	2	164	56	0	414	0	1,403
ADR Tel S.p.A.	374	1,882	257	227	0	461	81	0	2,511	0	383
ADR Assistance S.r.l.	909	5,655	0	0	107	798	103	0	7,223	0	0
ADR Retail S.r.l.	4,270	0	0	0	64	8,162	83	0	0	0	0
ADR Mobility S.r.l.	5,139	1,149	0	0	15	3,458	154	0	238	0	0
ADR Security S.r.l.	540	7,112	0	0	23	354	108	0	6,432	0	0
	11,417	**21,457**	**507**	**9,784**	**210**	**13,397**	**586**	**0**	**16,818**	**0**	**1,786**
Other subsidiary undertakings											
ADR Advertising S.p.A.	7,594	1,738	0	0	0	6,577	12	0	62	0	0
	7,594	**1,738**	**0**	**0**	**0**	**6,577**	**12**	**0**	**62**	**0**	**0**
Associated undertakings											
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	968	0	0							
	0	**968**	**0**	**0**							

The revenues of ADR Engineering in the first half of 2012, for work commissioned by ADR amounted to 1,817 thousand euros (2,236 thousand euros in the first half of 2011). ADR charged the company 222 thousand euros (230 thousand euros in the first half of 2011) relating to sub-concession fees, utilities, administrative services, etc.

In the first half of 2012 ADR Tel posted revenues from telephony services provided to ADR SpA of 2,511 thousand euros (2,586 thousand euros in the first half of 2011) and carried out upgrading works on the telephone network worth 383 thousand euros (715 thousand euros in the first half of 2011). ADR charged the company an amount of 542 thousand euros (452 thousand euros in the first half of 2011) in royalties and rentals on the lease of telecommunications assets and premises, and for utilities and staff services.

The revenues of ADR Assistance, generated exclusively from relations with the Parent Company, amount to 7,223 thousand euros (6,868 thousand euros in the first half of 2011); ADR charged the company an amount of 1,008 thousand euros in royalties, utilities, administrative services, etc. (1,022 thousand euros in the first half of 2011).

The royalties paid by ADR to ADR Advertising in the first half of 2012 amount to 6,369 thousand euros (6,819 thousand euros in 2011). ADR received additional revenues from the company for 220 thousand euros (253 thousand euros in 2011) as lease rentals and as payment for utilities and various services.

ADR Retail, which ADR transferred the company branch regarding the direct management of duty free and duty paid shops to, started operating in April 2012.
Revenues generated by ADR toward the company for 8,309 thousand euros mainly refer (7.6 million euros) to royalties regarding the areas for the sale of the core categories as well as utilities, administrative and general services, etc.

ADR Mobility, which ADR transferred the “car parks” company branch to, started operating on May 2012.
Revenues generated by ADR toward the company for 3,627 thousand euros mainly refer (2.8 million euros) to royalties regarding the areas for the sale of the core categories as well as utilities, administrative and general services, etc.

ADR Security, which ADR transferred the “security” company branch to, started operating in May 2012, became responsible for providing security services at Fiumicino and Ciampino airports, based on a service contract signed with ADR.
The revenues, generated exclusively from relations with the Parent Company, amount to 6,432 thousand euros; ADR charged the company an amount of 485 thousand euros in royalties, utilities, administrative services, etc.

Financial relations between ADR S.p.A. and subsidiary undertakings

	Balances at 06.30.2012			First half 2012	
	Receivables	*Payables*	*Guarantees*	*Income*	*Expense*
Subsidiary undertakings subject to management and coordination:					
ADR Engineering S.p.A.	0	921	0	2	0
ADR Tel S.p.A.	0	981	0	1	1
ADR Assistance S.r.l.	0	989	0	0	2
ADR Security S.r.l.	0	9	0	0	17
TOTAL	**0**	**2,899**	**0**	**3**	**20**

Financial relations with the subsidiary undertakings, ADR Engineering, ADR Tel and ADR Assistance regard the centralized treasury system, which is conducted on an arm's length basis. The system has been put into place in order to optimize the management of financial resources and facilitate the settlement of inter-company trading relations.

Sundry relations are summarized below

Trading relations with other related parties break down as follows:

Trading relations between the ADR Group and related parties

	Balances at 06.30.2012			First half 2012		
	Receivables	*Payables*	*Guarantees*	*Revenues*	*Costs*	*Investments*
Gemina S.p.A. subsidiaries (either directly or indirectly)						
Fiumicino Energia S.p.A.	23	0	0	77	0	0
Leonardo Energia S.c. a r.l.	27	4,946	0	86	12,857	0
Companies that carry significant influence over Gemina S.p.A. (either directly or indirectly)						
Assicurazioni Generali S.p.A.	0	0	0	0	1,355	0
Mediobanca S.p.A.	0	222	0	0	193	1,425
Gruppo Unicredit	0	222	0	613	89	1,375
Telepass S.pA.	0	165	0	0	61	0
Autogrill S.p.A.	1	0	5,855	4,446	0	0
WDFG Italia S.r.l.	0	0	0	798	0	0
Pavimental S.p.A.	0	39	895	0	0	0
Worldwide United (Singapore) Ltd	0	0	0	0	4	0
Changi Airport Planners and Engineers Pte. Ltd	0	0	0	0	0	200
Sagat Engineering S.r.l.	0	24	0	0	27	0
TOTAL	**51**	**5,618**	**6,750**	**6,020**	**14,586**	**3,000**

Regarding these relations, the main ones are commented on below:

- Fiumicino Energia Srl: a company 87.14% owned by Gemina that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. 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 and Fiumicino Energia Srl, with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia Srl in 2023 the co-generation plant will be transferred free of charge to the Parent Company. The limited liability consortium also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR. Furthermore, ADR, through a full-service contract, provides administrative, legal and corporate services to Fiumicino Energia;
- Assicurazioni Generali SpA (a company that holds a sufficient interest in Gemina to have a significant influence on the latter): the ADR Group has taken out its principal insurance policies with this insurance group;
- Mediobanca SpA (a company that holds a sufficient interest in Gemina to have a significant influence on the latter): the costs incurred regard bank commissions, reimbursement of expenses and the financial advisory contract regarding the transfer of the mobility business; the investment concerns the upfront fee regarding the Term Loan for the share pertaining to Mediobanca;

- Unicredit Group (Unicredit SpA holds a sufficient interest in Gemina to have a significant influence on the latter): revenues derive from retail sub-concessions, whilst costs primarily regard bank charges and the costs of the financial advisory contract regarding the transfer of the mobility business; the investment concerns the upfront fee regarding the Term Loan for the share pertaining to Unicredit;
- Autogrill SpA (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a sufficient interest in Gemina to have a significant influence on the latter): revenues derive from retail sub-concessions, royalties, utilities, car parks and sundry services;
- WDFG Italia S.r.l. (former Alpha Retail Italia S.r.l. subsidiary undertaking of Autogrill S.p.A.): revenues derive from retail sub-concessions, royalties, utilities, car parks and sundry services;
- Telepass S.p.A. (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a sufficient interest in Gemina to have a significant influence on the latter): costs refer to the agreement existing for the Telepass system introduced in ADR car parks;
- Pavimental S.p.A. (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a sufficient interest in Gemina to have a significant influence on the latter): payables refer to "investments" in the previous year regarding work on runways and aircraft aprons;
- Changi Airport Planners and Engineers Pte. Ltd (subsidiary undertaking of Changi Airports International Pte Ltd which, indirectly, holds a sufficient interest in Gemina to have a significant influence on the latter): "investment" regards provision of support in the preparation of the Fiumicino Airport Master Plan.

Financial relations with Mediobanca SpA and Unicredit SpA include the following:

Financial relations between the ADR Group and related parties

	Balances at 06.30.2012			**First half 2012**	
	Cash and cash equivalents	*Receivables*	*Payables*	*Financial Income*	*Financial expense*
Mediobanca S.p.A.	0	49,958	70	167	0
Unicredit S.p.A.	124,013	0	491	426	8
Telepass S.pA.	0	134			
TOTAL	**124,013**	**50,092**	**561**	**593**	**8**

Several relations exist between ADR and Mediobanca S.p.A. in connection with the role played by the latter in existing loan agreements:
- Security Agent representing all of ADR's creditors;
- Administrative Agent is also the holder of an escrow account 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 "finance income" in the above table.

Several relations exist between the ADR Group and Unicredit SpA in connection with the role played by the latter in current loan contracts:
- Account bank holding the current accounts of ADR ("Debt Service Account", "Interim Proceeds Account", "Recoveries Account" and "Loan Collateral Account", with a balance at June 30, 2012 summarized in the table above), regulated by the loan agreements, and some companies in the ADR Group.

For a description of the guarantees granted by ADR, 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 the first half of 2012 or at the end of 2011. In addition, no purchase or sale of its own shares or shares in the Parent Company took place, either directly or indirectly, during the first half of 2012.

FINANCIAL RISK MANAGEMENT

Risks specific to the Company's business

ADR 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 ADR 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 carriers, which are affected in turn by these companies' own financial and operating circumstances; this risk is heightened by Fiumicino's status as the hub for the national flag carrier, which is undergoing a difficult reorganization phase;
- carrier alliances;
- competition, on certain routes, from alternative transport (e.g. high-speed train between Rome and Milan);
- wars, acts of terrorism, natural disasters 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.

Most of the ADR Group's credit risk is related to the receivables arising from its transactions with customers, which has however declined with respect to the year of comparison.

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 carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, collateral is required.

Receivables for which no provisions have been made and that are over 181 days past due primarily consist of amounts due from Alitalia Group companies under special administration.

Economic and financial relations towards the new Alitalia – Italian airline – continue to be critical in terms of both the credit risk and the disputes, which focus on the refusal to recognize the value of a series of services that, though provided, are not paid or recognized.

The credit situation for invoices issued by the Parent Company ADR at June 30, 2012 is illustrated below:

	Receivables			Receivables not yet due			Past due receivables		
	06/30/2012	**12/31/2011**	**Δ%**	**06/30/2012**	**12/31/2011**	**Δ%**	**06/30/2012**	**12/31/2011**	**Δ%**
Alitalia CAI	40,955	64,058	(36%)	29,437	38,123	(23%)	11,518	25,936	(56%)
AirOne	1,173	1,581	(26%)	937	947	(1%)	236	634	(63%)
Alitalia/Airone	42,128	65,639	(36%)	30,374	39,069	(22%)	11,754	26,570	(56%)
EAS	308	308	(0%)	-	-	0%	308	308	(0%)
AZ-EAS Group	**42,436**	**65,947**	**(36%)**	**30,374**	**39,069**	**(22%)**	**12,062**	**26,878**	**(55%)**

The table includes the receivables for the handling system of transit baggage (NET 6000), which at the end of the first half of 2012, equal 6.9 million euros; Alitalia is the main user of the plant, generating approximately 90% of the activity. The statement as of December 31, 2011 provides extensive information on the circumstances that led to the failure to collect this fee, which also substantially affect the balance at the end of the first half of 2012.

Furthermore, as of June 30, 2012, the following are ascertained:

- receivables for the sub-concession of the Technical Area equal to 2.9 million euros, - plus local property taxes for 1.2 million euros. Regarding this service, ADR deems a legitimate review of the economic terms of the sub-concession agreement applicable, which based on preliminary understandings, subsequently disregarded by Alitalia, would lead to an additional credit equal to 17.1 million euros;
- receivables to use Goods for Common Use for the years from 2009 to the first half of 2012 equaling 5.6 million euros, also totally challenged by Alitalia-CAI. In any case ADR launched actions with the other handlers challenging this charge (mainly towards EAS – today Alitalia - and Aviapartner), for which outcome is expected shortly.

Liquidity risk

Liquidity risk occurs when the Group does not hold and finds it difficult to find the resources needed to face future financial commitments.

ADR Group's liquidity position is affected by the resources generated or absorbed by the operating and investment activities supporting the debt service, given the same lines of credit available.

The financial structure of the ADR Group is distinguished by a heavy incidence of the financial leverage component, since financial indebtedness is about 3.5 times the EBITDA. Consequently, a substantial portion of the cash generated from operating activities is used to pay loan interest and, in future, principal.

As indicated more specifically in the special section of the Notes to the consolidated financial statements, the medium/long-term loan agreements in place provide for costs that change according to the rating issued by Moody's and Standard & Poor, in addition to a number of measures to ensure that the cash generated is used first of all to service debt. These measures become more stringent when, as is the current situation, the level of the rating or several agreed financial indicators fail to reach specific minimum thresholds.
The liquidity risk is considerably mitigated through this complex contractual check. The current rating assigned to the Parent Company, for example, prevents it from taking out additional indebtedness without specific authorization from its financial creditors.

It is obvious that the priority allocation of the cash generated for the debt service and the aforementioned restrictive control measures for using financial resources restrict the Group's operations and investment flexibility in depressing situations characterized by particular financial tension.

However, in case of temporary additional financial requirements for operations, in addition to cash and cash equivalents, a revolving line of credit is available for 100 million euros (currently not use) destined for this purposes by contract.

On May 31, 2012 ADR signed a Revolving and Term Loan Facility Agreement with a syndicate of eight banks for an overall amount of 500 million euros for a loan falling due in February 2015, broken down as follows:

- up to 400 million euros in the form of Term Loan to be disbursed in February 2013 and which, together with the cash that will be collateralized on the "Retention Account" from now until the expiry and the cash available to ADR, will enable the repayment of Tranche A1;
- 100 million as revolving line replacing the previous line of the same amount already re-financed in August 2011 and falling due in February 2013.

The syndicate of banks comprises Barclays Bank Plc - Milan Branch, BNL - BNP Paribas Group, Crédit Agricole Corporate & Investment Bank - Milan Branch, Mediobanca - Banca di Credito Finanziario S.p.A., Natixis - Milan Branch, The Royal Bank of Scotland Plc - Milan Branch, Société Générale - Milan Branch and Unicredit S.p.A.

The centralized cash management system, managed at arm's length by the Parent Company and including the subsidiaries ADR Engineering, ADR Tel and ADR Assistance, 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.

The hedging policy, an integral part of the loan agreements entered into by the Parent Company ADR, requires that at least 51% of all debt be hedged against fluctuations in interest rates.
At June 30, 2012, 63.4% of ADR's lines of credit have fixed interest rates (at December 31, 2011: 60.1%).

On February 20, 2012 the two interest rate collar forward start contracts, signed with Barclays and Royal Bank of Scotland by ADR on May 16, 2006, with a notional capital of 120 million euros each, expired.

Exchange rate risk

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

Risks related to outstanding loan agreements

- Risks related to ADR's rating

ADR 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 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 ratings in the first half of 2012 were as follows:

. *Moody's*

On June 15, 2012 the agency confirmed the rating assigned to ADR as"Ba2". The outlook is positive

. *Standard & Poor's*

On March 2, 2012, the agency Standard & Poor's had confirmed the rating assigned to ADR as **BB** and placed the Company in "CreditWatch with developing implications".
On June 7 the agency raised the long-term rating of the company from "BB" to "BB+", also with a positive outlook and credit watch position.

The Trigger Event condition persists and so does the application of the Cash Sweep regime, both active since November 30, 2007 due to the rating going below the contractually agreed thresholds (BBB+/Baa3 – BBB-/Baa2stable).

As described more in detail in the section dedicated to the Notes on Payables, the two Cash Sweep and Trigger Event conditions impose increasingly stricter requirements for the management of cash flows. Among these: a) the obligation, as debt service dates approach, to allocate the residual cash available to the repayment/collateralization of repayable/non-repayable debt, b) prohibition to distribute dividends and c) obligation to identify, with the support of an external consultant entrusted by lenders, the remedy measure to restore the minimum required rating in the ordinary regime.
ADR has in any case operated in derogation regime due to the subsequent waivers granted over time by the lenders, the last of which was approved on March 2 and valid until September 20, 2012 to reiterate the derogation regime with exclusion of points a), b) and c) above.
However, with the approaching deadlines for the repayment of the pending individual debt tranches, with priority of application on the cash sweep regime, an additional constraint has now been imposed on the allocation of available cash to the accounts of the Account Bank. Contractual provisions in particular impose for the available cash to be used to repay/collateralize the upcoming debt repayment on the application dates of March and September.

In applying this condition, ADR has allocated all the available liquidity to the accounts of the Account Bank – equal to 23.2 million euros – also on the application date of March 2012 – to the collateralization of the upcoming Tranche A1 (500 million in February 20, 2013), with this account (Retention Account) having a balance of 75.4 million euros.

- 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.

In fact, it is a composite structure, whereby ADR owes 1.2 billion euros to a vehicle – Romulus Finance – established pursuant to Law no. 130/99 on securitization and controlled by two Dutch 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 owes the remaining amount of 102.1 million euros received from banks in term loans carrying the same covenants as those contained in the agreement between ADR and Romulus Finance.

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 the rights attributed to each creditor being 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 12 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 12 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 (trigger event) are set in motion in order to protect creditors from the risk of default by ADR.

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 a year, on two of the four dates available to made the payments regarding the debt service (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

The closing data at June 30, 2012 confirms, based on the first simulations, the respect of the financial ratios set in the loan agreements that will be finalized with the lenders on the next application date of September 2012.
Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans with similar characteristics.

SUBSEQUENT EVENTS

- Compared to the same period of 2011, traffic using the Roman airport system during the first seven months of the year registered the following performance, broken down into segments for domestic and international traffic:

Data at July 31, 2012 and changes with respect to the same period of the previous year[4]

	Rome System	Domestic	International	Intl EU	Intl Extra EU
Movements	213,068	83,048	130,020	87,980	42,040
D% vs PY	(4.4%)	(6.5%)	(3.1%)	(3.8%)	(1.6%)
Mtow	16,737,100	5,214,870	11,522,230	6,144,953	5,377,277
D% vs PY	(3.6%)	(6.3%)	(2.4%)	(4.2%)	(0.2%)
Total Pax	23,968,519	7,678,430	16,290,089	10,555,636	5,734,453
D% vs PY	(0.9%)	(4.6%)	+0.9%	+0.1%	+2.5%
Freight (Kg)	88,340,939	2,779,135	85,561,804	17,680,578	67,881,226
D% vs PY	(8.0%)	(28.5%)	(7.1%)	(8.0%)	(6.8%)

Traffic breaks down into Fiumicino and Ciampino airports as follows.

	Fiumicino	Domestic	International	Intl EU	Intl Extra EU
Movements	181,346	71,001	110,345	70,153	40,192
D% vs PY	(5.0%)	(8.6%)	(2.6%)	(3.9%)	(0.4%)
Mtow	15,157,694	4,784,133	10,373,561	5,052,542	5,321,019
D% vs PY	(3.7%)	(8.0%)	(1.6%)	(3.5%)	+0.3%
Total Pax	21,231,153	7,034,226	14,196,927	8,502,356	5,694,571
D% vs PY	(1.0%)	(6.5%)	+2.0%	+1.2%	+3.1%
Freight (Kg)	78,059,490	2,714,973	75,344,517	7,463,291	67,881,226
D% vs PY	(7.8%)	(29.1%)	(6.8%)	(6.7%)	(6.8%)

	Ciampino	Domestic	International	Intl EU	Intl Extra EU
Movements	31,722	12,047	19,675	17,827	1,848
D% vs PY	(0.8%)	+8.1%	(5.6%)	(3.3%)	(23.1%)
Mtow	1,579,406	430,737	1,148,669	1,092,411	56,258
D% vs PY	(3.2%)	+17.1%	(9.2%)	(7.5%)	(32.9%)
Total Pax	2,737,366	644,204	2,093,162	2,053,280	39,882
D% vs PY	(0.6%)	+22.1%	(5.9%)	(4.5%)	(47.4%)
Freight (Kg)	10,281,449	64,162	10,217,287	10,217,287	0
D% vs PY	(8.9%)	+7.6%	(9.0%)	(9.0%)	+0.0%

[4] Provisional data

In the first seven months of the year the Roman airport system recorded a 0.9% decrease in passengers due to the drop in the domestic component (down 4.6%) against the growing international component (up 0.9%, +0,1%for EU and +2.5% for non-EU , respectively).

Compared to the same period of the previous year, Fiumicino airport recorded a 1.0% reduction in passenger traffic, accompanied by a greater reduction in capacity in terms of both aircraft movements (down 5.0%) and aircraft tonnage (down 3.7%).

In July 2012 Fiumicino recorded a 0.4% reduction in passenger volumes. This performance is due to the losses in the Domestic segment (down 7.5%), which the increase at EU (up 1.6%) and non-EU level (up 5.2%) was not able to offset.

In terms of network development, at Fiumicino airport worth noting were some increases in the frequency of already existing connections such as China Eastern to Shanghai, as well as new flights being opened: these include Transaero for Moscow and Saint Petersburg, Alitalia for Tblisi and Air France for Strasburg.

Ciampino airport closes the first seven months of the year with a 0.6% decrease in passengers. The capacity offered (aircraft movements down 0.8% and aircraft tonnage down 3.2%) followed the same trend. In July 2012 the airport recorded a 0.9% increase in passengers, combined with increased movements (up 4.4%), against a reduction in aircraft tonnage (down 1.2%).

- On July 13, 2012. ADR's Board of Directors approved the transfer of the total capital of the subsidiary ADR Retail, which manages eight Duty Free/ Duty Paid shops by virtue of a sub-concession agreement with ADR with duration of 14 years, attributing royalties equal to 32.5% to the company Aelia of the Lagardère Services group for a price of 229.4 million euros. The transaction will be finalized after the completion of the Antitrust authority investigation by Aelia and the authorization of ADR's financing institutions: this is expected by the end of September 2012. This puts an end to the direct Duty Free/ Duty Paid management by the ADR Group which, by following the business models that prevail in the main international airports, is assigned to a specialized operator with the best expertise to achieve the set developments, thus contributing to further increasing the value of the ADR Group. The income from the sale will be allocated by ADR to the reduction of the existing borrowings. In order to optimize the benefit from the use of the new financial resources, ADR will submit for the approval by its lenders and Romulus Finance's bondholders a proposal to allocate the income from the sale, for the portion due to the bondholders, to the partial early repayment of the tranches falling due sooner in order to avoid, where possible, the cash collateralization on the tranches of the negotiable debt that are contractually not yet repayable.

- On July 26, 2012 the company presented the definitive Master Plan regarding the Fiumicino development project until 2044 to the press.

- Regarding the new Planning Agreement, which is being examined by the competent Ministries, ENAC scheduled the second consultation with the airport users regarding the tariff system for September 12, 2012.

- Law no. 92 of June 28, 2012 regarding the reform of the labor market with a view to growth (Official Gazette no. 153 of July 3, 2012) changes, starting from January 1, 2016, the allocation of the higher amounts of the additional municipal surtax on passenger fees, equal to three euros, with the aim of feeding the special fund in support of the income, employment, reorganization and retraining of air transport sector personnel. Starting from January 1, 2016 these amounts must be devoted to the management of the assistance works and to support the INPS's social security provisions. Furthermore, this law includes some new elements regarding the collection activities currently carried out by the operator concerning the portion of the municipal surtax destined to INPS, with the entrustment of specific responsibilities as regards monthly communications to INPS and the application of sanctions in case of non-fulfillment. These provisions also provide for a remuneration for the operator (equal to 0.25% of total revenues), as relief from the collection and communication expenses. Starting from July 1, 2013, the additional municipal surtax on passenger fees will rise by 2 euros per passenger. The higher amounts deriving from this increase must be paid to INPS with the same methods provided for by the law.

OUTLOOK FOR 2012

All the forecasts made confirm a reduction in Italian GDP for 2012 and the persisting extreme economic weakness and volatility of financial markets, at least at European level. Therefore, these elements will continue to negatively affect traffic levels, which are constantly monitored to implement even more important reactions in case of even deeper drops in activity levels.

In this context, all the company initiatives being defined must be rapidly completed with the aim of maximizing the present value (with the main priority of reducing the burden of debt) and the prospective value by maximizing its development through the introduction of qualified and specialized international operators.

Should the traffic not worsen further in the second half of 2012, compared to the values of the first half of the year, and if no operating disruption is recorded among the main carriers, in 2012 EBITDA is expected to stay in line with 2011.

There is no doubt that the significant effort being made by the Group to pursue maximum efficiency in managing business activities, in addition to a more balanced debt level, needs to be supported by a planning agreement that guarantees stable rules and a remuneration of airport assets that is more aligned with the urgent need for development in the most important Italian airport system.
The fundamental approval of the Planning Agreement by the term set for the special agreements of December 31, 2012 would not only respect a term set by the legislator but meets the rapid and urgent need to activate the investments, due to the substantial saturation of the facilities and the growing importance of their operating management.
This approval would also allow the continuation of the work only currently being carried out, which would result in an increase in the annual capacity of the Fiumicino airport by 5 million passengers, with an investment of about 300 million euros.

THE BOARD OF DIRECTORS

ADR GROUP: CONSOLIDATED HALF-YEAR CONDENSED FINANCIAL STATEMENTS AT JUNE 30, 2012

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET
as of June 30, 2012

(in thousands of euros)

(Translation from the original issued in Italian)	**06/30/2012**			**12/31/2011**		
ASSETS						
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS:						
▪ Incorporation and development costs		144			4	
▪ Industrial patents and intellectual property rights		959			1,027	
▪ Concessions, licenses,trademarks and similar rights		1,579,704			1,604,687	
▪ Leasehold improvements in process and advances		25,808			25,665	
▪ Others		234,456			233,228	
			1,841,071			1,864,611
TANGIBLE FIXED ASSETS:						
▪ Land and buildings		2,111			2,348	
▪ Plant and machinery		51,478			55,363	
▪ Industrial and commercial equipment		1,233			1,408	
▪ Fixed assets to be relinquished		78,291			82,065	
▪ Other assets		2,232			2,121	
▪ Work in progress and advances		48,468			45,770	
			183,813			189,075
NON-CURRENT FINANCIAL ASSETS:						
▪ Equity investments in:						
- unconsolidated subsidiary undertakings	100			100		
- associated undertakings	10			10		
- other companies	2,203			2,203		
		2,313			2,313	
▪ Receivables due from others:						
. within 12 months	0			0		
. beyond 12 months	458			470		
		458			470	
▪ Other securities:						
- bonds	2,758			2,758		
		2,758			2,758	
			5,529			5,541
Total fixed assets			**2,030,413**			**2,059,227**
CURRENT ASSETS						
INVENTORY						
▪ Raw, ancillary and consumable materials		3,403			2,691	
▪ Contract work in progress		7,618			7,148	
▪ Finished goods and goods for resale						
- goods for resale	9,318			8,655		
		9,318			8,655	
			20,339			18,494
RECEIVABLES						
▪ Due from clients		172,503			183,209	
▪ Due from associated undertakings		482			482	
▪ Due from parent companies		371			320	
▪ Due from tax authorities						
. within 12 months	2,286			2,975		
. beyond 12 months	26,097			23,695		
		28,383			26,670	
▪ Defered Tax assets		43,094			40,624	
▪ Due from others:						
- various:						
. within 12 months	55,118			59,224		
- advances to suppliers for services to be rendered	14			143		
		55,132			59,367	
			299,965			310,672
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
▪ Bank and post office deposits		166,710			173,561	
▪ Cash and notes in hand		1,087			864	
			167,797			174,425
Total current assets			**488,101**			**503,591**
ACCRUED INCOME AND PREPAID EXPENSES						
▪ Accrued income and other prepaid expenses			**6,450**			**5,288**
TOTAL ASSETS			**2,524,964**			**2,568,106**

CONSOLIDATED BALANCE SHEET
as of June 30, 2012

(in thousands of euros)

(Translation from the original issued in Italian)

	06/30/2012			12/31/2011		
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
SHARE CAPITAL:						
ordinary shares		62,225			62,225	
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		85			85	
RETAINED EARNINGS (ACCUMULATED LOSSES)		49,784			8,292	
GROUP NET INCOME (LOSS) FOR THE PERIOD		13,552			41,492	
			805,497			791,945
MINORITY INTEREST						
▪ Share capital, reserves and net income (loss) for the period		840			603	
			840			603
GROUP AND MINORITY INTEREST IN CONSOLIDATED SHAREHOLDERS' EQUITY			**806,337**			**792,548**
ALLOWANCES FOR RISKS AND CHARGES						
▪ For taxes, deferred taxes		26,093			26,093	
▪ Other		60,941			58,240	
Total allowances for risks and charges			**87,034**			**84,333**
EMPLOYEE SEVERANCE INDEMNITIES			**24,981**			**24,792**
PAYABLES						
▪ Due to banks						
. within 12 months	9,895			75,322		
. beyond 12 months	93,600			97,850		
		103,495			173,172	
▪ Due to other financial institutions:						
. within 12 months	501,558			14,143		
. beyond 12 months	700,019			1,200,019		
		1,201,577			1,214,162	
▪ Advances:						
- from clients						
. from the Ministry of Transport:						
. beyond 12 months	2,917			3,111		
. Other	9,083			5,685		
		12,000			8,796	
▪ Due to suppliers:						
. within 12 months	113,095			120,451		
. beyond 12 months	2,649			2,861		
		115,744			123,312	
▪ Due to associated undertakings:						
. within 12 months	969			969		
		969			969	
▪ Due to parent companies:						
. within 12 months	25,090			17,242		
		25,090			17,242	
▪ Taxes due:						
. within 12 months	55,208			47,450		
		55,208			47,450	
▪ Due to social security agencies		7,681			7,529	
▪ Other payables: various creditors						
. within 12 months	65,992			62,074		
. beyond 12 months	8,679			8,975		
		74,671			71,049	
Total payables			**1,596,435**			**1,663,681**
ACCRUED EXPENSES AND DEFERRED INCOME						
▪ Accrued expenses and other deferred income			**10,177**			**2,753**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,524,964**			**2,568,107**

MEMORANDUM ACCOUNTS
as of June 30, 2012
(in thousands of euros)
(Translation from the original issued in Italian)

	06/30/2012		12/31/2011	
General guarantees				
▪ Sureties	111		111	
▪ Other	328		328	
		439		439
Collateral guarantees		0		0
Commitments on purchases and sales		73,485		75,606
Other		999,080		994,178
		1,073,004		**1,070,223**

CONSOLIDATED INCOME STATEMENT
for the First half 2012
(in thousands of euros)
(Translation from the original issued in Italian)

	First half 2012			First half 2011		
TOTAL REVENUES						
▪ Revenues from sales and services:						
- revenues from sales	42,513			42,339		
- revenues from services	247,632			245,722		
- revenues from contract work	2,258	292,403		5,571	293,632	
▪ Changes in contract work in progress		470			(2,887)	
▪ Capitalized costs and expenses		1,684			1,550	
▪ Other income and revenues:						
- revenue grants	23			185		
- profits on disposals	10			0		
- other	3,780			3,893		
		3,813			4,078	
			298,370			**296,373**
OPERATING COSTS						
▪ raw, ancillary and consumable materials and goods for resale		40,604			39,436	
▪ services		52,727			54,362	
▪ leases		5,432			5,650	
▪ payroll:						
- wages and salaries	45,961			45,854		
- social security	13,587			13,214		
- employee severance indemnities	3,399			3,614		
- other	453			472		
		63,400			63,154	
▪ Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	47,873			46,898		
- amortization of tangible fixed assets	10,593			10,874		
- provisions for doubtful accounts	4,444			4,957		
		62,910			62,729	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		(1,374)			(2,437)	
▪ Provisions for risks		3,692			6,478	
▪ Other provisions		140			120	
▪ Sundry operating costs:						
- license fees	11			11		
- other	3,328			3,392		
		3,339			3,403	
			(230,870)			**(232,895)**
Operating income			**67,500**			**63,478**
FINANCIAL INCOME AND EXPENSE						
▪ Other financial income:						
- securities included in fixed assets which are not equity	197			185		
- other						
. interest and commissions from others and sundry revenues	916			1,221		
		1,113			1,406	
▪ Interest expense and other financial charges:						
- interest and commissions to others and sundry charges	34,561			37,221		
		(34,561)			(37,221)	
▪ Profits and losses on Exchange						
- Profits	18			12		
- Losses	3			2		
		15			10	
Total financial income (expense), net			**(33,433)**			**(35,805)**

CONSOLIDATED INCOME STATEMENT
for the First half 2012
(in thousands of euros)
(Translation from the original issued in Italian)

	First half 2012			First half 2011		
ADJUSTMENTS TO FINANCIAL ASSETS						
▪ Depreciation:						
- of investments		(6)			0	
			(6)			**0**
EXTRAORDINARY INCOME AND EXPENSE						
▪ Income:						
- other	743			1,417		
		743			1,417	
▪ Expense:						
- taxes relating to previous year	7			0		
- other	3,295			1,391		
		(3,302)			(1,391)	
Total extraordinary income (expense), net			**(2,559)**			**26**
Income before taxes			**31,502**			**27,699**
Income taxes for the year, current, defferred assets (liabilities):						
- current		(20,183)			(19,311)	
- deferred tax assets (liabilities)		2,470			2,133	
			(17,713)			**(17,178)**
Net income (loss) for the period			13,789			10,521
of which:						
▪ minority interest			237			308
▪ Group's share			**13,552**			**10,213**

NOTES TO THE FINANCIAL STATEMENTS

GENERAL PRINCIPLES

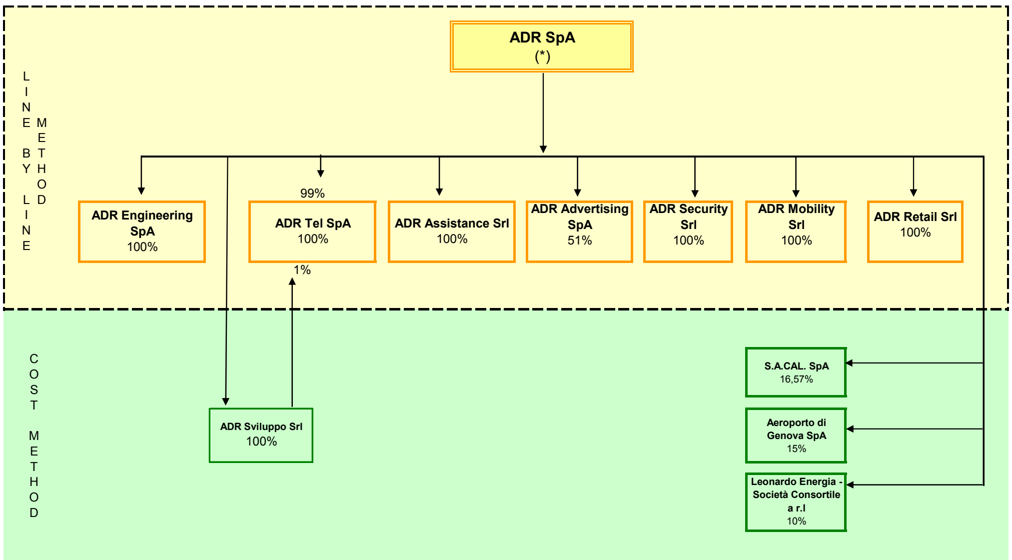
The condensed financial statements at June 30, 2012 have been prepared in accordance with the relevant legislation applicable to interim financial statements, interpreted and integrated by the accounting standards issued by the Italian Accounting Standards Setter (OIC), with special reference to accounting standard OIC 30.

Considering that the Parent Company is obliged to prepare the consolidated financial statements, the condensed half-year financial statements were drafted on a consolidated basis and comprise the consolidated financial statements and these notes.
The consolidated financial statements and those of the Parent Company are prepared in compliance with the provisions that regulate the financial statements, based on the accounts updated on June 30, 2012, integrated outside the accounts with the entries normally recorded in the accounting books at December 31, the end of the period, at the time of preparing the annual financial statements.
The reference date of the consolidated financial statements is the date the data of the Parent Company ADR refers to; for the subsidiary undertakings, the data at June 30, 2012 approved by the relevant Boards of Directors was used for consolidation purposes.
The reconciliation of shareholders' equity as of June 30, 2012 and the net income for the first half of 2012, as reported in the financial statements of ADR, and the results of the consolidated financial statements are shown in the note to consolidated shareholders' equity.
The financial statements are expressed in thousands of euros. The income statement and balance sheet items, preceded by Arabic numerals, showing zero balances across the periods used for comparison are not shown.
The income statement data for the first half of 2012 is compared to the data of the same period of the previous year; the balance sheet data as of June 30, 2012 is compared to the data as of December 31, 2011.

The condensed financial statements at June 30, 2012 are subject to limited audit by the company Deloitte & Touche S.p.A..

BASIS OF CONSOLIDATION

The consolidated financial statements for the year ended June 30, 2012 include the financial statements for the same period, consolidated on a line-by-line basis, of the Parent Company, ADR, and the subsidiary undertakings in which the Parent Company holds, either directly or indirectly, the majority of the voting shares.



(*) ADR SpA holds a 25% quote (evaluated at cost) in the E.T.L. - European Transport Law Consortium in liquidation

As of June 30, 2012, the basis of consolidation includes the following companies:

COMPANIES consolidated on a line-by-line basis	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	Group's %	Via: Company	%
ADR SpA	Fiumicino (Rome)	EUR	62,224,743.00	Parent Company		
ADR Engineering SpA Unipersonale	Fiumicino (Rome)	EUR	774,690.00	100%	ADR	100%
ADR Assistance Srl Unipersonale	Fiumicino (Rome)	EUR	6,000,000.00	100%	ADR	100%
ADR Retail S.r.l. Unipersonale	Fiumicino (Rome)	EUR	480,000.00	100%	ADR	100%
ADR Mobility S.r.l. Unipersonale	Fiumicino (Rome)	EUR	1,500,000.00	100%	ADR	100%
ADR Security S.r.l. Unipersonale	Fiumicino (Rome)	EUR	400,000.00	100%	ADR	100%
ADR Tel SpA	Fiumicino (Rome)	EUR	600,000.00	99%	ADR	99%[5]
ADR Advertising SpA	Fiumicino (Rome)	EUR	1,000,000.00	25.5%	ADR	25.5%[6]

Compared to December 31, 2011 the subsidiaries ADR Retail, ADR Mobility and ADR Security were included in the basis of consolidation.

The following equity investments are valued at cost:

EQUITY INVESTMENTS valued at cost	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	Group's %	Via: Company	%
unconsolidated subsidiary undertakings:						
ADR Sviluppo Srl Unipersonale	Fiumicino (Rome)	EUR	100,000.00	100%	ADR	100%
associated undertakings:						
Consorzio E.T.L. – European Transport Law (in liquidation)	Rome	EUR	82,633.11	25%	ADR	25%
Ligabue Gate Gourmet Roma SpA (insolvent)	Tessera (Venice)	EUR	103,200.00	20%	ADR	20%
other companies:						
S.A.CAL. SpA	Lamezia Terme (Catanzaro)	EUR	7,755,000.00	16.57%	ADR	16.57%
Aeroporto di Genova SpA	Genova Sestri	EUR	7,746,900.00	15%	ADR	15%
Leonardo Energia – Società Consortile a r.l.	Fiumicino (Rome)	EUR	10,000.00	10%	ADR	10%

The holding in the subsidiary undertaking, ADR Sviluppo, 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:

- Consorzio E.T.L. – European Transport Law (in liquidation): 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; the company was placed in liquidation as of December 31, 2010;
- Ligabue Gate Gourmet Roma SpA (insolvent): the company is insolvent.

The main consolidation principles are described below:

[5] The remaining 1% stake is held by ADR Sviluppo, which is not included in the basis of consolidation.
[6] Equity investment in the company's total share capital of 1,000,000 euros (including preference shares). The interest in the ordinary shares amounts to (500,000 euros) 51%.

- 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;
- the minority interest in net income and shareholders' equity are reported separately as appropriate items in the income statement and under shareholders' equity;
- intercompany 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 tax 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 that will be recoverable in future years;
- dividends paid by subsidiary undertakings, posted on an accruals basis in the Parent Company's accounts, are eliminated;
- 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 undertaking's shareholders' equity at the transaction date (thus including the 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 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 condensed half-year financial statements at June 30, 2012 comply with the accounting standard for interim financial statements (OIC 30), and are those applied throughout the Group.

The half-year financial statements were prepared in the assumption of going-concern. The group actually assessed that, despite the persisting difficult economic and financial backdrop, there are no significant uncertainties on the going-concern of the company.

The principal 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 fees*

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*

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 SpA (now ADR) on acquiring its holding in ADR, is amortized on a straight-line basis over 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;
- transaction costs incurred 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 handed over	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. 72/83.

- *Fixed assets to be handed over*

Such assets are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law no. 72/83, 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 handed over, with the aim of covering the estimated costs which will be borne at the end of the concession term (in 2044) when the assets are to be transferred to the grantor in good working condition.

- Non-current financial assets

The investment in the unconsolidated subsidiary undertaking (ADR Sviluppo Srl) has been valued at cost; this method of valuation, given that the company is non-operational, 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, Ligabue Gate Gourmet Roma SpA and Consorzio E.T.L. – European Transport Law in liquidation are valued at cost for the reasons given in the section regarding the "Basis of consolidation".
Other investments are recorded at purchase cost, adjusted to reflect any permanent impairment.

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 in the Group's portfolio held as a long-term investment until their maturity 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 the period of 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 work 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 grantor, 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.

- 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 June 30, 2012 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).

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 residual value of the debt or securities guaranteed at the end of the period.

- 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 the end of the period. 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 Civil Aviation Authority, 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 and the subsidiary undertakings, ADR Tel S.p.A., ADR Engineering, ADR Assistance and ADR Sviluppo as consolidated companies, and the Parent Company, Gemina, 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.
Any excess taxable operating income transferred under the tax consolidation regime, and used to offset non-deductible interest expense transferred under the regime, is remunerated by applying the IRES rate to 50% of the positive difference between taxable operating income and interest expense, in accordance with contractual agreements.
The consolidated companies also transfer withholding taxes, tax credits and rebates from previous tax returns to the consolidating company, which may offset the IRES resulting from the 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; deferred tax liabilities are not entered if there is a poor chance that this debt arises. 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 Collar agreements and accrued at the end of the period are recorded on an accruals basis in the income statement among finance income and costs.
The Group's hedging policy, in accordance with the obligations laid down in loan agreements, stipulates that at least 51% of the loan should be subject to a fixed rate of interest.

NOTES TO THE CONSOLIDATED BALANCE SHEET

FIXED ASSETS

Intangible fixed assets

	12-31-2011			Changes during the period			06-30-2012		
	Cost	Amortization	Book value	Purchases/ Capitalization	Reclassifications	Amortization	Cost	Amortization	Book value
- Incorporation and development costs	1,892	(1,888)	4	147	0	(7)	2,039	(1,895)	144
	1,892	(1,888)	4	147	0	(7)	2,039	(1,895)	144
- Industrial patents and intellectual property rights	9,439	(8,412)	1,027	146	129	(343)	9,714	(8,755)	959
	9,439	(8,412)	1,027	146	129	(343)	9,714	(8,755)	959
- Concessions, licenses, trademarks and similar rights	2,194,151	(589,465)	1,604,687	339	322	(25,644)	2,194,812	(615,108)	1,579,704
	2,194,151	(589,465)	1,604,687	339	322	(25,644)	2,194,812	(615,108)	1,579,704
- Leasehold improvements in process and advances:									
. Leasehold improvements in process	25,659	0	25,659	5,812	(5,669)	0	25,802	0	25,802
. Advances to suppliers	6	0	6	0	0	0	6	0	6
	25,665	0	25,665	5,812	(5,669)	0	25,808	0	25,808
- Others									
. Leasehold improvements	651,098	(431,419)	219,679	6,410	5,135	(19,813)	662,643	(451,232)	211,411
. Ancillary charges for loans	54,865	(41,316)	13,549	11,561	0	(2,065)	66,425	(43,380)	23,045
	705,963	(472,735)	233,228	17,971	5,135	(21,878)	729,068	(494,612)	234,456
	2,937,111	(1,072,500)	1,864,611	24,415	(83)	(47,872)	2,961,441	(1,120,371)	1,841,071

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

- "**Concessions, licenses, trademarks and similar rights**" include the value of the airport concession, amounting to 1,577,075 thousand euros as of June 30, 2012. The decrease of 24,983 thousand euros is primarily due to amortization for the six-month period;

- "**Leasehold improvements in process and advances**" increased by 143 thousand euros due to the combined effect of the following:
  - an increase of 5,812 thousand euros for new capital investment;
  - a decrease of 5,669 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;

- "**Others**" intangible fixed assets increased overall by 1,228 thousand euros. In detail the "Leasehold improvements" reduced by 8,268 thousand euros due to the amortization of the period, equal to 19,813 thousand euros, partly offset by the acquisitions of the six-month period, equal to 6,410 thousand euros, and the transfers from work in process and reclassifications (up 5,135 thousand euros). Instead "transaction costs incurred on loans" rose by 11,561 thousand euros due to the costs incurred for the disbursement of the new Term Loan and the refinancing of the Revolving facility (in total equal to 11,561 thousand euros), partly compensated by the amortization of the period equal to 2,065 thousand euros.

The principal leasehold improvements in process (equal to 5,812 thousand euros) include:
- upgrade of Bravo-Delta taxiway flooring for 1,815 thousand euros;
- refrigeration unit revision at T1 and T3 for 517 thousand euros;
- interventions on evaporation towers for 370 thousand euros;
- upgrading of runway 3 for 216 thousand euros;
- panoramic elevator replacement for 182 thousand euros.

The main leasehold improvements completed in the six months (equal to 6,410 thousand euros) include:

- interventions on refrigeration units and evaporation towers for 567 thousand euros;
- extraordinary maintenance on the runway systems for 577 thousand euros;
- T1 section road – Cerimonial Office for 570 thousand euros;
- Polaria office and direct retail adaptation for 240 thousand euros;
- upgrading of runway 3 surface for 270 thousand euros;
- water network works for 230 thousand euros;
- cargo area ramp parking aprons enhancement for 194 thousand euros;
- interventions on covering vessels and bridges for 205 thousand euros.

Once again in the first half of 2012, investment in airport infrastructure development was funded from increased boarding fees received during the year.

Tangible fixed assets

	12-31-2011				Changes during the period			06-30-2012			
	Cost	Reval. Law (72/1983)	Allowances for depreciation	Book value	Purchases. /Capital.	Reclassi-fication	Amortiz ation	Cost	Reval. Law (72/1983)	Allowances for depreciation	Book value
- Land and buildings	21,898	465	(20,015)	2,348	24	1	(262)	21,923	465	(20,277)	2,111
- Plant and machinery	157,252	0	(101,889)	55,363	1,471	332	(5,688)	159,042	0	(107,564)	51,478
- Industrial and commercial equipment	9,825	0	(8,417)	1,408	5	0	(180)	9,830	0	(8,597)	1,233
- Fixed assets to be relinquished	198,918	1,908	(118,761)	82,065	137	(20)	(3,890)	199,021	1,908	(122,638)	78,291
- Other assets	31,946	0	(29,825)	2,121	17	667	(573)	32,060	0	(29,828)	2,232
- Work in progress and advances	45,770	0	0	45,770	3,795	(1,097)	0	48,468	0	0	48,468
	465,609	2,373	(278,907)	189,075	5,449	(117)	(10,593)	470,344	2,373	(288,904)	183,813

Net tangible fixed assets reduced by 5,262 thousand euros due to the amortization and depreciation for the period, equal to 10,593 thousand euros, only partly offset by the investments equal to 5,449 thousand euros.

The most significant capitalizations during the six-month period include:
- within the category "**plant and machinery**" (1,471 thousand euros), baggage conveyor belts (266 thousand euros) and security systems (289 thousand euros);
- within the category "**work in progress and advances**" (3,795 thousand euros), departure area F (formerly Pier C – the portion financed by ADR) for 2,917 thousand euros.

As security for the loans governed by agreements with Romulus Finance, a syndicate of banks, EIB and BIIS (formerly Banca OPI) – described in detail in the notes to "Payables" – the Parent Company, ADR, has granted the lenders 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 the inventories of ADR, ADR Retail and ADR Mobility. This guarantee is valid until the above loans have been fully repaid.

Equity investments held as non-current financial assets

	12-31-2011	changes during the period	06-30-2012
Equity investments in:			
▪ unconsolidated subsidiary undertakings:			
ADR Sviluppo Srl Unipersonale	100	0	100
	100	0	100
▪ associated undertakings:			
Consorzio E.T.L. (in Liquidation)	10	0	10
Ligabue Gate Gourmet Roma SpA (insolvent)	0	0	0
	10	0	10
▪ other companies:			
Aeroporto di Genova SpA	895	0	895
S.A.CAL. SpA	1,307	0	1,307
Leonardo Energia – Società Consortile a r.l.	1	0	1
	2,203	0	2,203
	2,313	**0**	**2,313**

In the first half of 2012 no changes took place in **equity investments**. For further information regarding equity investments during the period, reference should be made to the section "The main group companies" 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), ADR has granted the lenders a lien on the Parent Company ADR's shareholdings in the subsidiary undertakings ADR Tel, ADR Advertising, ADR Assistance, ADR Retail, ADR Mobility and ADR Security. These guarantees are valid until the above loans have been fully repaid.

Long-term receivables due and other non-current financial assets

	12-31-2011	changes during the period	06-30-2012
Receivables:			
▪ due from others:			
Public bodies for licenses	23	0	23
other	447	(12)	435
	470	**(12)**	**458**

The sub-item "other" primarily includes guarantee deposits issued by the Group in favor of third parties.
There are no receivables falling due beyond five years.

	12-31-2011	changes during the period	06-30-2012
Other securities:			
▪ bonds	2,758	0	2,758
	2,758	**0**	**2,758**

The item "bonds" includes a portion of the A4 bonds issued by the special purpose vehicle, Romulus Finance Srl, purchased in the market by the Parent Company on February 13, 2009. 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). The A4 bonds, falling due in February 2023, accrue half-yearly interest at a fixed rate of 5.441%.

CURRENT ASSETS

Inventories

	12-31-2011	changes during the period	06-30-2012
▪ Raw, ancillary and consumption materials	2,691	712	3,403
▪ Finished goods and goods for resale:			
goods for resale	8,655	663	9,318
▪ Contract work in progress	7,148	470	7,618
	18,494	**1,845**	**20,339**

Inventories registered an overall increase of 1,845 thousand euros compared to the end of the previous year, due to:
- increase in the inventories of "**raw, ancillary and consumption materials**" of 712 thousand euros mainly due to the constitution of the inventory of the subsidiary ADR Tel related to telecommunication materials (143 thousand euros) and the increase in the stocks (304 thousand euros) of chemical products, and in particular of anti-freeze materials for aircrafts and runways, following the snow emergency;
- higher inventories of "**goods**" for resale (directly managed duty-free and duty-paid shops) for 663 thousand euros whose procurement policies reflect the seasonal trends;
- a 470 thousand euro increase in stocks of "**contract work in progress**", largely relating to the state-financed portion of construction works in departure area F (formerly Pier C).

As security for the loans governed by agreements with Romulus Finance Srl, a syndicate of banks, EIB and BIIS (formerly Banca OPI), the Parent Company, ADR, 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 and ADR Retail's inventories. This guarantee is valid until the above loans have been fully repaid.

Current receivables

	12-31-2011	changes in the period		06-30-2012
		Increases (+) Repayments (-)	Provisions (-) Value recoveries (+)	
▪ Due from clients	236,272	(6,578)	0	229,694
less				
allowance for doubtful debt	(44,951)	303	(4,444)	(49,092)
allowance for overdue interest	(8,112)	13	0	(8,099)
	183,209	(6,262)	(4,444)	172,503
▪ Due from associated undertakings	482	0	0	482
▪ Due from parent companies	320	51	0	371
▪ Due from tax authorities	26,670	1,713	0	28,383
▪ Deferred tax assets	40,624	2,470	0	43,094
▪ Due from others:				
sundry	59,224	(4,106)	0	55,118
advances to suppliers for services	143	(129)	0	14
	59,367	(4,235)	0	55,132
	310,672	**(6,263)**	**(4,444)**	**299,965**

"**Due from clients**", net of allowances for doubtful debt, amounts to 172,503 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 10.7 million euro reduction can be attributed to the shorter collection time from customers.
This item includes amounts due to the Group from Alitalia Group companies under special administration, totaling 20.2 million euros. For the amounts due from Alitalia SpA under special administration, worth remembering is that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from Alitalia SpA under special administration (as well as to the aircraft owned by lessors, obliged in a fair manner) in order to allow the aircraft owned by the lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount collected was entered under Payables.

"**Due from associated undertakings**", amounting to 482 thousand euros, includes amounts due to ADR SpA from the insolvent Ligabue Gate Gourmet Roma SpA, classified among preferential liabilities.

"**Due from tax authorities**", equal to 28,383 thousand euros, include 26.1 million euros regarding the entry of the sums posted provisionally with regard to the current litigation with the Customs Office, fully paid. Indeed, these constitute advance payments as they have been provisionally recognized given that no definitive penalty has been imposed. For a more detailed overview of the accounting repercussions of this case, see the notes on "Allowances for risks and charges".
The 1.7 million euro increase in tax credits includes the payment in the period of the installments above for 2.4 million euros, partly offset by the reduction in the VAT credit of 1.4 million euros of the Parent Company ADR.

"**Deferred tax assets**", amounting to 43,094 thousand euros, registered an increase of 2,470 thousand euros with respect to December 31, 2011. The composition of deferred tax assets and changes during the period is shown in the following table.

Balance sheet item	Balance at 31.12.2011 (A)		Increase (B)		Decrease (C)		Balance at 06.30.2012 (A+B-C)	
	Tax base	Tax	Tax base	Tax	Tax base	Tax	Tax base	Tax
DEFERRED TAX ASSETS								
Allowances for risks and charges	46,445	14,773	3,670	1,139	1,130	358	48,985	15,554
Accumulated inventiry write-downs	292	81	629	173	13	4	908	250
Allowance for doubtful accounts	42,447	11,675	3,281	902	0	0	45,728	12,577
Provision for personnel	7,628	2,098	3,363	925	4,902	1,348	6,089	1,675
Accelerated depreciation	722	201	0	0	65	18	657	183
Financial income and expense	0	0	0	0	0	0	0	0
Consolidated adjustment	18,652	6,085	757	247	889	290	18,520	6,042
Other	20,770	5,711	4,527	1,245	520	143	24,777	6,813
Total deferred tax assets	**136,956**	**40,624**	**16,227**	**4,631**	**7,519**	**2,161**	**145,664**	**43,094**
DEFERRED TAX LIABILITIES								
Gain	0	0	(6)	(2)	(6)	(2)	0	0
Total deferred tax liabilities	**0**	**0**	**(6)**	**(2)**	**(6)**	**(2)**	**0**	**0**
TOTAL	**136,956**	**40,624**	**16,221**	**4,629**	**7,513**	**2,159**	**145,664**	**43,094**

NET DEFERRED TAX (ASSETS) LIABILITIES FOR THE PERIOD POSTED TO INCOME STATEMENT	**2,470**

"**Amounts due from others: sundry**", dropped by 4,235 thousand euros during the year, and include (49,952 thousand euros) the balance of the Debt Service Reserve Account (55,709 thousand euros as of December 31, 2011).
It should be borne in mind that, in accordance with ADR's loan agreements, the "Debt Service Reserve Account" is a term current account in the name of the Security Agent in which the Company is obliged to keep a sum as security for debt servicing, to be adjusted every six months (periods March 20 – September 19 and September 20 – March 19).

Against the loans governed by agreements with Romulus Finance Srl, a syndicate of banks, BEI and BIIS (formerly Banca OPI), the Parent Company, ADR, has granted the lenders the liens stated below. These 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 the inventories of ADR, ADR Retail and ADR Mobility, as well as other goods and rights subject to liens;
- a lien on all receivables and contracts with clients and the insurance policies by ADR Tel, ADR Advertising, ADR Assistance, ADR Retail, ADR Mobility and ADR Security.

Amounts due as of June 30, 2012 (299,965 thousand euros) comprise trade receivables (172,874 thousand euros), financial receivables (50,390 thousand euros) and sundry receivables (76,703 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	America	Asia	TOTAL
Clients	163,705	7,338	1,128	251	81	172,503
Parent companies	371					371
	164,076	7,338	1,128	251	81	172,874

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

Cash on hand and in banks

	12-31-2011	changes during the period	06-30-2012
▪ Bank and post office deposits	173,561	(6,851)	166,710
▪ Cash and notes in hand	864	223	1,087
	174,425	(6,628)	167,797

The Group's cash on hand and in banks record a decrease of 6,628 thousand euros compared to the year end mainly due to the loan repayments for 69.8 million euros, partly offset by the liquidity generated by the operating cash flow.

Bank deposits include the balance of the following accounts provided for under ADR's loan agreements:

- the "Recoveries Account", in which any cash deriving from extraordinary transactions must be deposited. In 2006 the amount collected from the sale of the equity investment in Flightcare Italia SpA (formerly ADR Handling SpA) was deposited in this account, net of related expenses. As of June 30, 2012, the balance in the account amounted to 11.1 million euros (also 11.1 million euros as of 12.31.2011), access to which is restricted under the price adjustment mechanism included in the relevant contract of sale (for further information, see the notes to the memorandum accounts);

- account called “loan collateral”, with a balance of 75.4 million euros on which, in relation to the persisting Cash Sweep -Trigger Event condition, on the application date of March 2012, an additional 23.2 million euros were deposited, allocated to the collateralization of Tranche A1.

As security for the loans governed by agreements with Romulus Finance Srl, a syndicate of banks, the EIB and BIIS (formerly Banca OPI), the Parent Company ADR has granted the lenders a lien on all the current accounts of ADR, ADR Retail, ADR Mobility and ADR Security. This guarantee is valid until the above loans have been fully repaid.

As of June 30, 2012, 37.8 million euros was held in an ADR 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

	12-31-2011	changes during the period	06-30-2012
▪ **Prepaid expenses**			
Service costs	1,471	(303)	1,168
Expenses for leased assets	5	72	77
Payroll costs	12	126	138
Other operating costs	27	448	475
Finance costs	3,773	819	4,592
	5,288	**1,162**	**6,450**

Prepaid expenses rose in the period by 1,162 thousand euros in relation to the increase in the “finance costs” component. This amount equaling to 4,592 thousand euros as of June 30, 2012 comprises prepayments, not accruing in the period, of the following premiums:
- 4,469 thousand euros (3,653 thousand at December 31, 2011) for the monoline insurance paid to AMBAC Assurance UK, which has secured the bonds issued by Romulus Finance Srl that correspond to Facility A;
- 123 thousand euros (120 thousand euros at December 31, 2011) paid to BIIS, the bank that has guaranteed the loan granted to ADR by the EIB.

SHAREHOLDERS’ EQUITY

	Share Capital	Share premium reserve	Legal reserve	Other reserve	Retained earnings	Net income for the period	Consolidated shareholders' equity	Minority interest	Group and minority interest in shareholders' equity
Balance as of 12.31.2010	**62,310**	**667,389**	**12,462**	**0**	**(14,201)**	**22,313**	**750,273**	**179**	**750,452**
Allocation of net income 2010					22,313	(22,313)	0	0	0
Other change	(85)			85	180		180	0	180
Net (loss) income for the period						41,492	41,492	424	41,916
Balance as of 12.31.2011	**62,225**	**667,389**	**12,462**	**85**	**8,292**	**41,492**	**791,945**	**603**	**792,548**
Allocation of net income 2011					41,492	(41,492)	0		0
Net (loss) income for the period						13,552	13,552	237	13,789
Balance as of 06.30.2012	**62,225**	**667,389**	**12,462**	**85**	**49,784**	**13,552**	**805,497**	**840**	**806,337**

The Parent Company’s “**share capital**” amounts to 62,224,743 euros, represented by 62,224,743 shares with a par value of 1 euro each.

“**Group shareholders’ equity**” increased with respect to December 31, 2011 due to the net income of the period of 13,552 thousand euros; also the “**Minority interest in shareholders’ equity**” increased by 237 thousand euros in relation to the half-year’s positive result.

The reconciliation of shareholders' equity and net income for the period, 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 period and shareholders' equity

	Net income (loss) for the period		Shareholders' equity	
	1st half 2012	1st half 2011	06-30-2012	12-31-2011
Balances in ADR's accounts	**9,699**	**9,533**	**835,270**	**825,571**
Effect of consolidation of subsidiary undertakings	3,219	142	8,632	5,413
Gain (elimination) of inter-company profits and other adjustments	271	166	(18,459)	(18,731)
Effect of deferred tax assets	(43)	(34)	6,041	6,084
Merger effect[7]	406	406	(25,987)	(26,392)
Balances in consolidated accounts	**13,552**	**10,213**	**805,497**	**791,945**

ALLOWANCES FOR RISKS AND CHARGES

	12-31-2011	changes in the period		06-30-2012
		Provisions	Releases /Reabsorptions	
▪ **Taxation, including deferred taxes**	**26,093**	**0**	**0**	**26,093**
▪ **Other:**				
current and potential disputes	49,178	3,675	(1,132)	51,721
insurance deductibles	1,729	17		1,746
restructuring	1,078	0	(5)	1,073
to cover investee companies' losses	15	6	0	21
fixed assets to be handed over	6,240	140	0	6,380
customer loyalty programs	0	0	0	0
	58,240	**3,838**	**(1,137)**	**60,941**
	84,333	**3,838**	**(1,137)**	**87,034**

The "**allowance for taxation, including deferred taxes**" includes the entire charge (taxes, interest and ancillary charges) relating to the current litigation with the Customs Office.
In the first half, the procedure for the collection by the Customs Office of the sum due ended; this is equal to 26.1 and was paid by the Parent Company in 36 installments following the application submitted to the Collection Agent, after paying an advance of 4 million euros. As part of the due from tax authorities, the amount paid was entered for an equal amount. For further information reference should be made to the section on "Tax litigation".

[7] Merger data different from first-time consolidation.

As part of "**current and potential disputes**", a provision of 3,675 thousand euros was made in order to provide cover for likely potential liabilities and releases in the period in relation to new disputes/risks in the relationships with employees, customers and contractors. Releases equal 1,132 thousand euros and derive from the settlement of disputes with customers and personnel.

The "**allowance for restructuring**", recorded in 2009-2010 in order to cover the restructuring program launched by the ADR Group, which will enable implementation of redundancy schemes regarding around 280 ADR staff and 12 staff from subsidiary undertakings, did not incurred any changes in the period.

EMPLOYEE SEVERANCE INDEMNITIES

BALANCE AS OF 12-31-2011	**24,792**
changes in the period	
Provisions to the income statement	**3,398**
Releases to pay indemnities	**(152)**
Releases to pay advances	**(625)**
Other	
Amounts allocated to pension funds or to the Treasury Fund	**(2,432)**
BALANCE AS OF 06-30-2012	**24,981**

In the first half of 2012, employee severance indemnities of the ADR Group report a net increase of 189 thousand euros. Against a provision of 3,398 thousand euros, the employee severance indemnities were reduced due to the releases to pay indemnities and advances, equaling 777 thousand euros, and an amount of 2,432 thousand euros for indemnities accrued during the period paid into pension funds or to the Treasury Fund amount allocated.

PAYABLES

	12-31-2011	**changes during the period**	**06-30-2012**
▪ Due to banks	173,172	(69,677)	103,495
▪ Due to other financial institutions	1,214,162	(12,585)	1,201,577
▪ Advances:			
- from clients:			
. from the Ministry of Transport	3,111	(194)	2,917
. other	5,685	3,398	9,083
	8,796	3,204	12,000
▪ Due to suppliers	123,312	(7,568)	115,744
▪ Due to associated undertakings	969	0	969
▪ Due to parent companies	17,242	7,848	25,090
▪ Taxes due	47,450	7,758	55,208
▪ Due to social security agencies	7,529	152	7,681
▪ Other payables: sundry creditors	71,049	3,622	74,671
	1,663,681	**(67,246)**	**1,596,435**

“**Amounts due to banks**” totaling 103,495 thousand euros, include:

- 102,100 thousand euros representing the principal on long-term lines of credit granted to ADR denominated BOPI Facility (22,100 thousand euros) and EIB Term Loan (80,000 thousand euros);
- 543 thousand euros of amounts due from ADR for interest, commissions accrued during the period but not yet settled;
- 852 thousand euros for the short-term line of credit granted to the subsidiary undertaking, ADR Advertising, by the Banca Popolare Commercio e Industria to meet temporary liquidity requirements.

The decrease of 69,677 thousand euros compared with December 31, 2011 derives from the combined effect of the following changes:

- repayment for 65,522 thousand euros of the Term Loan Facility taking place in February 2012;
- repayment of 4,250 thousand euros of the BIIS loan in connection with payment of installments, falling due in March 2012;
- reduction of 259 thousand euros of amounts due from ADR for interest, commissions accrued during the period but not yet settled;
- an increase of 354 thousand euros in the lines of credit granted to ADR Advertising.

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

Lender	*Facility Loan*	*Amount (millions of euros)*		*Interest rate*	*Repayment*	*Life*	*Maturity date*
		oustanding at 06/30/2012	*used at 06/30/2012*				
Syndacate of banks	**Term Loan Facility** (*)	400,0	0,0	floating rate linked EURIBOR + margin	bullet	2 years	feb. 2015
	Revolving Facility	100,0	0,0	floating rate linked EURIBOR + margin	revolving	2.8 years	feb. 2015
		500,0	**0,0**				
Banca BIIS	**BOPI Facility**	**22,1**	**22,1**	floating rate linked EURIBOR + margin	after five years in six-monthly installments	12 years	mar. 2015
BEI	**EIB Term Loan**	**80,0**	**80,0**	floating rate linked EURIBOR + margin	bullet	10 years	feb. 2018
	TOTAL	**602,1**	**102,1**				

(*) granted in May 2012 and available in February 2013

Please note that, on August 22, 2011, a Revolving Facility was granted by a syndicate of seven banks to the Parent Company ADR for a total amount of 100 million euros, falling due in February 20, 2013. The syndicate of banks comprises Banca Nazionale del Lavoro S.p.A., Barclays Bank Plc, Crédit Agricole Corporate & Invest Bank, Mediobanca – Banca di Credito Finanziario S.p.A. (Mediobanca), Natixis S.A., The Royal Bank of Scotland N.V. and UniCredit S.p.A..
On May 31, 2012, with the stipulation of a new loan agreement granted by the same pool of banks – to which also Société Générale - Milan Branch was added,- for a total of 500 million euros, the Revolving Facility of 2011 was replaced with a facility of the same amount. ADR was also guaranteed funds up to 400 million euros on a Term Loan available in February 2013, for the repayment, together with the available cash, of Loan A1 Romulus Finance expiring on the same date. Both the new facilities will fall due in February 2015.

The line of credit denominated the “BOPI Facility” was granted on February 19, 2003 by BIIS – Banca Infrastrutture Innovazione e Sviluppo (formerly Banca OPI) 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 22,100 thousand euros following advance 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, March and September 2009, and the payment of installments falling due in 2010, 2011 and March 2012, totaling 21,250 thousand euros.

80,000 thousand euros of the line of credit denominated "EIB Term Loan" was disbursed by the EIB (European Investment Bank) on May 27, 2008. This facility is guaranteed by BIIS.

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

"**Amounts due to other financial institutions**" total 1,201,577 thousand euros. The item includes the principal of 1,200,019 thousand euros due from the Parent Company ADR to Romulus Finance and 1,558 thousand euros consisting of interest accrued on the above-mentioned loans and not yet paid.
The decrease of 12,585 thousand euros compared with December 31, 2011 is exclusively due to the differing trend regarding payments of interest on existing loans.

It should be recalled that the loan granted by Romulus Finance in February 2003 arose from the transfer without recourse to Romulus Finance of the amount due to ADR’s original lenders for loans taken out in August 2001. Romulus Finance, a vehicle established pursuant to Law no. 130/99 on securitization and controlled by two Dutch foundations, financed acquisition of the pre-existing bank loan to ADR 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 the advance repayment of “Loan B”, amounting to 65,000 thousand euros and carried out in March 2008, the loan from Romulus Finance Srl 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 Srl	**A1**	500.0	fixed	bullet	10 years	feb. 2013
	A2	200.0	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A3	175.0	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A4	325.0	floating rate linked EURIBOR + margin up to 12/20/09 and after fixed rate	bullet	20 years	feb. 2023
	TOTAL	**1,200.0**				

The bonds issued by Romulus regarding Classes A1, A2, A3 and A4 are secured by the monoline insurance company, Ambac Assurance UK Limited; from April 2011 the insurance company is no longer subject to rating.

The level of ADR’s rating affects the amount of the premium paid to Ambac for the surety on the bonds, but not the interest rate applied to each class of bond.

It must be remembered that to guarantee payment of Class A1, at the application date of March 2012 ADR collateralized an amount of 23.2 million euros in the account denominated “loan collateral", which was added to the amounts collateralized during the same year, for a total of 75.4 million euros as of June 30, 2012.

The **hedging policy**, an integral part of the loan agreements entered into by the Parent Company ADR, requires that at least 51% of all debt be hedged against fluctuations in interest rates.
At June 30, 2012, 63.4% of ADR's lines of credit have fixed interest rates (at December 31, 2011: 60.1%) and hedging agreements are not active.
On February 20, 2012 the two interest rate collar forward start contracts, signed with Barclays and Royal Bank of Scotland by ADR on May 16, 2006, with a notional capital of 120 million euros each, expired.

The bank loans and the loan from Romulus Finance 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 the inventories of ADR, ADR Retail and ADR Mobility, as well as any receivables deriving from the sale of these 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 bank current accounts;
- a lien on ADR's shareholdings in ADR Tel, ADR Advertising and ADR Assistance, ADR Retail, ADR Mobility and ADR Security;
- "ADR Deed of Charge" (a lien under British law on loans, hedging agreements and insurance policies governed by British law).

A large number of contractual regulations (**commitments and covenants*)*** 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 12 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 12 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.

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 a 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.
The respect of certain thresholds that are higher than the specific levels allows the distribution of the dividends and the resorting to further borrowing; if, on the other hand, the ratios fall below specific minimum thresholds, a trigger event or an event of default may occur.
For further information on compliance with the covenants, reference is made to the description in the Management Report on Operations, paragraph "Risks related to outstanding loan agreements".

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 creditors early 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 Finance bonds;
d) prohibition of the acquisition of financial assets and of taking out new loans, even if they are designed to repay existing borrowings; and
e) the transfer of all cash amounts due to ADR as guarantees to the creditors, with consequent notification of the debtors transferred.

As regards ratings assigned, 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) continue.

In applying this condition, ADR has allocated all the available liquidity to the accounts of the Account Bank – equal to 23.2 million euros – also on the application date of March 2012 – to the collateralization of the upcoming Tranche A1 (500 million in February 20, 2013), with this account (Retention Account) having a balance of 75.4 million euros.

"**Amounts due to suppliers**" dropped by 7,568 thousand euros due to the decreased volume of capital investment during the period.

"**Amounts due to parent companies**", totaling 25,090 thousand euros, includes trade payables amounting to 369 thousand euros and amounts due to Gemina for tax consolidation totaling 24,721 thousand euros. The increase of 7,848 thousand euros with respect to the previous year primarily derives from the estimated IRES for the period, totaling 11.3 million euros, net of the taxes due for 2010, and the transfer of tax credits for 2012 regarding the advances already paid for a total of 3.4 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 55,208 thousand euros, were up 7,758 thousand euros on the previous year, essentially due to the combined effect of:
- higher IRES regarding the Group companies not belonging to the consolidated taxation regime and IRAP for 8.8 million euros;
- lower amounts due to the tax authorities for the municipal surtax on passenger fees for 1.2 million euros.

In this regard, it should be remembered that ADR 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 Law Decree no. 134/08, 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 Law Decree no. 134/08 are allocated to a special fund, managed by INPS, in support of the income, employment, reorganization and retraining of air transport sector personnel. Law no. 122 of July 30, 2010 and the subsequent resolution of the Commission responsible for the administrative management of the municipality of Rome of November 12, 2010, also introduced, starting from January 1, 2011, an administrative surcharge on the boarding fees of passengers departing from Rome's airports in order to contribute to expenses deriving from the rescheduling of the Municipality of Rome's debt.
The amount due as municipal surtax on passenger fees totaled 40,883 thousand euros as of June 30, 2012. This amount was paid the following month after collection of municipal surtax from carriers, while the outstanding amount due is recorded in a contra-entry under receivables.

"**Other payables: sundry creditors**" increased overall by 3,622 thousand euros mainly due to the greater debt entered for the cost of the fire prevention fund of the first half of 2012 equal to 3.9 million euros. The amounts due recorded in the financial statements regarding the years from 2007 to the first half of 2012 total 46.8 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;
In short amounts due as of June 30, 2012 (1,596,435 thousand euros) comprise financial receivables (1,305,072 thousand euros), trade receivables (129,047 thousand euros), and sundry receivables (162,316 thousand euros).

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 1,304,220 thousand euros (as described in the paragraph regarding amounts due to banks and other financial institutions).

Payables falling due beyond five years amount to 405,019 thousand euros and regard amounts due to banks totaling 80,000 thousand euros (EIB loan) and amounts due to other financial institutions of 325,019 thousand euros.

Foreign currency payables exposed to exchange rate risk total 32 thousand euros and refer to services supplied.

ACCRUED EXPENSES AND DEFERRED INCOME

	12-31-2011	changes during the period	06-30-2012
▪ **Deferred income**			
. Sub-concessions and license fees	478	7,853	8,331
. Other	2,275	(429)	1,846
	2,753	**7,424**	**10,177**

The sub-item "Other", totaling 1,846 thousand euros as of June 30, 2012, includes 755 thousand euros for the advance billing of advertising and miscellaneous services, and 1,091 thousand euros regarding grants collected but not accruing during the period.

NOTES TO THE CONSOLIDATED MEMORANDUM ACCOUNTS

GENERAL GUARANTEES

	06-30-2012	12-31-2011
Sureties		
. in the interest of third parties	111	111
Other:		
. in favor of clients	328	328
	439	**439**

COMMITMENTS ON PURCHASES AND SALES

	06-30-2012	12-31-2011
COMMITMENTS ON Investments:		
. electronic equipment	139	361
. maintenance and services	2,497	1,651
. self-financed works	70,849	73,594
	73,485	**75,606**

It is to be noted that:

– commitments on purchases also include ADR'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. 477/95) and the Ministerial Decree of November 29, 2000, for Fiumicino and Ciampino airports.
To this end ADR 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, based on available estimates regarding the investments made on the date of these Statements, judges its overall commitment to be no more than approximately 38 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 SpA (formerly ADR Handling SpA), 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 previous years under extraordinary items with a contra-entry in allowances for risks and charges, totaling around 4.6 million euros as of June 30, 2012. The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years;

OTHER MEMORANDUM ACCOUNTS

	06-30-2012	12-31-2011
GENERAL GUARANTEES RECEIVED		
Sureties:		
. received from suppliers	69,919	64,736
. received from clients	88,518	90,956
	158,437	155,692
THIRD PARTY ASSETS ON FREE LOAN DEPOSITED IN CUSTODY, LEASED OR SIMILAR		
. leased assets	11	11
. CAA - plant and equipment at Fiumicino	119.812	119,812
. CAA - plant and equipment at Ciampino	29.294	29,294
. "Work carried out on behalf of the State"	691.526	689,369
	840.643	838,485
	999.080	**994,178**

“Third party assets on 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 increase in the item “works carried out on behalf of the State” is due to invoicing of the portion of state-funded works regarding departure area F to the Civil Aviation Authority in the first half of 2012.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

TOTAL REVENUES

Revenues

	1st half 2012	1st half 2011	change
▪ ***Revenues from sales:***			
. "*Non-aeronautical*" activities:			
duty free and duty paid	40,983	40,998	(15)
other	1,530	1,341	189
	42,513	**42,339**	**174**
▪ ***Revenues from services:***			
. "*Aeronautical*" activities:			
fees	84,190	85,199	(1,009)
centralized infrastructures	19,422	18,495	927
security	32,493	32,925	(432)
other	15,023	14,353	670
	151,128	150,972	156
. "*Non-aeronautical*" activities:			
sub-concessions and utilities	58,414	56,259	2,155
car parks	14,909	15,231	(322)
advertising	9,428	9,889	(461)
refreshments	3,772	3,762	10
other	9,981	9,609	372
	96,504	94,750	1,754
	247,632	**245,722**	**1,910**
▪ ***Revenues from contract work***	**2,258**	**5,571**	**(3,313)**
Total revenues from sales and services	**292,403**	**293,632**	**(1,229)**
▪ ***Changes in contract work in progress***	**470**	**(2,887)**	**3,357**
▪ ***Grants and subsidies***	**23**	**185**	**(162)**
TOTAL REVENUES	**292,896**	**290,930**	**1,966**

Revenues total 292,896 thousand euros. Of these, 51.6% derived from “aeronautical activities” carried out by the Group and 48.4% from “non-aeronautical activities” (51.9% and 48.1% in the first half of 2011 respectively).

“Revenues from sales” amounted to 42,513 thousand euros, basically in line with the comparison period.

"Revenues from services" totaled 247,632 thousand euros, up 0.8% compared to the period of comparison.

"Revenues from contract work", amounting to 2,258 thousand euros, primarily regard revenues deriving from the re-billing of the portion of works regarding the state-funded departure area F (formerly Pier C) to the Civil Aviation Authority.

Segment 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 table provides information relating to the principal areas of activity identified:

- **Airport fees**: paid in return for use of airport infrastructure;
- **Centralized infrastructures**;
- **Non-aeronautical 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 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	Commercial activities		Other activities	Total
			Sub-concessions	Direct sales		
1st half 2012	84,191	19,422	58,415	**42,512**	88,356	**292,896**
1st half 2011	85,199	18,495	56,259	42,339	88,638	**290,930**
change	(1,008)	927	2,156	173	(282)	**1,966**
% change	(1.2%)	5.0%	3.8%	0.4%	(0.3%)	**0.7%**

Total revenues can be broken down into two macro-areas:
- "Aeronautical" (including fees, handling, management of centralized infrastructure, security services, left luggage, assistance to passengers with reduced mobility, etc.) amounting to 151,128 thousand euros, compared to 150,972 thousand euros in the same period in 2011 (up 0.1%);
– "Non-aeronautical" (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 141,768 thousand euros, compared to 139,958 thousand euros in the period of comparison (up 1.3%).

A geographical breakdown of revenues would not be significant given that both airports managed by the Group are located within the same country and therefore is not analyzed.

Other income and revenues

	1st half 2012	1st half 2011
▪ **Revenue grants**	23	185
▪ **Gains on disposals**	10	0
▪ **Other:**		
. Releases:		
release from allowance for overdue interest	0	9
. Expense recoveries	405	843
. Recovery of personnel expenses	71	80
. Other income	3,304	2,961
	3,780	3,893
	3,813	**4,078**

"Revenue grants for the period" " include grants relating to management training programs, mainly funded by Fondimpresa.

"Other revenues", amounting to 3.3 million 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 first half of 2012 amounted to 58,466 thousand euros (57,772 thousand euros in the first half of 2011) of which 47,873 thousand euros relate to intangible fixed assets (46,898 thousand euros in the first half of 2011) and 10,593 thousand euros relating to the tangible fixed assets (10,874 thousand euros in the comparison period). Amortization of intangible fixed assets includes the charge for amortization of the concession, amounting to 24,642 thousand euros.

Further details are provided in the note to fixed assets.

Provisions for doubtful debt totaled 4,444 thousand euros (4,957 thousand euros in the first half of 2011) 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:

	1st half 2012	1st half 2011
. current and potential disputes	3,675	6,408
. insurance deductibles	17	70
	3,692	**6,478**

"Other provisions", totaling 3,692 thousand euros, regard provisions for fixed assets to be handed over. 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 the assessment 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

	1st half 2012	1st half 2011
▪ concession fees	11	11
▪ other	3,328	3,392
	3,339	**3,403**

The item "Other" primarily comprises:
- 495 thousand euros for membership fees (506 thousand euros in the first half of 2011);
- 2,320 thousand euros for indirect taxes and duties (1,876 thousand euros in 2011), including 1,617 thousand euros for local property taxes;
- 421 thousand euros for updated valuations of costs and revenues recognized in the 2011 financial statements (835 thousand euros in the previous year).

FINANCE INCOME AND COSTS

Other finance income

	1st half 2012	1st half 2011
▪ **Interest and commissions on long-term receivables:**		
Other	0	0
▪ **Finance income on securities recorded in non-current financial assets that do not qualify as equity investments**	197	185
▪ **Other:**		
Interest on overdue current receivables:		
. Clients	0	95
Interest and commissions received from other companies:		
. Interest from banks	873	1,113
. Interest from clients	1	12
. Other	42	1
	916	1,221
	1,113	**1,406**

"Finance income on securities recorded in non-current financial assets that do qualify as equity investments" includes finance 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 Srl, which ADR purchased on February 13, 2009.

"Interest from banks", equal to 873 thousand euros, decreased by 240 thousand euros compared to the first half of 2011 due to the reduction in average liquidity and rate reductions.

Interest expense and other financial charges

	1st half 2012	1st half 2011
▪ **Interest and commissions due to others and sundry charges:**		
. Interest and commissions paid to banks	2,440	2,588
. Interest and commissions paid to other financial institutions	31,320	31,305
. Provisions for overdue interest on doubtful debt	0	200
. Other	801	3,128
	34,561	**37,221**

"Interest and commissions paid to banks" registered a decrease of 148 thousand euros due to the reduced average exposure deriving from repayments of the Term Loan Facility in September 2011 and, with the permanent closure of the facility, in February 2012 for a total of 68.0 million euros, in addition to the payment of the installments due of the banca OPI loan for 8.5 million euros.

Instead "interest and commissions paid to other financial institutions" were basically in line with the first half of 2011.

"Other" basically consisted of the differential, negative for both the comparison periods, matured on the interest rate collars. The impact is lower in the half just ended since the funding expired in February.

Foreign exchange gains/(losses)

	1st half 2012	1st half 2011
. Foreign exchange gains	18	12
. Foreign exchange losses	3	2
	15	**10**

EXTRAORDINARY INCOME AND EXPENSE

Extraordinary income

	1st half 2012	1st half 2011
▪ **Other:**		
Income and recovery of expenses relating to previous years deriving from:		
. Reversal of liabilities	2	1.416
. Damages received	737	0
. Taxes relating to previous years	4	1
	743	**1.417**

"Damages received" includes the insurance claim relating to the theft of the central warehouse taking place at the end of 2010.

Extraordinary costs

	1st half 2012	1st half 2011
▪ **Taxes relating to previous years**	**7**	**0**
▪ **Other:**		
Extraordinary expense deriving from:		
Operating costs	93	155
Finance costs		0
Exceptional asset write-downs		1,166
	93	**1,321**
Other extraordinary expense:		
Payments due for lost cargo	128	37
Fines	21	26
Costs for extraordinary transactions	2,664	0
Other costs	390	7
	3,202	**70**
	3,295	**1,391**
	3,302	**1,391**

"Costs for extraordinary transactions" includes the costs incurred in the half relating to the spin-off transactions concerning the direct sales, car park management and security businesses and the sale of the companies ADR Retail and ADR Mobility.

INCOME TAXES

	1st half 2012	1st half 2011
▪ **Current taxes**		
. IRES	1,589	183
. income from tax consolidation	(268)	(340)
. expenses from tax consolidation	11,533	12,127
. IRAP	7,329	7,341
	20,183	**19,311**
▪ **Deferred tax (assets) liabilities**		
. deferred tax assets	(2,470)	(2,128)
. deferred tax liabilities	0	(5)
	(2,470)	**(2,133)**
	17,713	**17,178**

"Current taxes – IRES" refers to the subsidiaries ADR Advertising, ADR Retail, ADR Mobility and ADR Security, which do not take part in the consolidated tax regime of the Gemina Group.

It should be remembered that, having met the related prerequisites, ADR and the other Group companies (ADR Engineering, ADR Tel, ADR Assistance and ADR Sviluppo), along with the consolidating company, Gemina, have opted to participate in the tax consolidation regime introduced by the Tremonti Reform for the three-year period 2010-2012. As regards deferred taxation, current agreements stipulate continuation of the posting of 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 SpA to the consolidating company, Gemina, "expenses from tax consolidation" of 11,533 thousand euros were recorded. Income from tax consolidation of 268 thousand euros was recorded as a result of the application – in the form of remuneration - of the IRES rate to 50% of the positive difference between taxable operating income and interest expense, in accordance with contractual agreements.

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 absence of clear indications on the availability of tax provisions, non-operating income of 1,610 thousand euros (including 1,565 thousand euros regarding ADR, 22 thousand euros regarding ADR Tel and 23 thousand euros regarding ADR Engineering) has been prudently omitted from income statement data. This sum relates to an IRES rebate deriving from the 10% deduction of IRAP regarding the years from 2004 to 2007. Rebate applications were submitted by the consolidating company, ADR, for the years from 2004 to 2006, and by the consolidating company, Gemina, 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:

Company	1st half 2012	1st half 2011	change
Managers	42.1	42.3	(0.2)
Administrative staff	183.8	178.8	5.0
White-collar	1,595.4	1,604.1	(8.7)
Blue-collar	508.5	524.5	(16.1)
Total	**2,329.7**	**2,349.7**	(20.0)

The following table also shows the average number of employees by company:

Company	1st half 2012	1st half 2011	change
ADR SpA	1,682.8	2,054.4	(371.6)
ADR Engineering SpA	33.1	34.0	(0.9)
ADR Tel SpA	16.0	16.0	0.0
ADR Advertising SpA	9.0	8.0	1.0
ADR Assistance S.r.l.	247.8	237.3	10.5
ADR Security S.r.l.	224.9	0.0	224.9
ADR Retail S.r.l.	97.6	0.0	97.6
ADR Mobility S.r.l.	18.4	0.0	18.4
Total	**2,329.7**	**2,349.7**	**(20.0)**

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

The following table shows the remuneration paid to Directors and Statutory Auditors (cumulatively for each category):

Category	Remuneration (€000)
Directors	109
Statutory Auditors	164
Total	**273**

LITIGATION

Administrative, civil and labor litigation is followed by the Group through its internal legal department which has provided, for the preparation of the half-year financial report as of and for the period ended June 30, 2012, 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 proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

Tax litigation

Significant disputes involving the Parent Company ADR are summarized below:

- 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 and related local surtaxes on electricity sold to third parties for the years between 2002 - 2006.
  Following the audits, the Tax Office issued 15 demands for payment of a total of 4.4 million euros (including interests and expenses), 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 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 to entities qualifying for inclusion in the category “industrial operators”.
  Along with the demands for payment, there were 9 notifications of administrative irregularities, amounting to a total of 1.5 million euros for 2002, concerning the sanctions imposed in relation to the failure to pay the above taxes.
  ADR appealed the demands in question before the Provincial Tax Commission for Rome. At hearings in 2008 and 2009, the Provincial Tax Commission for Rome granted all the appeals regarding payment of taxation and the imposition of sanctions.
  The Custom Office then lodged an appeal against the sentences. The Regional Tax Commission confirmed the outcome of the sentence of the Provincial Tax Commission, rejecting the appeals lodged by the Customs Office.
  On November 5, 2010 the Attorney General's Office contested some of sentences issued by the Lazio Regional Tax Commission before the Supreme Court. The Company took formal legal action.

- On March 1, 2011, the Customs Office – Rome Office 2 began to audit ADR, concerning the correct application of legislation in force regarding taxation of the consumption, excise tax and surcharge on electricity in the period 2007-2010.
  The audit is linked to the one undertaken, for the years 2002 to 2006, by the former Rome Tax Office, for which a tax litigation is still pending before the Supreme Court (see previous point). On February 9, 2012 the company was notified a tax assessment with which the Office quantified the amount of the failed payment of the consumption tax and related surcharges and VAT due for the abovementioned period to be 2.5 million euros. In acknowledging the notice, the Company has reserved its right to defend itself before the competent authorities.

- On August 16, 2007, the Rome II Customs District Office notified ADR of reported irregularities in the sales carried out at its duty free shops from January 1, 1993 to January 31, 1998. The findings essentially regarded 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 Customs District 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.

ADR appealed this demand for payment before the Provincial Tax Commission. On April 6, 2009 the Provincial Tax Commission for 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 paid by installment, for a total amount, including interest and ancillary charges, equal to 26.1 million euros.

On July 14, 2009 ADR lodged an appeal against the sentence handed down by the Provincial Tax Commission for Rome. On May 26, 2010 the Provincial Tax Commission for Rome deposited sentence no. 105/35/10, which rejected ADR's appeal and required the Company to pay costs.

This further adverse development has given additional weight to the risk of a negative outcome, regardless of the fact that the position of the Company and its tax experts expressed during the legal proceedings, which maintains that there are no grounds for the imposition of such taxation, is unchanged. Moreover, the Company is convinced of the substantial and formal legitimacy of its behavior. Consequently, in preparing the financial statements for the year ended December 31, 2010, it was decided to allocate provisions based on the estimated amount of taxes assessed, thereby bringing the allowance for taxes into line with the tax payable, inclusive of interest and ancillary charges.

ADR, which firmly maintains its position that there are no grounds for the imposition of such taxation and is convinced of the substantial and formal legitimacy of its behavior, appealed to the Supreme Court against the adverse sentence handed down by the Regional Tax Commission.

Administrative, civil and labor litigation

Airport fees and regulated tariffs

- With regard to the preparatory phase for the Planning Agreement 2005-2009, in 2005 ADR appealed to Lazio Regional Administrative Court for an annulment of the decisions and considerations contained in the notes issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy, in which the company is 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 included a claim for damages from the ministries, in view of the unwarranted delay the above document had caused in finalizing the Planning Agreement. An announcement of the date of the relevant hearing is awaited.
- Actions brought by ADR following the issue of the provisions implementing Law no. 248/2005 (so-called “system requirements”), include the proceedings brought before the civil court of Rome 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 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. With sentence no. 19720/2010 the Court rejected ADR's claims. An appeal was proposed; the case is adjourned until June 25, 2014 to pronounce the final judgment.
- A further action relating to “system requirements” regards the appeal filed by ADR before 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. ADR intends to appeal. The judgment is adjourned until November 27, 2012.
- On November 21, 2007, ADR lodged an appeal with the Lazio Regional Administrative Court (without a request for suspension) to obtain cancelation of CIPE Resolution no. 38/07 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.

- 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 reasoning and arguments, to the one in which ADR appealed against the previous decree that revised airport fees for 2008 in line with inflation.
- Likewise, in January 2011 ADR presented an appeal to the Lazio Regional Administrative Court against the Decree of the Ministry of Infrastructure and Transport of October 4, 2010 concerning “Revised airport fees for 2010” (published December 11, 2010). This decree raised airport fees in line with the target inflation rate for 2010 which, in the Economic and Financial Planning Document 2010-2013, is projected at 1.5%.
- On July 2, 2012 ADR presented an appeal to the Lazio Regional Administrative Court against the Decree of the Ministry of Infrastructure and Transport of November 11, 2011, concerning “Revised airport fees for 2011” (published May 4, 2012). This decree raised airport fees in line with the target inflation rate for 2011 which, in the Economic and Financial Planning Document 2011-2013, is projected at 1.5%. The appeal, though similar, in terms of reasoning and arguments, to the ones in which ADR had appealed against the previous revision decree 2008, 2009 and 2010, in addition challenges the Ministerial Decree appealed against in the part where the adaptation to the target inflation rate of 2% was not recognized as set by the Government, in September 2011, in the "Update note to the DEF 2011".
- ADR has contested a letter from the Civil Aviation Authority dated April 13, 2010 and a memorandum from the Ministry of Transport of May 13, 2010 (and all other related memoranda) before the Lazio Regional Administrative Court. These notifications stipulate that EU fees should be applied to Swiss carriers, as well as all flights to and from the territory of the Swiss Confederation (conversely ADR applies non-EU fees for these flights). The Civil Aviation Authority's assertion is based on the fact that the Agreement between the EU and Swiss Confederation of January 21, 1999 (which came into force on June 1, 2002) placed Swiss carriers on an equal footing with EU ones, and therefore ADR is discriminating against Swiss carriers. The Company, on the other hand, maintains that no discrimination is involved as the application of airport fees, and related amounts, is governed in Italy by the Ministerial Decree of November 14, 2000 which is based on the air space a flight passes through (within or beyond the European Union) rather than the carrier that operates it.

  With sentence lodged on June 18, 2012 the Lazio Regional Administrative Court declared the appeal inadmissible “having to exclude that the notes being appealed against express orders taken”, providing to compensate the legal costs for the peculiarity and novelty of the issue. The Regional Administrative Court also excluded from its sphere the determination on the measure of the airport fees due to Switzerland, ascertaining, on this point, the jurisdiction of the Ordinary Judge.

  The total maximum amount to be potentially returned is estimated at around 10 million euros plus interest (as of June 2012). Obviously, the fees claimed by carriers would in turn be verified in a court of law.

  On this subject, on July 21, 2011, Swiss International Airlines Ltd summoned ADR to return the sum of 5.2 million euros (including interest) equaling the presumed excess difference paid by Swiss from 2002 to 2009 for landing and take-off fees (in the hearing of December 23, 2011, Swiss lowered the value of its interest to 1.6 million euros, admitting to have made a material error on the point). On August 18, 2011, ADR was notified a similar deed, again by Swiss, with a request equal to 3.1 million euros, plus interest, for a total of 3.5 million euros concerning the passenger boarding fees.

  Darwin Airline SA also summoned ADR to the Court of Civitavecchia on May 30, 2012; the amount claimed by this carrier amounts to 360 thousand euros (plus interest according to the law) and concerns the presumed excess difference paid by the carrier from 2004 to 2011 for landing and take-off fees and passenger boarding fees.
- On July 11, 2011 ADR was notified, in its capacity as involved party, the appeal lodged before the Lazio Regional Administrative Court by IBAR and ten airlines (Brussels Airlines, Qatar Airways, Kuwait Airways, Egypt Air, Cyprus Airways, Bulgaria Air, Malaysia Airlines, Iberia, Tunisair) for the cancelation of the directive (pursuant to letter of May 11, 2011) with which the Civil Aviation Authority declared that, with reference to the fee to use the automatic handling system of transit baggage “NET6000”, the cost connection limit just for 2011 is “equal to 1.87 euro per piece of baggage”. The applicant did not made a request for suspensive relief and a date for the relevant hearing has yet to be set.

- In relation to the failed payment from January 2011 for the use of the NET6000 system by the ten airlines, on December 22, 2011 ADR filed the relevant appeals for injunctions to recover its credit expired regarding fees until September 2011 for 3.8 million euros towards:Alitalia (3.6 million euros), Air France, Delta, Korean, Air One, United, Darwin, Emirates, Continental and Qatar. On January 17, 2012 the company filed the supplementary notes to the appeals for injunctions towards Alitalia, Air One, Emirates, Delta and Air France to demand their provisional enforceability, while it withdrew those towards Darwin and Continental, given that these airlines paid the due debt. On June 8, 2012 Alitalia was notified a second injunction for 1.8 million euros regarding the invoices issued until January 2012, only partially paid by Alitalia, which arbitrarily reduced the remuneration from 1.87 euros to 0.30 euro per passenger. All the carriers proposed an objection to the injunctions obtained and notified to them by ADR and the relevant first hearings are scheduled from the end of September onwards.

Airport Fuel Supply Fees

- In March 2006 ADR appealed to the Lazio Administrative Court against the Civil Aviation Authority's memorandum of February 3, 2006 and previous 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.
- IBAR (Italian Board Airlines Representatives) and 6 carriers (Iberia, Tap, American Airlines, Delta Airlines, Ethiopian Airlines and Cyprus Airlines) lodged an appeal with the Lazio Administrative Court, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (in addition to other previous measures), with which the Civil Aviation Authority communicated the results of the controls carried out at airports managed by full-service operators "in order to analyze the correlation between costs and the flat rates charged by airport operators to oil companies". 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.
- ENI has brought a claim before the Rome civil court against its own client airlines (Air One, Alitalia, Eurofly, Livingston, Meridina and Neos) in order to ascertain the obligation to pay oil companies the amounts regarding the concession 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 Legislative Decree no. 211/2005 regarding the so-called "system requirements").
  In the same claim, ENI has also brought a secondary claim against airport operators, including ADR (and the Civil Aviation Authority for the airports managed by the State) in order to ascertain that the concession fees paid by ENI to airport operators should not be calculated on the basis of the amount of fuel supplied to airlines. Moreover, as specifically regards ADR, on the one hand, ENI requests that the Company be 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 (as determined for the period up to 31 May 2006), which is as yet unpaid. The case is adjourned until 24 January 2013 to pronounce the final judgment.
- Airone has taken out legal proceedings at the Civil Tribunal 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 fees charged to oil companies by operators in return for the use of airport infrastructure, which these companies subsequently "pass on" to carriers. Consequently, Airone 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 Airone since 2003, amounting to 2.9 million euros. The issue of the sentence is awaited.

Concession fees

- On May 26, 1999, ADR appealed Ministry of Finance Decree 86, dated March 5, 1999, before the Lazio Administrative Court. The Decree establishes the concession fees to be paid by airport operators for the years prior to 1997. Judgment is still pending. A similar action brought by ADR 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 SpA's position, declared that the Company has no obligation to pay the government concession fees for the years prior to 1997.

- In 2003 ADR lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 (definition of airport concession fees for 2003) published in the Official Gazette on 7 July 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 full-service airport operators pursuant to special laws. In a parallel civil court judgment, on July 12, 2007 ADR was notified of the purview of sentence no. 12189 of June 13, 2007 with which the Court of Rome, accepting ADR's request, declared that any amounts greater than the concession 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 "are not due" to the Italian Civil Aviation Authority". The state property office lodged an appeal, which was fully rejected with sentence no. 2454/2012.

Fire prevention fund

- In November 2009 ADR 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 related payments as soon as possible in order to "rectify non-compliance with the provisions of Law no. 296 of December 27, 2006". An announcement of the date of the relevant hearing is awaited.
  With a sentence on October 26, 2010, the Tax Commission ruled on an appeal lodged by thirteen airport operators (not including ADR which, like other operators, opted to contest the directive before the above-mentioned Lazio Regional Administrative Court), declaring that the appellants were not obliged, from January 1, 2009, to pay "the contributions laid down by art. 1, paragraph 1328 of Law no. 296/2006, as amended by art. 4, paragraphs 3.2, 3.3 and 3.4, of Law no. 185/2008, into the so-called 'fire prevention fund', given that such contributions, as demonstrated, are to be allocated for purposes other than those laid down by law". With sentence no. 252/10/11 the Regional Tax Commission (2nd instance), accepting the appeal of the authorities, reformed the abovementioned 1st instance sentence.

Antitrust authority

- In a resolution of September 20, 2000, the Antitrust Authority closed the investigation of ADR, finding no anti-competitive practices in relation to Aviation Services (Meridiana Group), although no fine was imposed. The Company has appealed the latter finding before the Lazio Administrative Court, but the date for the hearing has yet to be set.
- With a measure of April 26, 2012, the Antitrust Authority started an investigation to verify whether ADR, in its position as exclusive concessionaire for the management of Fiumicino airport, violated art. 3 of law no. 287/90 "in an attempt to impose conditions that are unjustifiably strict to HI [Hertz Italia] in the form of remuneration for services not provided".
  Hertz Italia has stipulated an agreement with ADR for the sub-concession of government assets at Fiumicino airport with the aim of performing car rental activities without driver, providing for certain commitments towards the same ADR. In spite of this, Hertz Italia, using the brand "Advantage rent a car" and thanks to a mandate with representation, started a car rental business just outside the airport area and organized a shuttle service to take customers from Fiumicino airport to the place where the rented cars are handed over. Given this additional and different activity, ADR requested that Hertz Italia respect the contractual commitments assumed (or face cancellation of the contract) and pay a fair remuneration deriving from the lucrative activity performed in connection with Fiumicino airport (with special reference to the shuttle service offered within the airport area).
  The Antitrust Authority intends to verify whether the requests made by ADR towards Hertz Italia may result in the abuse of a dominating position in the specific car rental without driver services inside Fiumicino airport. As expressly determined by the Antitrust Authority, the procedure will be settled by May 3, 2013.

Noise abatement measures

- The Ministerial Decree of November 29, 2000 requires the operators of public transport services and the related 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 19, 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. 447/95 (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. 447/95)"; 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".
- ADR appealed to the Lazio Regional Administrative Court requesting cancellation of the proceedings of July 1, 2010 by which the Services Conference, convened to define and approve acoustic zoning for "G.B Pastine" airport in Ciampino, approved acoustic zoning Proposal no. 2 for this airport. No request for suspensive relief was made and a date for the relevant hearing has yet to be fixed.

Traffic restrictions at Ciampino

- 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. 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 of an appeal on additional grounds to the Lazio Regional Administrative Court, following the denial by Assoclerance 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 of 2007. With ruling no. 2046/08 the Council of State rejected Ryanair's demands.

Building plan

- With ruling of March 14, 2012, the Lazio Regional Administrative Court accepted the appeal with which, in 2003, ADR had appealed against the deeds of the municipal office of Fiumicino that modified the existing Building plan with the possibility of building in the area near the airport (so-called “Quadrante Ovest” and “Fiumicino Nord”). With this decision, ADR’s interest is recognized, together with its active authorization to safeguard the suitable and necessary conditions of the territory for air traffic development.

Bankruptcy proceedings involving clients

- 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 extraordinary administration, Volare S.p.A. in extraordinary administration, Alitalia Express S.p.A. in extraordinary administration, Alitalia Servizi S.p.A. in extraordinary administration, Alitalia Airport S.p.A. in extraordinary administration, between the end of 2011 and the first few months of 2012 the insolvencies were filed.ADR proposed a denial of insolvency for Alitalia in extraordinary administration and Alitalia Airport in extraordinary administration.
- In October 2009, the companies Volare Airlines S.p.A. in extraordinary administration and Air Europe S.p.A in extraordinary administration entered into civil proceedings in order to obtain cancellation of payments made to ADR during the year prior to the carrier's entry into bankruptcy with decree of November 30, 2004 - and an order requiring Volare Airlines S.p.A. to pay back a sum of 6.7 million euros and Air Europe S.p.A 1.8 million euros.
  With sentences of June 2011 the Court declared the payments made by the airline to ADR ineffective pursuant to art. 67 paragraph 2 of the Bankruptcy law, and thus ordered the company to pay the requested amount. ADR intends to appeal.
  Regarding the ruling for Volare Airlines in extraordinary administration, with sentence filed on July 4, 2012, the Appeal Court of Milan rejected the ADR’s appeal, ordering the company to also pay the legal costs. The company is paying the set amount.
  The hearing for Air Europe is adjourned until March 6, 2014 to pronounce the final judgment.
- In 2011 Livingston SpA in extraordinary administration, entered into civil proceedings in order to obtain cancellation of payments made to ADR during the six months prior to the carrier's entry into bankruptcy on October 21, 2010, and an order requiring the Company to pay back a sum of 1.0 million euros. The hearing is adjourned until October 24, 2012 to pronounce the final judgment.
- In August 2011 the companies of the Alitalia group in extraordinary administration entered into civil proceedings before the Court of Busto Arsizio in order to obtain cancellation of payments made to ADR during the six months prior to the carrier's entry into bankruptcy. The cancelled payments total about 2 million euros. The next hearing concerns the ruling of Volare S.p.A. in extraordinary administration scheduled for October 11, 2012.

Labor disputes

- A group of 16 parties summonsed ADR and the bankrupt Ligabue Gourmet, thereby challenging the validity of ADR's sale of the West catering business unit to Ligabue, with a claim for damages totaling around 9.8 million euros. The dispute was settled in favor of ADR by a sentence on June 29, 2010. Of the 16 parties of the first instance phase, 14 have proposed an appeal summons, to which ADR responded. A further hearing has been fixed for December 2, 2014.

Tenders

- 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. 1347/06 handed down 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). The hearing has been scheduled for January 24, 2012. The issue of a sentence is awaited.

- Finprest has brought an action designed 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 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 pronounce final judgment has been scheduled for March 20, 2014.
- On February 1, 2005 Fondedile Costruzioni Srl lodged an appeal against sentence no. 23019/2004 of the Civil Court of Rome. These appeals reiterates the claim submitted in first instance for a total of 3.6 million euros, as well as legal and overdue interest and revaluation, regarding higher charges and damages incurred during the execution of construction works on a service tunnel at Fiumicino airport. At the hearing to pronounce final judgment, held on March 13, 2012, judgment was withheld.
- In January 2012 the companies Ing. Claudio Salini Grandi Lavori SpA and IRCOP SpA filed a claim to the Lazio Regional Administrative Court against ADR and towards Impresa Cavalleri Ottavio SpA and De Sanctis Costruzioni SpA for the cancelation, with prior suspension, of a series of rulings which produced the exclusion of the plaintiffs, due to an anomaly in the economic bid, from the restricted procedure for the entrustment of the works to "upgrade the surface of Runway 07/25, taxiways "Hotel and Golf", arrangement of the safety areas (*Runway strip*) and adaptation of the "AVL" systems at Fiumicino airport. In addition, with the same appeal, the acceptance of the claim for compensation for damages suffered and being suffered consequently to the failed awarding was requested, to be quantified in the course of proceedings, and in any case not less than 10% of the value of the bid, in addition to the damages suffered and being suffered concerning the pre-contractual and/or extra-contractual responsibilities, to be also quantified in the course of proceedings. The parties mutually agreed to withdraw from the discussion of the application for interim relief in the short term, at whose hearing, held on May 10, 2012, an expert was arranged who must be provided by the middle of September 2012.
- With ruling filed on March 15, 2012, the Appeal Court of Rome fully rejected the appeal of Consorzio Aerest – thus ordering the counterparty to pay the costs – relating to the compensation of the damage, overall quantified at 2.2 million euros in addition to interest and revaluation, which the same asserted to have incurred during the contract for the extension and restructuring of the international terminal at Rome's Fiumicino airport (Molo B) and related works (90s).
- Though not a dispute, it is worth noting that the construction works of the departure area F (formerly Pier C) entrusted to the Associazione Temporanea di Impresa (ATI) Cimolai are progressing late compared to the provisions of the contract following the continuous delay in stipulating the new Planning Agreement, which among other things provides for the recovery of the considerable investment through the tariff mechanism. At the end of 2011 an agreement was reached with the company to remodel the works and define the reserves recorded in the works journal, with the aim to postpone the definitive decision about the continuation of the investment to all of September 2012, given its time identified as possible for the stipulation of the new Agreement. At the moment, and while waiting the continued uncertainty on the times necessary for the conclusion of the administrative procedure, an in-depth legal verification is underway on the contractual aspects, for the agreements with the Associazione Temporanea di Impresa Cimolai and regulators (ENAC).

CLAIMS FOR DAMAGES

- On June 22, 2011 ADR received a formal claim for damages from AXA Assicurazioni, in its capacity as insurer of the airline Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to the "bird strike" event taking place on November 10, 2008 at the airport of Ciampino.

  ADR declines any responsibility for the event since the investigations by the competent authorities are, to date, still underway. The claim for damages amounts to about 27 million dollars for direct damages (the indirect ones are still being defined) and any compensation would be, in terms of insurance, covered by the third-party liability insurance policy of the Airport Operator in case the investigations were to reveal ADR's clear responsibility for the event.

* * *

In conclusion, we declare that these half-year financial statements present a true and fair view of the Group’s financial position and results of operations for the period.

THE BOARD OF DIRECTORS

AEROPORTI DI ROMA SPA:
FINANCIAL STATEMENTS

(not subject to auditing)

BALANCE SHEET
as of June 30, 2012
(in euros)
(Translation from the original issued in Italian)

ASSETS

		06/30/2012			12/31/2011	
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS:						
▪ Industrial patents and intellectual property rights		943,146			1,023,412	
▪ Concessions, licenses,trademarks and similar rights		1,605,481,335			1,630,994,645	
▪ Leasehold improvements in process and advances		31,446,259			31,644,945	
▪ Leasehold improvements		235,792,945			235,464,781	
			1,873,663,685			1,899,127,783
TANGIBLE FIXED ASSETS:						
▪ Land and buildings		2,110,863			2,348,229	
▪ Plant and machinery		47,962,096			53,144,366	
▪ Industrial and commercial equipment		1,190,199			1,399,102	
▪ Fixed assets to be relinquished		79,932,200			83,928,838	
▪ Other assets		2,067,796			2,079,227	
▪ Work in progress and advances		52,389,597			49,643,143	
			185,652,751			192,542,905
NON-CURRENT FINANCIAL ASSETS:						
▪ Equity investments in:						
- subsidiary undertakings	10,018,324			7,338,324		
- associated undertakings	10,330			10,330		
- other companies	2,202,006			2,202,006		
		12,230,660			9,550,660	
▪ Receivables due from others:						
. beyond 12 months	458,471			470,171		
		458,471			470,171	
	2,758,309			2,758,309		
		2,758,309			2,758,309	
			15,447,440			12,779,140
Total fixed assets			**2,074,763,876**			**2,104,449,828**
CURRENT ASSETS						
INVENTORY						
▪ Raw, ancillary and consumable materials		3,259,358			2,691,494	
▪ Contract work in progress		7,510,003			6,977,683	
▪ Finished goods and goods for resale						
- goods for resale	0			8,654,811		
		0			8,654,811	
			10,769,361			18,323,988
RECEIVABLES						
▪ Due from clients		159,137,828			173,624,308	
▪ Due from subsidiary undertakings		19,010,909			9,106,673	
▪ Due from associated undertakings		482,332			482,332	
▪ Due from parent companies		370,823			319,741	
▪ Due from tax authorities						
. within 12 months	1,336,362			2,693,824		
. beyond 12 months	26,096,949			23,695,105		
		27,433,311			26,388,929	
▪ Deferred tax assets		35,490,428			33,662,345	
▪ Due from others:						
- various						
. within 12 months	53,909,652			59,141,965		
- advances to suppliers for services to be rendered	11,226			140,417		
		53,920,878			59,282,382	
			295,846,509			302,866,710
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
▪ Bank and post office deposits		150,220,955			172,539,799	
▪ Cash and notes in hand		111,606			862,184	
			150,332,561			173,401,983
Total current assets			**456,948,431**			**494,592,681**
ACCRUED INCOME AND PREPAID EXPENSES						
▪ Accrued income and other prepaid expenses			**6,950,418**			**5,160,375**
TOTAL ASSETS			**2,538,662,725**			**2,604,202,884**

BALANCE SHEET
as of June 30, 2012
(in euros)
(Translation from the original issued in Italian)

	06/30/2012			12/31/2011		
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
▪ SHARE CAPITAL						
ordinary shares			62,224,743			62,224,743
▪ SHARE PREMIUM RESERVE			667,389,495			667,389,495
▪ REVALUATION RESERVES			0			0
▪ LEGAL RESERVE			12,461,960			12,461,960
▪ RESERVE FOR OWN SHARES			0			0
▪ STATUTORY RESERVES			0			0
▪ OTHER RESERVES			501,358			501,358
▪ RETAINED EARNINGS (ACCUMULATED LOSSES)			82,993,487			43,307,323
▪ NET INCOME (LOSS) FOR THE PERIOD			9,698,990			39,686,164
Total shareholders' equity			**835,270,033**			**825,571,043**
ALLOWANCES FOR RISKS AND CHARGES						
▪ For Taxes, including deferred:						
- Taxes		26,092,600			26,092,600	
▪ Other		59,890,457			57,653,868	
Total allowances for risks and charges			**85,983,057**			**83,746,468**
EMPLOYEE SEVERANCE INDEMNITIES			**17,045,574**			**23,461,324**
PAYABLES						
▪ Due to banks						
. within 12 months	9,043,237			74,823,908		
. beyond 12 months	93,600,000			97,850,000		
		102,643,237			172,673,908	
▪ Due to other financial institutions:						
. within 12 months	501,558,427			14,142,990		
. beyond 12 months	700,018,896			1,200,018,896		
		1,201,577,323			1,214,161,886	
▪ Advances:						
- from clients						
. from the Ministry of Transport:						
. within 12 months	267,000			267,000		
. beyond 12 months	2,650,311			2,844,461		
. other	9,080,379			5,658,505		
		11,997,690			8,769,966	
▪ Due to suppliers:						
. within 12 months	95,848,507			112,400,696		
. beyond 12 months	2,649,061			2,861,092		
		98,497,568			115,261,788	
▪ Due to subsidiary undertakings:						
. within 12 months	26,093,725			17,426,781		
		26,093,725			17,426,781	
▪ Due to associated undertakings:						
. within 12 months	968,680	968,680		968,680	968,680	
▪ Due to parent companies:						
. within 12 months	24,965,767	24,965,767		17,165,031	17,165,031	
▪ Taxes due:						
. within 12 months	50,330,685	50,330,685		46,498,097	46,498,097	
▪ Due to social security agencies		4,031,674			6,417,490	
▪ Other payables: various creditors						
. within 12 months	61,227,924			60,623,175		
. beyond 12 months	8,677,520			8,975,230		
		69,905,444			69,598,405	
Total payables			**1,591,011,793**			**1,668,942,032**
ACCRUED EXPENSES AND DEFERRED INCOME						
▪ Accrued expenses and other deferred income			**9,352,268**			**2,482,017**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,538,662,725**			**2,604,202,884**

MEMORANDUM ACCOUNTS
as of June 30, 2012
(in euros)

	06/30/2012		12/31/2011	
General guarantees				
▪ Sureties	110,522		110,522	
▪ Other	715,841		715,841	
		826,363		826,363
Collateral guarantees		0		0
Commitments on purchases and sales		83,269,521		83,208,010
Other		994,433,949		989,532,007
		1,078,529,833		**1,073,566,380**

INCOME STATEMENT
for the First half 2012
(in euros)
(Translation from the original issued in Italian)

	First half 2012			First half 2011		
TOTAL REVENUES						
▪ Revenues from sales and services:						
- revenues from sales	19,457,841			42,446,935		
- revenues from services	250,184,267			243,469,671		
- revenues from contract work	2,157,244			5,570,924		
		271,799,352			291,487,530	
▪ Changes in contract work in progress		532,320			(2,892,530)	
▪ Other income and revenues:						
- revenue grants	22,667			183,555		
- profits on disposals	6,059			0		
- other	4,259,583			3,689,837		
		4,288,309			3,873,392	
			276,619,981			**292,468,392**
OPERATING COSTS						
▪ raw, ancillary and consumable materials and goods for resale		29,775,634			38,541,752	
▪ services		65,678,621			61,039,297	
▪ leases		5,357,253			5,584,489	
▪ payroll:						
- wages and salaries	34,666,560			40,340,769		
- social security	10,030,794			11,628,576		
- employee severance indemnities	2,624,612			3,241,661		
- other	407,944			450,736		
		47,729,910			55,661,742	
▪ Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	47,995,291			47,055,828		
- depreciation of tangible fixed assets	10,290,349			10,686,729		
- provisions for doubtful accounts	4,406,954			4,925,978		
		62,692,594			62,668,535	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		(1,976,656)			(2,437,064)	
▪ Provisions for risks		3,463,071			6,415,666	
▪ Other provisions		140,000			120,012	
▪ Sundry operating costs:						
- losses on disposals	326			0		
- license fees	11,189			10,906		
- other	2,853,536			3,169,134		
		2,865,051			3,180,040	
			(215,725,478)			**(230,774,469)**
Operating income			**60,894,503**			**61,693,923**
FINANCIAL INCOME AND EXPENSE						
▪ Other financial income:						
- securities included in fixed assets which are not equity	197,326			185,045		
- other						
. Interest and commissions from subsidiary undertakings	3,152			25,332		
. Interest and commissions from banks	861,644			1,108,666		
. Interest and commissions from clients	712			107,207		
. Interest and commissions from others	41,638			883		
		1,104,472			1,427,133	
▪ Interest expense and other financial charges:						
- interest and commissions due to subsidiary undertakings	19,565			2,361		
- interest and commissions due to banks	2,428,661			2,576,533		
- interest and commissions due to other financial institutions	31,320,085			31,306,354		
- interest and commissions due to others	796,667			3,228,950		
- provisions for overdue interest on written down receivables	0			94,902		
		(34,564,978)			(37,209,100)	
	8,772			12,275		
	2,780			2,108		
		5,992			10,167	
Total financial income (expense), net			**(33,454,514)**			**(35,771,800)**

INCOME STATEMENT
for the First half 2012
(in euros)
(Translation from the original issued in Italian)

	First half 2012			First half 2011		
ADJUSTMENTS TO FINANCIAL ASSETS						
• Write-downs:						
- of equity investments		6,000			0	
Total adjustments			**(6,000)**			**0**
EXTRAORDINARY INCOME AND EXPENSE						
• Income:						
- other	739,249			1,416,660		
		739,249			1,416,660	
• Expense:						
- taxes relating to previous years	6,582			0		
- other	3,294,064			1,386,367		
		(3,300,646)			(1,386,367)	
Total extraordinary income (expense), net			**(2,561,397)**			**30,293**
Income before taxes			**24,872,592**			**25,952,416**
Income taxes of the period, current, deferred assets (liabilities):						
- current		(17,520,602)			(18,709,731)	
- deferred tax assets (liabilities)		2,347,000			2,290,000	
			(15,173,602)			**(16,419,731)**
Net income (loss) for the period			**9,698,990**			**9,532,685**

REPORT OF THE INDEPENDENT AUDITORS

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AUDITORS' REVIEW REPORT ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
AEROPORTI DI ROMA S.p.A.

1. We have reviewed the half-yearly condensed consolidated financial statements of Aeroporti di Roma S.p.A. and subsidiaries ("Aeroporti di Roma Group"), which comprise the consolidated accounting schedules as of and for the six-month period ended June 30, 2012 and the related explanatory notes. The Company's directors are responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards applicable to interim accounts set out by the accounting principle No. 30 established by OIC (*Organismo Italiano di Contabilità*). Our responsibility is to issue a report on these half-yearly condensed consolidated financial statements based on our review.

2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and substantive procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike our report on the year-end consolidated financial statements, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

   As far as comparative figures related to the year ended December 31, 2011 and the six-month period ended June 30, 2011 are concerned, reference should be made to our auditors' report dated March 19, 2012 and our auditors' review report dated August 5, 2011, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of Aeroporti di Roma Group as of June 30, 2012 are not prepared, in all material respects, in accordance with the accounting standards applicable to interim accounts set out by the accounting principle No. 30 established by OIC (*Organismo Italiano di Contabilità*).

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
August 3, 2012

This report has been translated into the English language solely for the convenience of international readers