Aeroporti di Roma

Annual Report 2012

Put Rome at the center of the world

The ADR Group manages the Roman airport system with the aim of supporting the constant expansion of its market by guaranteeing a service that is in line with international top quality standards through the state-of-the-art and constantly maintained infrastructures and systems available.

The Group is committed to developing the airport capacity to face the traffic growth expected by 2044 (about 100 million passengers).

Infrastructure worthy of a capital city

With over 41.5 million passengers a year, the Roman airport system represents the most important transport infrastructure in the whole of Italy.

The "Leonardo Da Vinci" airport alone manages a traffic of 37 million passengers (about 30% of the entire national market), making it the main Italian airport, the sixth hub and the seventh airport in Europe in terms of traffic volume.

More than 200 routes for one destination

The Roman airport system enjoys a strategic position due to both the attractiveness of one of the most sought after tourist destinations in the world and its geographic position, which is central with respect to the Italian peninsula and the entire Mediterranean area.

The more than 100 airlines that service Fiumicino and Ciampino airports with about 230 routes can also count on a catchment area that provides a user base of 12 million potential passengers in a radius of only 250 km.

We give value to our future

In the last ten years the ADR Group has invested almost one billion euros in the maintenance and safety of the existing assets, entirely relying on self-financing despite the absence of a reference tariff framework.

A significant increase in expenditure for the creation of new structures is expected already this year, thanks to the approval of the new Planning Agreement - 1.2 billion in the first 4 years (2013-2016) and 3.1 billion in the first 10 years (2013-2022) to progressively reach about 12 billion euros until the end of the concession.

A commitment taking us high up

Despite the limitations imposed by the infrastructural saturation, the quality of the services offered to carriers and passengers is improving progressively thanks to restructuring and managerial optimization actions.

In 2011 IATA certified such progress by awarding the “Leonardo da Vinci” airport the Best Improvement premium for the improvements attained in baggage handling. Moreover, in 2012 Fiumicino proved to be the European airport with the lowest number of left behind baggage.

We invest in our most valuable asset

To encourage the human and professional growth of our about 2,300 employees, the Group actively promotes the spreading and sharing of knowledge by constantly investing in training programs.

13,000 hours of courses were held last year to develop the key skills of the various professional figures and promote a well-rooted safety culture at all levels, which is an indispensable element to safeguard the well-being of our employees.

Aiming for the sky while respecting the earth

The ADR Group works while respecting the environment.

Thanks to the saving actions implemented in the last three years, in 2012 the energy consumption of the Leonardo da Vinci airport decreased by 23,000,000 kWh compared to the trend data, with a 13% saving equivalent to the average consumption of 25,000 inhabitants. This result was possible thanks to some actions taken by the Group: extraordinary maintenance, calibrations and supply adjustments, in addition to an intense awareness-raising campaign addressing the employees and external bodies.
Fiumicino development will go hand in hand with high environmental sustainability, thanks to the self-production of energy by using renewable sources, the harmonization of the new infrastructures with the local territorial context, the integrated management of the waste cycle and the conduction of advanced environmental mitigation projects.

Italy restarts from here

The Roman airport system significantly contributes to the economic development of the Lazio region and the whole of Italy.

A traffic increase of one million passengers a year at both airports corresponds to about 1,000 direct and 4,000 indirect jobs created, in addition to obtaining an added value higher than 400 million euros. Moreover, the implementation of the new development plan approved in 2012 will result in 30,000 new employees in the next 10 years to reach about 230,000 in 2044, combined with a rise in GDP equal to 20% on a regional basis and 0.6% on a national scale.

contents

SYNTHETIC DATA
AND
GENERAL INFORMATION

Annual Report 2012

letter to the shareholders

Dear shareholders,

The ADR Group plays a major role in the Italian and international air transport scenario as it manages two airports strategically positioned in the Mediterranean basin, which continuously attract passengers from around the globe thanks to the solidity and growing importance of Rome as a tourist destination. The Roman airport system is an essential element of the system of communication and exchanges in Italy and Europe, providing indispensable support for Italy's economic and social growth.

2012 was an important year for the ADR Group as it marked the signing of the Planning Agreement that, after years of waiting, has resulted in a new regulatory framework based on clear, transparent and long-lasting rules until the end of the concession.

On December 21, 2012 the Prime Minister approved the new Planning Agreement signed on October 25, 2012 between Aeroporti di Roma S.p.A. ("ADR") and the Italian Civil Aviation Authority (ENAC). The new tariff plan, which will come into force by the first half of 2013 with an average tariff equal to about 25 euros per outbound passenger, significantly reduces the gap with the European reference tariffs, which remain higher on average. The increases take into account the objectives of productivity, service efficiency and quality as well as the respect for the environment, ensuring the creation of sustainable value for all of our stakeholders.

Investments will be considerably boosted in the next four years (2013-2016) and will amount to approximately 1,250 million euros compared to less than 300 million euros worth of investments made in the previous four years. The Group will be committed to completing an overall investment plan of about 12 billion euros as of 2044 to enhance the airport system and adjust it to face the growing demand for traffic. The extent and complexity of this development project have no equal in the national and European scenario. This important challenge will fill the growing competitive gap formed in the last ten years and immediately relaunch the current airport in preparation for the development of the new airport of Fiumicino Nord. By 2022 a modern and efficient infrastructure will manage 55 million passengers, making Fiumicino one of the main European hubs; this figure will rise to 100 million in 2044, providing direct access to Italy and a city that has always been one of the most beautiful and sought after by tourists and business people from all over the world.

The new tariff regime will encourage the development and growth of the Roman airport system and the new investment plan will be very important for Italy and its economy. The airport is a development engine and it may have a significant positive impact on Italian GDP and directly and indirectly employ over 230,000 people. The new regulatory framework will also promote the development of long distance traffic from emerging markets. Over the last few years the attractiveness of our offer towards them has been negatively affected also by the current infrastructural deficiency and the saturation in peak hours.

2012 was an important year also in terms of organization. Spin-off transactions and sales of companies and company branches were carried out, which led to greater focus being placed on the airport core business, aligning ADR with international best practices. In particular, the process was completed for the sale of the "Duty Free Core Categories" business to the company Aelia, from the Lagardere Group, for a total price of about 230 million euros, resulting in considerable multiples when compared with the market average. This confirms our unique growth potential. The companies ADR Mobility S.r.l. and ADR Security S.r.l. were established with the aim of improving the level of service to customers, while the vehicle maintenance company branch was transferred to a specialized operator.
Moreover, despite the uneasy financial market situation, ADR payable of 500 million coming due on February 20, 2013 (Line A1 Romulus) was refinanced by a pool of 8 banks, setting the new maturity term to February 2015.

The negative economic situation and the difficulties faced by the main carriers, Alitalia in particular, contributed to a traffic reduction of 2.2%; the slight improvement of the economic results was deemed satisfactory in consideration of the scenario described above.

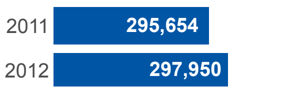
An important aspect for the Group management in 2012, and increasingly in the future, is the attention paid to all the stakeholders according to a business model inspired by sustainability. Focus on value creation is combined with attention to the main social and environmental issues. An important confirmation comes from this new edition of the financial statements, which is supplemented by the Sustainability Section. Against this backdrop, the Group will continue along its strategic growth path, committed to guaranteeing efficient company management focused on the infrastructural development of the market while communicating constructively with the expanded community of stakeholders to create sustainable value and contribute to improving Italy's economy.

The Chairman **The Managing Director**

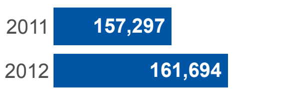
financial and operating highlights of the group

REVENUES *(-2.9%)*

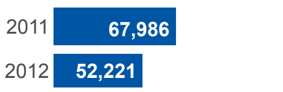
EBITDA *(+0.8%)*



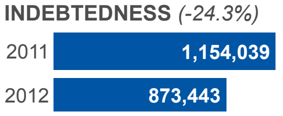
EBIT *(+2.8%)*



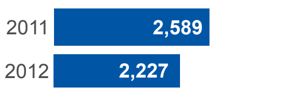
INVESTMENTS *(-23.2%)*



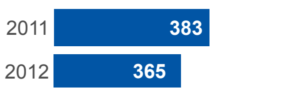
NET FINANCIAL INDEBTEDNESS *(-24.3%)*



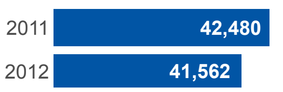
HUMAN RESOURCES *(-14.0%)*



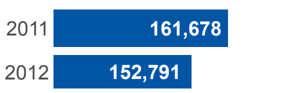
MOVEMENTS *(-4.9%)*



PASSENGERS *(-2.2%)*



CARGO *(-5.5%)*



Consolidated economic and financial results (Italian GAAP)	2012	2011
(euro/000)		
Revenues	602,156	620,036
EBITDA	297,950	295,654
EBITDA %	49.5%	47.7%
EBIT	161,694	157,297
EBIT %	26.9%	25.4%
Net income	263,103	41,916
Group net income	262,879	41,492
Investments	52,221	67,986
Net invested capital	1,929,094	1,946,587
Shareholder's equity (including minority interests)	1,055,651	792,548
Group shareholder's equity	1,054,824	791,945
Net financial indebtedness	873,443	1,154,039
Net borrowings/Shareholder's equity	0.8x	1.5x
Net borrowings/EBITDA	2.9x	3.9x
ROI	8.3%	8.0%

Rating		
Standard & Poor's	BBB–	BB
Moody's	Baa3	Ba2

Traffic volumes		
Movements (no. 000)	365	383
Total passengers (no. 000)	41,562	42,480
Total cargo (tons)	152,791	161,678

Group human resources		
Average headcount (no. of people)	2,318	2,399
Headcount at 31.12 (no. of people)	2,227	2,589
Average hours of training provided per employees	18	16
Number of accidents	194	209
Accident severity index	3.4%	4.0%

Service quality and customer satisfaction - Fiumicino		
(%)		
Waiting at baggage security checks (*)	89.3	87.5
Time for delivery of last bag (*)	89.1	90.8
Time at national check-in (*)	96.1	95.2
Average score (**)	86.2	86.1

Environment		
Total CO2 emissions (tons)	71,213	72,448
Electricity consumption (kWh)	169,666,600	182,380,346
Water withdrawal (m3)	1,822,300	2,088,461
Waste produced (tons)	9,508	8,788

(*) By the terms of the Service Charter
(**) On a 100 scale

Board of Directors

In office until the Meeting to approve the Financial Statements 2012

Fabrizio Palenzona	*Chairman*
Carlo Bertazzo	*Deputy Executive Chairman*
Lorenzo Lo Presti	*Managing Director*
Giuseppe Angiolini	*Director*
Mario Canapini	*Director*
Stefano Cao	*Director*
Beng Huat Ho	*Director*
Enzo Mei	*Director*
Gianni Mion	*Director*
Clemente Rebecchini	*Director*
Paolo Roverato	*Director*
Antonio Sanna	*Secretary*

Board of Statutory Auditors

In office until the Meeting to approve the Financial Statements 2012

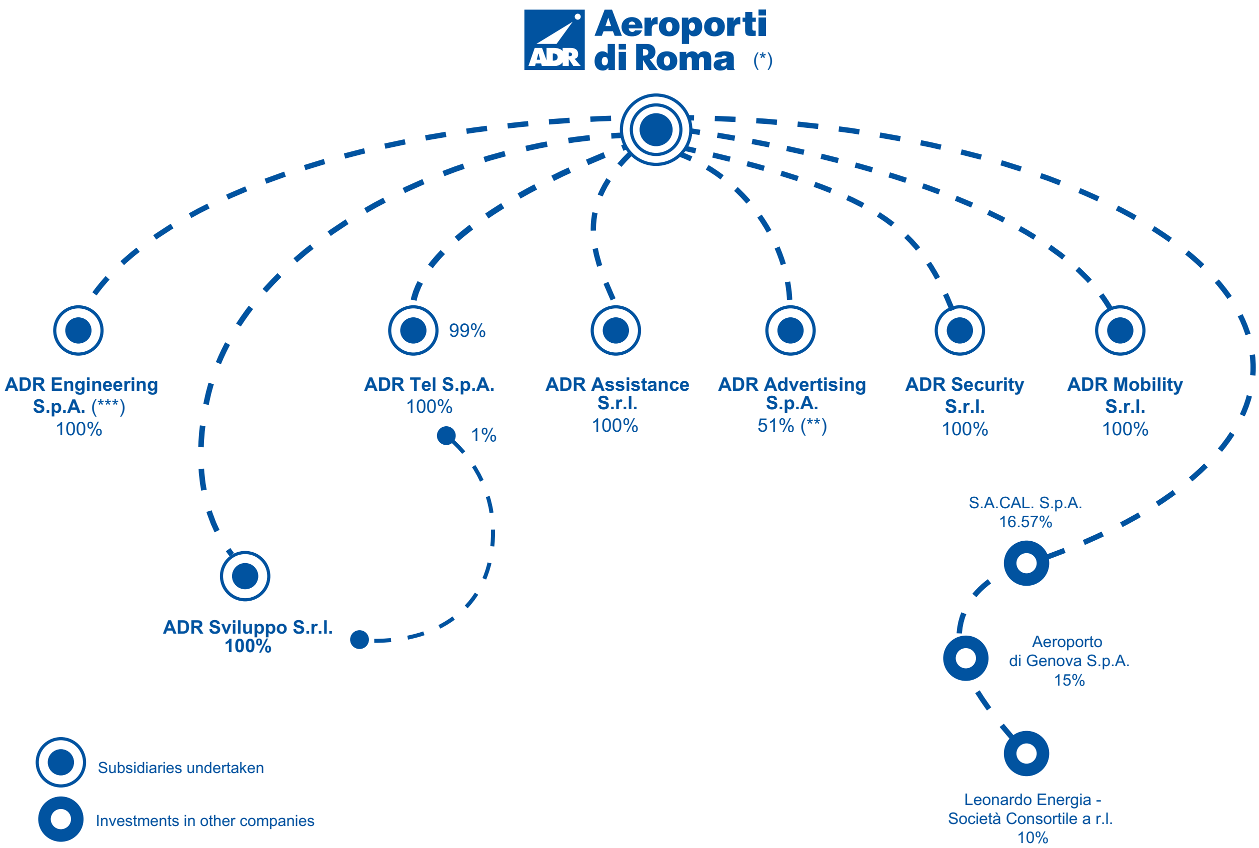
Maria Laura Prislei	*Chairman*
Luca Aurelio Guarna	*Statutory Auditor*
Silvano Montaldo	*Statutory Auditor*
Enrico Proia	*Statutory Auditor*
Mario Tonucci	*Statutory Auditor*
Piero Alonzo	*Alternate Auditor*
Cristiano Proserpio	*Alternate Auditor*

Independent Auditors

Period 2007-2012

Deloitte & Touche S.p.A.

the group's structure



(*) ADR S.p.A. also holds a 25% interest in Consorzio E.T.L. European Transport Law in liquidation
(**) of the share capital
(***) ADR Engineering S.p.A. also holds a 33.33% interest in Consorzio Agere

MANAGEMENT REPORT ON OPERATIONS

Annual Report 2012

Management Report on Operations

Core business

Reference scenario

Airport sector performance

Aeronautical

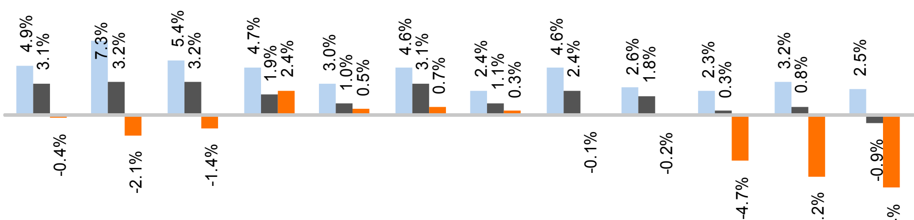
Air transport performance was and is significantly affected by the macroeconomic situation existing internationally and in individual geographic areas. The difficult economic scenario has negatively influenced passengers' propensity to fly, thus conditioning the supply and affecting the turnover of the carriers, which in turn continue to pursue strategies that focus on costs, with consequent measures to rationalize their networks. Lower-traffic and/or less profitable routes were affected the most, also due to the high incidence of the cost of fuel.

In 2012 world air traffic recorded a total of about 4.1 billion passengers and 66.9 million tons of transported cargo, with a 3.9% increase in passengers and a 0.2% decrease in cargo, compared to 2011, respectively. The growth of passenger traffic was driven by the trend of international traffic (up 5.3%), while domestic traffic rose by 2.8% compared to the previous year[1].

In 2012 airport traffic at European level recorded an overall increase in passenger traffic of 1.8% compared to 2011, also in this case driven by the rise in international traffic (up 2.8%), which more than offset the decrease in domestic traffic (down 1.8%). Overall cargo traffic decreased by 3.0% compared to 2011[2].

In the same period the air transport in Italy saw passenger volumes decrease by 1.3%, up 1.7% at international level against a 5.2% drop at domestic level, while cargo traffic decreased by 4.9%[3].

GRAPH 1. % change in passenger traffic vs. 2011: World, Europe and Italy

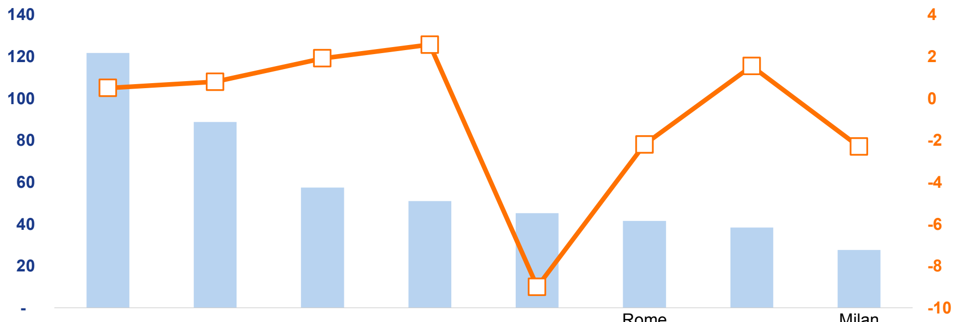


	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
World	4.9%	7.3%	5.4%	4.7%	3.0%	4.6%	2.4%	4.6%	2.6%	2.3%	3.2%	2.5%
Europe	3.1%	3.2%	3.2%	1.9%	1.0%	3.1%	1.1%	2.4%	1.8%	0.3%	0.8%	-0.9%
Italy	-0.4%	-2.1%	-1.4%	2.4%	0.5%	0.7%	0.3%	-0.1%	-0.2%	-4.7%	-6.2%	-7.4%

[1] Source: ACI
[2] Source: ACI
[3] Source Assaeroporti

In 2012 the main European airport operators recorded results ranging between +2.6% for Amsterdam and -9.0% for Madrid; the graph below shows overall traffic volumes and the relevant percentage differences compared to the previous year.

GRAPH 2. Results of the main airport systems in Europe



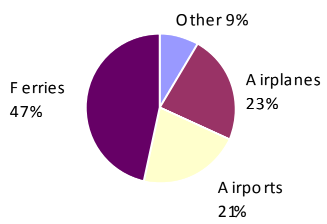
	London	Paris	Frankfurt	Amsterdam	Madrid	Rome (FCO+CIA)	Munich	Milan (MXP+LIN)
Pax (mil.)	122	89	58	51	45	42	38	28
Δ% vs previous year	0.5	0.8	1.9	2.6	-9.0	-2.2	1.6	-2.3

Non-aeronautical

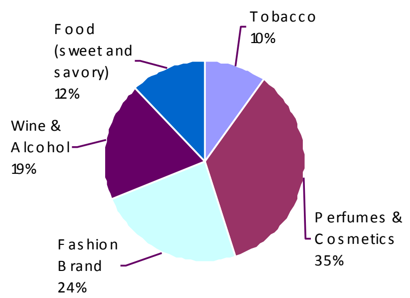
The Travel Retail market recorded an overall positive trend at both national and international level. At European level in particular [4] the sector experienced an 8.0% growth with a trend of revenues per passenger rising by 5.0% compared to the previous year. With reference to sales to the public at shops in airports and ports, onboard ferries and planes, the Travel Retail market is estimated to have a value of about 11.4 billion euros at European level, 8.3 billion euros of which for airports only[5], which represent the most important channel. The value of this market in Italy is about 600 million euros.

As regards refreshment outlets, the Food & Beverage market is estimated at about 2.88 billion euros in Europe and 250 million euros in Italy[6].

GRAPH 3. Mix by sale channel



Mix by product segment



4 Provisional data ETRC RC (European Travel Retail Council) index
5 Source: Generation/ETRC/ATRI (Associazione Travel Retail Italia)
6 Source: ATRI

The Roman Airport System

Aeronautical

During 2012 about 41.6 million passengers used the Roman airport system, recording a 2.2% decrease compared to the previous year. In terms of capacity, a decrease was recorded in movements (down 4.9%), aircraft tonnage (down 3.9%) and seats (down 3.4%). The lower drop in passengers compared to the capacity offered led to a higher average load rate (71.8%), which grew by 0.9 percentage points.

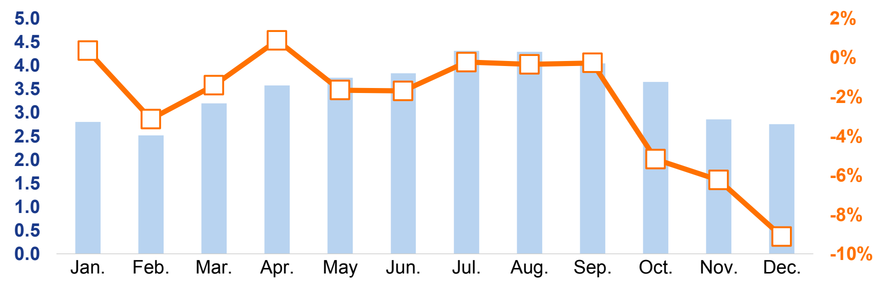
TABLE 1. Main traffic data of the Roman airport system

	2012	2011	Δ%
Movements (no.)	**364,516**	**383,210**	**(4.9%)**
Fiumicino	313,850	328,496	(4.5%)
Ciampino	50,666	54,714	(7.4%)
Passengers (no.)	**41,562,107**	**42,480,476**	**(2.2%)**
Fiumicino	37,063,000	37,693,465	(1.7%)
Ciampino	4,499,107	4,787,011	(6.0%)
of which: ***departing pax***	***20,699,423***	***21,175,179***	***(2.2%)***
Fiumicino	*18,449,268*	*18,781,304*	*(1.8%)*
Ciampino	*2,250,155*	*2,393,875*	*(6.0%)*
Cargo (tons)	**152,791**	**161,678**	**(5.5%)**
Fiumicino	135,848	142,835	(4.9%)
Ciampino	16,943	18,843	(10.1%)
Carriers (no.)[7]			
Fiumicino	102	105	
Ciampino	2	3	
Destinations (no.)[8]			
Fiumicino	200	194	
Ciampino	51	50	

The graph below shows the monthly trend of passenger traffic both in terms of absolute volumes and percentage difference compared to the previous year. In 2012 in particular some events must be highlighted which negatively affected the traffic at the Roman airport system: the snow emergency (February 2012) and some days of strike, which led to an overall estimated loss of about 130 thousand passengers and more than 700 flight cancellations.

[7] Determined on the basis of commercial passenger traffic which took at least one flight a week on average during the year (minimum 104 movements a year).
[8] See note 7.

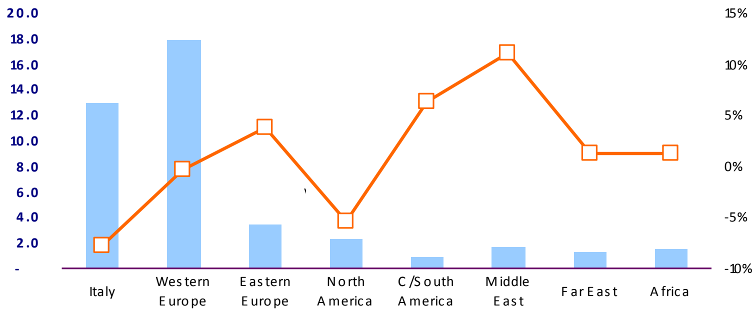
GRAPH 1. Monthly trend in 2012 passenger traffic in the Roman airport system compared to the previous year



	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Pax (mil.)	2.8	2.5	3.2	3.6	3.7	3.8	4.3	4.3	4.0	3.7	2.9	2.8
Δ% vs previous year	0.3%	-3.1%	-1.4%	0.9%	-1.7%	-1.7%	-0.2%	-0.3%	-0.3%	-5.2%	-6.2%	-9.1%

In terms of passenger traffic distribution by geographic area, with the sole exception of Italy (down 7.9%) and North America (down 5.4%), all the other areas show a positive change, particularly for the regions in the Middle East (up 11.0%) and Central South America (up 6.3%).

GRAPH 2. Passenger traffic distribution at the Roman airport system by geographic area



	Italy	Western Europe	Eastern Europe	North America	C/South America	Middle East	Far East	Africa
Total	12.9	17.8	3.5	2.2	0.8	17	12	15
Δ% vs previous year	-7.9%	-0.3%	3.7%	-5.4%	6.3%	11.0%	12%	12%

A more synthetic breakdown by sector shows how the Non-EU segment represents the main growth driver for the Roman airport system (up 3.1% with a 24.7% share compared to total traffic).

GRAPH 3. 2012 traffic composition at Roman airport system (millions of passengers)

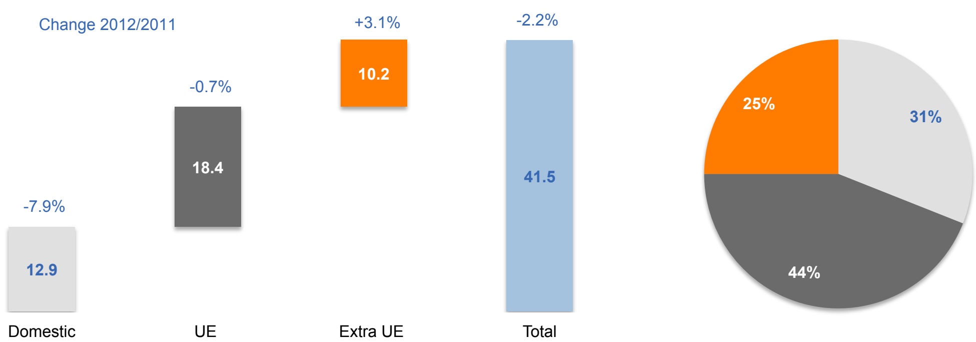
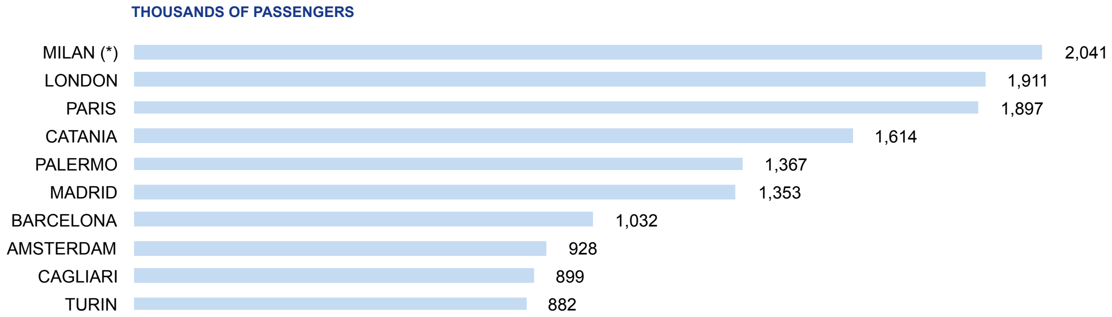


TABLE 2. Average fees applied to Domestic, EU and Non-EU traffic (euros)

	UNIT	2012	2011	Δ%
Outbound passenger fees				
domestic and EU	pax	5.57	5.54	0.6%
non-EU	pax	7.64	7.59	0.7%
Landing and take-off fees				
domestic and EU	tons	1.63	1.62	0.7%
non-EU	tons	2.43	2.41	0.8%
Parking fees				
national	tons	0.07	0.07	n.a.
international	tons	0.07	0.07	n.a.

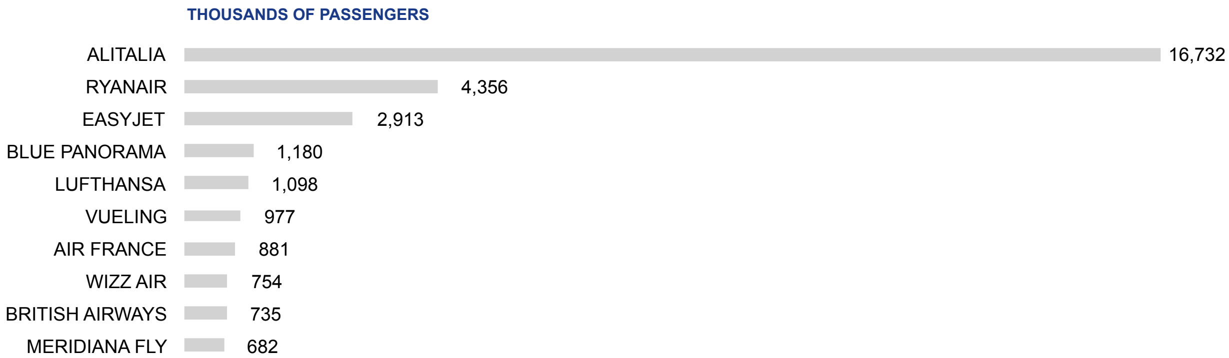
In terms of network, the Roman airport system, with the two airports of Fiumicino and Ciampino, connected about 230 destinations through 100 carriers. The carriers and the most significant destinations are reported in the graphs below.

GRAPH 4. Main destinations serviced



(*) Linate + Malpensa

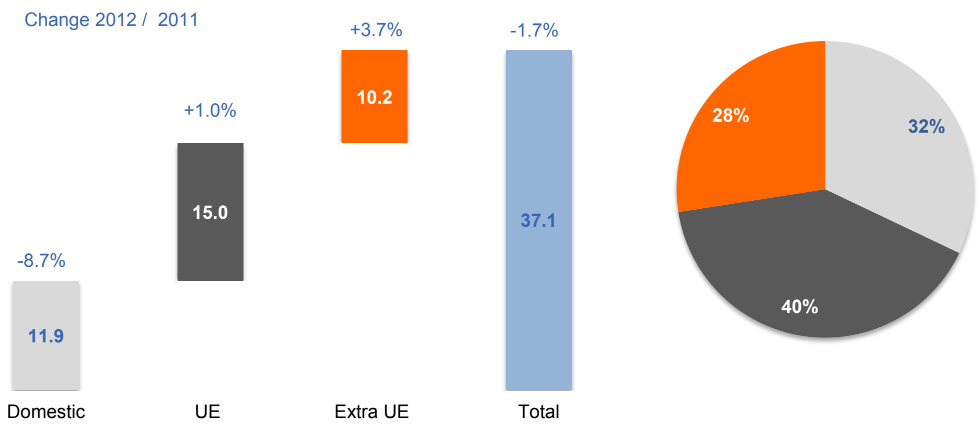
GRAPH 5. Main carriers



Fiumicino

The result for 2012, with a passenger traffic of over 37 million and a 1.7% reduction compared to last year, was driven by the development of international traffic (up 2.0%), consequently to the performance of both the component from/to the European Union (up 1.0%) and that from/to Non-EU destinations (up 3.7%), against an 8.7% decrease in the domestic segment. The average load factor stands at 71.3%, with a growth of 1.1% compared to the previous year.

GRAPH 6. 2012 traffic composition for Fiumicino airport (millions of passengers)



The negative domestic performance, in addition to the negative macroeconomic scenario mentioned above, is related to the difficult situation faced by some national airlines (insolvency of WindJet in August 2012, financial difficulties of the carriers Blu Panorama and Meridiana) and the reduction in the flights operated by Alitalia. This is compounded at international level by the insolvency of some airlines (Malev, Cimber Sterling) and the review of the network by some carriers to increase the performance.

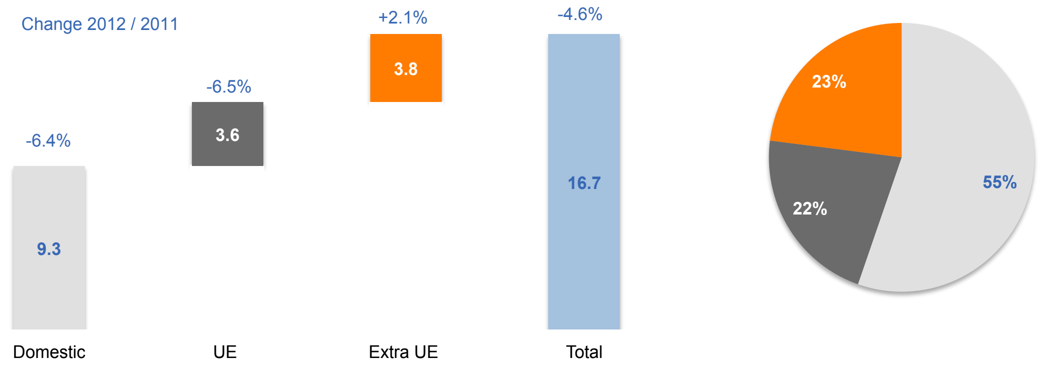
In such a difficult and fragmented context, ADR has developed the network by increasing the routes to countries/markets with higher development rates and a higher added value, including:

- Russia, with the new connections of Transaero to Moscow and Saint Petersburg, the increased frequency of Alitalia and Aeroflot Russian to Moscow and Rossiya Airlines to Saint Petersburg;
- Turkey, with increased frequency of Turkish Airlines to Istanbul;
- Brazil, with increased frequency of Alitalia to Rio de Janeiro;
- China, with increased frequency of China Eastern to Shanghai.

This expansion also concerned the States of the former Soviet Union (Azerbaijan Airlines to Baku; Alitalia and Meridiana to Yerevan; Uzbekistan Airlines to Tashkent) and the Middle East (Saudi Arabian to Jeddah and Riyadh, Alitalia to Abu Dabhi) as well as the opening of new flights within the European Union such as Jet2.com to Glasgow and Newcastle, Monarch Airlines to Birmingham and London Luton, Alitalia to Zurich, Vueling and Transavia France to Nantes.

Traffic performance at Fiumicino airport is certainly correlated to the main carrier (Alitalia), which in 2012 recorded an overall loss of passengers equal to -4.6% compared to the previous year, attributable to the drop recorded in both the Domestic (down 6.4%) and EU (down 6.5%) segment against a rise of 2.1% recorded by the Non-EU component.

GRAPH 7. 2012 traffic composition for Alitalia

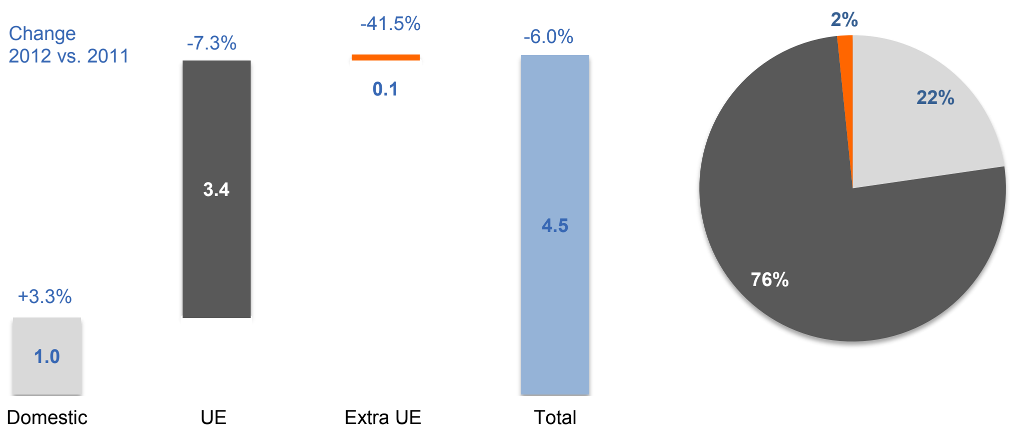


Ciampino

Ciampino airport while maintaining the maximum limit of a hundred commercial movements a day as capacity that can be allocated, in 2012 recorded a decrease in passenger traffic (down 6.0%) and offered capacity (movements down by 7.4%, seats down by 5.5%), combined with a slight decrease in the load factor (equal to 76.2%, down by 0.4%).

The reduced traffic is partly attributable to the closure of the airport for 9 days (from September 24 to October 2, 2012), needed to carry out maintenance work at the airstrip, which implied the transfer of flights from Ciampino to Fiumicino (more than 1,000 movements and about 115,000 passengers). These effects are compounded by the reduction of the Ryanair network (main carrier at the airport) by about 25% starting from November, as was the case in other European airports due to the weaker demand and the trend of fuel prices.

GRAPH 8. 2012 traffic composition for Ciampino airport



Non-aeronautical

Non-aeronautical activities within the Roman airport system generated 46.6% of total revenues from the group's activities.

At structure level, the performance of the non-aeronautical segment was driven in particular by the increase in average spend per passenger for commercial activities, to be attributed to the improved traffic mix on the one hand (increase in the Non-EU component, with a higher propensity to purchase), and the shorter lines at security checks and the business development actions on the other.

Royalties are also growing, thanks to the reviewed tender strategies and the improved conditions of the currency exchange contracts following the tender completed in the first half of the year.

TABLE 1. Main indicators of non-aeronautical activities for Fiumicino

	UNIT	12-31-2012	12-31-2011	Δ%
Shop average spending	€/outbound passenger	12.96	12.36	4.9%
Retail area per million of passengers	m2	718	698	2.8%
Refreshment average spending	€/outbound passenger	4.40	4.18	5.3%
Refreshment outlet per million of passengers	m2	637	615	3.6%
Passenger car parking average spending	€/outgoing passenger	1.72	1.81	-5.0%

TABLE 2. Main indicators of non-aeronautical activities for Ciampino

	UNIT	12-31-2012	12-31-2011	Δ%
Shop average spending	€/outbound passenger	4.14	4.66	-11.2%
Retail area per million of passengers	m2	381	340	12.0%
Refreshment average spending	€/outbound passenger	2.84	2.90	-2.1%
Refreshment outlet per million of passengers	m2	213	195	9.2%
Passenger car parking average spending	€/outgoing passenger	1.03	0.98	5.1%

Legal and regulatory framework

The legal apparatus and Reference authorities

The Italian airport sector features a complex and continuously evolving regulatory framework. At national level the reference authorities in charge of predisposing legislation and regulations are, in particular, the Italian Civil Aviation Authority ("ENAC") and the Ministry of Infrastructure and Transport. National provisions combine with community directives and regulations set by international treaties. The reference authorities include the International Civil Aviation Organisation (ICAO) and the European Aviation Safety Agency (EASA).

The airport management agreement and the Planning agreement

ADR manages the Roman airport system on an exclusive basis under the concession granted to the company with law no. 755 of November 13, 1973, and Management Agreement no. 2820 of June 30, 1974. This deed governs the relationships between the concessionaire, ENAC and the Government Authorities and was superseded by the Single Deed - Planning Agreement entered into between ENAC and ADR on October 25, 2012, expiring on June 30, 2044.

The second and last public consultation convened by ENAC (Italian Civil Aviation Authority) and concerning the fee regulation and the trend for 2012-2016 was held on September 12, 2012. On

October 25, 2012 ENAC and ADR signed the Planning Agreement, which contains both the new airport management regulations and the fee structure for the services offered by ADR on an exclusive basis. With Decree by the Prime Minister – on the proposal of the Ministry of Infrastructure, in agreement with the Minister of the Economy – on December 21, 2012, pursuant to art. 17, par. 34 bis of Legislative Decree 78/2009 converted into Law no. 102/09, the Planning Agreement was approved with some provisions, which were adopted with a new specific Additional deed, signed by ENAC and ADR on December 27, 2012. On December 28, 2012 the notice of subscription by the Council of Ministers Presidential Decree was published in the Official Gazette together with the publication of the Single Deed and related attachments in the websites of ENAC and the Ministry of Infrastructure and Transport. This publication took place on January 8, 2013.

IMAGE 1. Process of approval of the Planning Agreement

OCTOBER 25, 2012		DECEMBER 21, 2012	DECEMBER 28, 2012	BY MARCH 9, 2013	MARCH 9, 2013
ENAC	Ministry of Infrastructure/ Ministry of the Economy	Prime Minister's Office	Official Gazette	Court of Auditors	ADR
Approval ENAC BoD (10/19) Signing of the Contract ENAC-ADR (10/25)	Proposal of the Ministry of Transport and Infrastructure to the Prime Minister in agreement with Ministry of the Economy	Definitive approval with Council of Ministers Presidential Decree (DPCM)	Publication	Registration with the Court of Auditors	Application of the new fees

The new fees will apply from March 9, 2013.

The new regulatory framework approved by ENAC has defined a consistent set of transparent and sound rules valid until the end of the concession (June 2044), which will enable the financing of ADR investment plan through private funds. The pillars of the new Planning Agreement are:

- central role of the investment plan in both the short and long term for a total remuneration of 12 billion euros:
  - clear strategic map for the future of the Roman airport system with the central role of Fiumicino and Ciampino, to be repositioned as a "City Airport" (Viterbo airport is no longer included in the Plan),
  - clear rights and obligations of the concessionaire and the grantor in all circumstances, including the issues of conflict that may lead to the termination of the contract,
- identification of objectives of productivity, efficiency and quality of airport services subject to economic regulation,
- updating of the criteria to determine the fees based on the actual cost of services, estimated traffic, the investment plan and the quality objectives of the services, in line with international best practices,
- simplification of the fees currently applied.

The Group's results for the period

Compared to December 31, 2011, the subsidiary undertakings ADR Mobility S.r.l. ("ADR Mobility"), ADR Security S.r.l. ("ADR Security") and ADR Retail S.r.l. ("ADR Retail") were included in the basis of consolidation; for the latter only the economic results until September 30, 2012 were consolidated, the last day the company was managed as part of the ADR Group before being sold to third parties, thus excluding the asset values as of the above mentioned date.

Consolidated economic management

In 2012 the Group's operating result was influenced by a slightly negative performance of passenger traffic and the sale of the retail business through the sale of the associated undertaking ADR Retail.

TABLE 1. Consolidated income statement

(Euros/thousand)	2012	2011	CHANGE	% CHANGE
Aeronautical revenues	321,676	323,471	(1,795)	(0.6%)
Non-aeronautical revenues	280,480	296,565	(16,085)	(5.4%)
A.- REVENUES	**602,156**	**620,036**	**(17,880)**	**(2.9%)**
Capitalized costs and expenses	3,677	4,631	(954)	(20.6%)
B.- REVENUES FROM ORDINARY ACTIVITIES	**605,833**	**624,667**	**(18,834)**	**(3.0%)**
Cost of materials and external services	(185,861)	(204,005)	18,144	(8.9%)
C.- GROSS MARGIN	**419,972**	**420,662**	**(690)**	**(0.2%)**
Payroll costs	(122,022)	(125,008)	2,986	(2.4%)
D.- GROSS OPERATING INCOME	**297,950**	**295,654**	**2,296**	**0.8%**
Amortization and depreciation	(118,905)	(116,106)	(2,799)	2.4%
Other provisions	(20,905)	(7,367)	(13,538)	183.8%
Allowances for risks and charges	(2,687)	(20,772)	18,085	(87.1%)
Other income (expense), net	6,241	5,888	353	6.0%
E.- OPERATING INCOME	**161,694**	**157,297**	**4,397**	**2.8%**
Finance income (costs), net	(67,739)	(71,578)	3,839	(5.4%)
Adjustments to financial assets	(10)	0	(10)	n.s.
F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**93,945**	**85,719**	**8,226**	**9.6%**
Extraordinary income (expense), net	216,579	127	216,452	n.s.
G.- INCOME BEFORE TAXES	**310,524**	**85,846**	**224,678**	**261.7%**
Income tax for the year	(52,864)	(52,626)	(238)	0.5%
Deferred tax assets (liabilities)	5,443	8,696	(3,253)	(37.4%)
H.- NET INCOME FOR THE YEAR	**263,103**	**41,916**	**221,187**	**527.7%**
of which:				
- minority interest	224	424	(200)	(47.2%)
- Group interest	**262,879**	**41,492**	**221,387**	**533.6%**

Revenues

Revenues, equal to 602.2 million euros, recorded a 2.9% drop compared to last year, attributable mainly to the non-aeronautical segment, down by 5.4%, due to the absence of: revenues from direct sales (replaced by royalties) in the last quarter, revenues from canteens in the second half and revenues from vehicle maintenance in the last two months. Aeronautical activities also decreased (down 0.6%), though by a lower extent, having benefited from the fee increase related to target inflation rate only starting from June 2012.

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

Costs

Despite the substantially rigid structure of airport costs, any possible reduction was identified, process by process, always in line with a healthy management of the service and safety.

- The cost of materials and external services totaled 185.9 million euros, with an 8.9% decrease mainly deriving from the combined effect of:
  - raw materials and goods for resale: the 8.1 million euro decrease includes the reduced cost of goods for resale following the exclusion of ADR Retail from the basis of consolidation since October 2012, partly offset by greater charges for the purchase of electricity;
  - external service costs: 10.0 million euro reduction thanks to the actions aimed at cutting costs for services, consultants' fees and professional services, communication expenses as well as to the canteen management costs having ceased in the second half and lower costs for contract work in progress due to the slowdown in the works at departure area F (for the state-financed portion).
- Payroll costs, equal to 122.0 million euros, decreased with respect to 2011 (down 2.4%) due to the reduction in the workforce (81.0 people less), partly offset by a less favorable workforce mix (fixed-term/permanent contracts and contractual levels).

Gross operating income (EBITDA)

The gross operating income, equal to 297.9 million euros, improved compared to 2011 by 0.8% (2.3 million euros), with an impact on revenues growing from 47.7% in 2011 to 49.5%.

Amortization, depreciation, provisions and other net income

- Amortization and depreciation rose by 2.8 million euros.
- The positive balance of other income and expense of 6.2 million euros includes the reabsorption of provisions for fixed assets to be handed over for the same amount made in light of the new Planning agreement; in 2011 instead this item included the amount of 8.0 million euros due to ADR as part of the dispute concerning the service of performing 100% screening of checked baggage.
- The load of provisions for doubtful accounts and allowances for risks and charges, equal to 23.6 million euros, is lower overall by 4.5 million euros compared to 2011, despite the greater provisions for doubtful accounts (equal to 20.9 million euros). These were made necessary by the greater risks on the recoverability of receivables arising from the financial difficulties faced by several customers and the disputes regarding some fees deriving from the uncertain regulatory framework before the approval of the Planning Agreement.

Operating income (EBIT)

The operating income stood at 161.7 million euros compared to 157.3 million euros of 2011, up by 2.8%.

Net financial expense

Net financial expense of 67.7 million euros was 3.8 million euros lower than 2011 thanks to the progressive borrowing reduction and the favorable performance of floating rates.

Net extraordinary income

It stands at 216.6 million euros in 2012 (0.1 million euros in 2011) and includes the consolidated gain from the sale of the subsidiary undertaking ADR Retail which, net of the transaction costs incurred on the sale (10.9 million euros) and the price adjustment established by the contractual agreements (1.2 million euros), amounts to 213.3 million euros. For further information reference should be made to the section on Corporate transactions. Extraordinary items also include:

- income for 7.7 million euros for taxes relating to previous years regarding the allocation of the recovered IRES from 2007 to 2011 corresponding to the non deduction of IRAP on payroll costs;
- non recurrent costs for 2.6 million euros regarding corporate transactions and the procedures for the sale of ADR Mobility, subsequently withdrawn, and the “vehicle maintenance” company branch.

Net income (loss) for the Group

Against an increase in net current and deferred tax expense for a total of 3.5 million euros, a decrease in the ordinary tax rate was recorded, due to the effects of the changes in the tax legislation introduced by the so-called “Save Italy measure”.

Net of fiscal charges, the Group reported a net profit of 262.9 million euros compared to a net profit of 41.5 million euros recorded in 2011.

Consolidated financial management

TABLE 2. Consolidated financial position

(Euros/thousand)		12/31/2012	12/31/2011	CHANGE
A. - NET FIXED ASSETS				
Intangible fixed assets *		1,814,844	1,864,611	(49,767)
Tangible fixed assets		177,039	189,075	(12,036)
Non-current financial assets		2,791	2,782	9
		1,994,674	**2,056,468**	**(61,794)**
B. - WORKING CAPITAL				
Inventory		10,480	18,494	(8,014)
Trade receivables		163,757	183,529	(19,772)
Other assets		95,392	76,321	19,071
Trade payables		(108,267)	(133,455)	25,188
Allowances for risks and charges		(71,069)	(84,333)	13,264
Other liabilities		(133,782)	(145,645)	11,863
		(43,489)	**(85,089)**	**41,600**
C. - INVESTED CAPITAL, minus short-term liabilities	(A+B)	1,951,185	1,971,379	(20,194)
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)		**22,091**	**24,792**	**(2,701)**
E. - INVESTED CAPITAL, minus short-term liabilities and ESI	**(C-D)**	**1,929,094**	**1,946,587**	**(17,493)**
financed by:				
F. - SHAREHOLDERS' EQUITY				
Group interest		1,054,824	791,945	262,879
Minority interest		827	603	224
		1,055,651	**792,548**	**263,103**
G. - MEDIUM/LONG-TERM NET BORROWING		**786,611**	**1,295,111**	**(508,500)**
H. - SHORT-TERM NET BORROWING (NET CASH AND CASH EQUIVALENTS)				
Short-term borrowing		523,899	89,465	434,434
Cash and current receivables		(437,067)	(230,537)	(206,530)
		86,832	**(141,072)**	**227,904**
	(G+H)	**873,443**	**1,154,039**	**(280,596)**
I. - TOTAL AS IN "E"	**(F+G+H)**	**1,929,094**	**1,946,587**	**(17,493)**
(*) of which: value of concession		*1,552,433*	*1,601,717*	*(49,284)*

Fixed assets

Net fixed assets dropped by 61.8 million euros compared to December 31, 2011, as amortization and depreciation were higher than the investments made in the year.

Working capital

The working capital rose by 41.6 million euros deriving from:

- increase in “other assets” of 19.1 million euros for tax credits deriving from the abovementioned allocation of the recovered IRES corresponding to the non deduction of IRAP on payroll costs (7.7 million euros) and the payment of higher advances compared to the estimated tax burden for the year (3.3 million euros), in addition to higher deferred tax assets for 5.0 million euros;
- decrease in trade payables by 25.2 million euros as a result of the exclusion of ADR Retail from the basis of consolidation and the decreased volume of investments;
- decrease of 13.3 million euros in allowances for risks and charges due to the combined effect of the uses for the period of 16.0 million euros, partly offset by provisions of 2.7 million euros, deriving from the updated assessment of risks/disputes pending;

- a reduction of 11.9 million euros in "other liabilities", due mainly to the combined effect of overall reductions in payables for current taxes (down by about 14.1 million euros) and surtaxes (down 3.2 million euros) and the increase in the amount due for fire prevention services (up 8.3 million euros), following an estimate of the amount payable for the year.

These effects were partly offset by:

- a decrease in inventory of 8.0 million euros due to the exclusion of ADR Retail from the basis of consolidation and the transfer of the vehicle maintenance company branch;
- a reduction of 19.8 million euros in trade receivables mainly attributable to higher provisions for doubtful accounts.

Employee severance indemnities

The reduction in the employee severance indemnities is substantially due to the deconsolidation of ADR Retail (down 1.4 million euros) and the transfer of the vehicle maintenance company branch.

Net invested capital

The consolidated net invested capital, equal to 1,929.1 million euros at December 31, 2012, recorded a reduction of 17.5 million euros compared to the end of last year.

Shareholders' equity

The shareholders' equity increased by 263.1 million euros with respect to December 31, 2011 due to the net income for the year.

Net debt

The net debt amounts to 873.4 million euros at December 31, 2012, down by 280.6 million euros compared to the end of last year.

TABLE 3. Consolidated net debt

(Euros/thousand)	12/31/2012	12/31/2011	CHANGE
Securities - Bonds	(2,758)	(2,758)	0
Due to banks	89,350	97,850	(8,500)
Due to other financial institutions	700,019	1,200,019	(500,000)
A. - MEDIUM/LONG-TERM NET BORROWING	**786,611**	**1,295,111**	**(508,500)**
Due to banks	9,910	75,322	(65,412)
Due to other financial institutions	513,989	14,143	499,846
SHORT-TERM BORROWING	**523,899**	**89,465**	**434,434**
Amounts due from others	(43,650)	(56,112)	12,462
Cash on hand and in banks	(393,417)	(174,425)	(218,992)
CASH AND CURRENT RECEIVABLES	**(437,067)**	**(230,537)**	**(206,530)**
B. - SHORT-TERM NET BORROWING (NET CASH AND CASH EQUIVALENTS)	**86,832**	**(141,072)**	**227,904**
NET DEBT (A+B)	**873,443**	**1,154,039**	**(280,596)**

Medium/long-term net borrowing

The medium/long-term borrowing decreased by 508.5 million euros due to the reclassification to short-term borrowing of:

- Tranche A1, equal to 500.0 million euros, of the payable to Romulus Finance S.r.l. ("Romulus Finance") maturing in February 2013;
- portion of the Banca BIIS loan falling due in 2013 for 8.5 million euros.

Short-term net borrowing

Short-term borrowing rose by 227.9 million euros, reflecting the combined effect of:

- 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 (65.4 million euros); the reclassification of the 8.5 million euros portion of the Banca BIIS loan falling due in 2013 was offset by the payment of the portion of the same amount falling due in 2012;
- increase in amounts due to other financial institutions by 499.8 million euros substantially due to the reclassification of tranche A1 above;
- higher cash on hand and in banks and current receivables for 206.5 million euros mainly attributable to the collection from the sale of ADR Retail, partly offset by the loan repayment above.

TABLE 4. Statement of consolidated cash flows

(Euros/thousand)	2012	2011
A.- NET CASH AND CASH EQUIVALENTS - opening balance	**141,072**	**222,235**
B.- CASH FLOW FROM (FOR) OPERATING ACTIVITIES		
Net income (loss) for the year	263,103	41,916
Amortization and depreciation	118,905	116,106
Gains (losses) on disposal of fixed assets	(213,305)	(2)
Change in working capital (1)	(39,219)	(4,292)
Net change in "employee severance indemnities" (1)	(50)	(3,698)
	129,434	**150,030**
B.- CASH FLOW FROM (FOR) INVESTMENT ACTIVITIES		
Investments in fixed assets:		
intangible	(50,287)	(42,924)
tangible	(9,743)	(21,847)
financial	(24)	(8)
Proceeds from disposal, or redemption value of fixed assets (2)	211,216	194
	151,162	**(64,585)**
D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
Repayments of loans	0	(92,766)
Portion of medium/long-term loans falling due in the short term	(508,500)	(74,022)
Other changes	0	180
	(508,500)	**(166,608)**
F.- CASH FLOW FOR THE YEAR (B+C+D)	**(227,904)**	**(81,163)**
F.- NET CASH AND CASH EQUIVALENTS (A+E) - closing balance	**(86,832)**	**141,072**

(1) the changes in working capital and ESI are reported net of the effect deriving from the exclusion of ADR Retail Srl from the basis of consolidation equal to -3.1 million euros and 1.4 million euros, respectively and the transfer of the vehicle maintenance branch (0.7 million euros and 1.3 million euros, respectively)

(2) includes, in 2012, the amount of 209.4 million euros corresponding to the sale price, net of transfer costs and gross of taxes (217.2 million euros) of ADR Retail Srl, net of the net cash and cash equivalents transferred (7.8 million euros)

In 2012 the operating activities carried out by the ADR Group generated an operating cash flow equal to 129.4 million euros, down by 20.6 million euros compared to the reference period, mainly due to the higher taxes paid.

The internally generated financial resources were only partially absorbed by the coverage of the self-financed investments equaling 60.0 million euros (64.8 million euros in 2011), also including the investment regarding the ancillary charges of the loans.

Furthermore, the sale of the subsidiary undertaking ADR Retail resulted in a liquidity contribution, included in the item “Proceeds from disposal of fixed assets”, equal to 209.4 million euros, deriving from the collection of the sale price (net of price adjustment and ancillary costs) equal to 217.2 million euros, partly offset by the company’s cash on hand and in banks (7.8 million euros) excluded from the consolidation due to the sale.

Regarding the flows described above and the short term reclassification of the portion of medium/long-term loans falling due in the short term, amounting to 508.5 million euros, the net cash flow in the period was negative for 227.9 million euros.

The Group closed 2012 with a net short-term borrowing position of 86.8 million euros compared to net cash and cash equivalents of 141.1 million euros recorded at the end of 2011.

TABLE 5. Analysis of consolidated net debt

(Euros/thousand)	2012	2011
A.- NET DEBT - opening balance	**(1,154,039)**	**(1,239,664)**
EBITDA	297,950	295,654
Change in operating working capital (1)	(16,103)	(33,022)
Change in employee severance indemnities (1)	(50)	(3,698)
Other income and expense	(10)	5,886
Extraordinary income and expense	(4,383)	410
Current taxes paid	(68,295)	(46,214)
Change in other assets (liabilities) and provisions for risks	(13,284)	2,588
B.- OPERATING CASH-FLOW	**195,824**	**221,604**
Investments in intangible, tangible and non-recurrent financial assets	(60,054)	(64,779)
Proceeds from disposal, or redemption value of fixed assets (2)	211,216	194
C.- AVAILABLE CASH-FLOW (CASH GENERATION)	**346,986**	**157,019**
Net financial income/expense	(66,390)	(71,574)
Other changes	0	180
D.- NET CASH-FLOW FOR THE YEAR	**280,596**	**85,625**
E.- NET DEBT (A+D) - closing balance	**(873,443)**	**(1,154,039)**

(1) the changes in working capital and ESI are reported net of the effect deriving from the exclusion of ADR Retail Srl from the basis of consolidation equal -3.1 million euros and 1.4 million euros, respectively and the transfer of the vehicle maintenance branch (0.7 million euros and 1.3 million euros, respectively)

(2) includes, in 2012, the amount of 209.4 million euros correspondents to the sale price, net of transfer costs and gross of taxes (217.2 million euros) of ADR Retail Srl, net of the net cash and cash equivalents transferred (7.8 million euros)

Reconciliation of the reclassified statements and the financial statements

Reclassified consolidated income statement

The income statement was reclassified on a "value-added" basis, which shows the contribution of the areas of operation: ordinary, financial and extraordinary. The items may be directly deduced from the statutory financial statements, except for the items and related sub-items shown below:

- revenues: revenues from sales and services; change in contract work in progress; other income and revenues: revenue grants;
- cost of materials and external services: operating costs: raw, ancillary and consumable materials, finished goods and goods for resale, services, leased assets, changes in raw, ancillary and consumable materials, finished goods and goods for resale, other operating costs: concession fees; other income and revenues: others - expense recoveries (-);
- payroll costs: operating costs: staff; other income and revenues: others - recovered costs for seconded staff;
- amortization and depreciation: amortization of tangible and intangible fixed assets;
- other provisions; provisions for doubtful accounts and cash on hand and in banks;
- allowances for risks and charges; provisions for risks; other provisions;
- other income (expense), net: other income and revenues: other gains on disposals and others (excluding expense recoveries and recoveries of costs for seconded staff); other operating costs: losses on disposals and other charges.

Reclassified consolidated balance sheet

The balance sheet was reclassified in accordance with "management criteria", which shows the division between invested capital and fixed capital ("Fixed assets") and working capital, and also between the related sources of funding, represented by self-financing ("Shareholders' equity") and borrowing ("Medium/long-term borrowing" and "short-term borrowing"). The items may be directly deduced from the statutory financial statements, except for the items and related sub-items shown below:

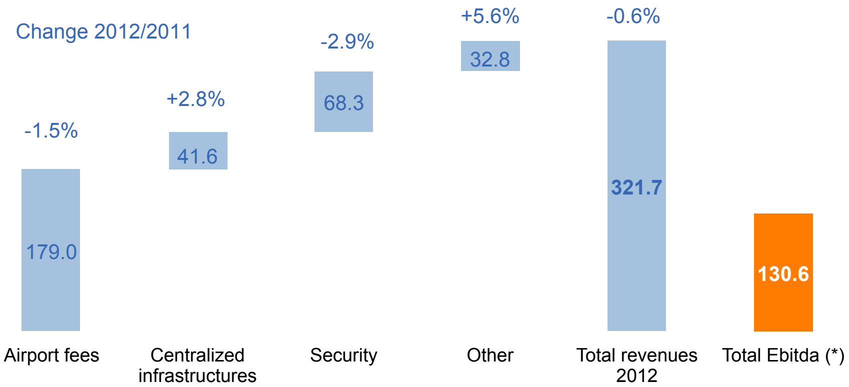
- Trade receivables: due from clients; due from associated undertakings and commercial parent companies;
- Other assets: due from associated undertakings and other parent companies; tax credits; deferred tax assets; amounts due from others - other; Accrued income and prepaid expenses;
- Trade payables: advances; amounts due to suppliers; trade payables to associated undertakings and parent companies;
- Other liabilities: due to associated undertakings and parent companies, of various nature; taxes due; due to social security agencies; other payables; accrued expenses and deferred income;
- Medium/long-term debt: amounts due to banks and other financial institutions, beyond 12 months;
- Short-term debt: amounts due to banks and other financial institutions, within 12 months;
- Cash and current receivables: Amounts due from others - current; cash on hand and in banks.

ADR Group's activities

Aeronautical activities

Aeronautical activities directly connected with the airport sector include airport fees, centralized infrastructures, security services and other.

GRAPH 1. Economic performance of aeronautical activities (millions of euros)



(*) amount referred to "regulated" activities

Airport fees

Revenues from airport fees, equal to 179.0 million euros, decreased by 1.5% compared to 2011, deriving from:

- landing, take-off and parking fees: equal to 56.9 million euros, down by 2.5% due to a reduction in the number of movements (down 4.9%), partly mitigated by a slight increase in non-EU tonnage with a higher unit fee and an increase in fees occurred on June 6, 2012 to bring them in line with the target inflation (up 1.5%), subsequently corrected from December 12, 2012 to up 2.0%;
- passenger boarding fees: these amount to 119.2 million euros, with a slight decrease compared to 2011 (down 0.9%) since the lost revenues due to the reduction in the number of domestic passengers handled (down 8.1%) was offset by an increase in non-EU passengers (up 3.2%) with a higher unit fee and the mentioned adjustment to the target inflation;
- cargo revenues: the revenues stand at 2.9 million euros, down by 6.2% consequently to the reduced goods transported compared to the previous year (down 5.5%).

Centralized infrastructures

The management of centralized infrastructures reported revenues of 41.6 million euros, equal to a 2.8% increase compared to the previous year, attributable to:

- revenues deriving from the baggage handling systems: 3.2% increase;
- revenues from loading bridges: 3.3% increase due to the greater availability of some systems of Satellite Ovest (subject to penalization for upgrade works in 2011) and improvements in bridge management.

  Despite the lower aircraft (down 4.5%) and passenger (down 1.7%) traffic in Fiumicino in 2012, there were 162,202 flights served with loading bridges, an increase of 1.0% compared to 2011, for a total number of 21,035,536 passengers served, with a 1.0% increase compared to the previous year.

Security

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 68.3 million euros in 2012, 2.9% 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.

Other

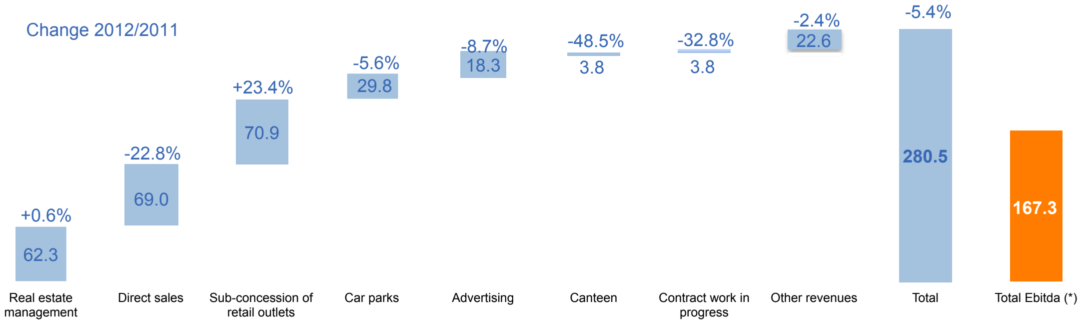
Revenues from aeronautical activities reached 32.8 million euros, up 5.6% compared to the previous year:

- assistance to passengers with reduced mobility ("PRM"), provided by ADR via a service agreement entrusted to the subsidiary undertaking ADR Assistance Srl. ("ADR Assistance"): revenues of 16.3 million euros, up by 11.5% compared to the previous year, due to the different unit fees applied in 2012: this effect is partly mitigated by the reduction in passenger traffic;
- passenger check-in desks: revenues, equaling 11.4 million euros, increased by 2.5% 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 5.1 million euros, in line with 2011, and consisting of revenues for the use of common assets, luggage porters and left luggage, self-service trolleys, etc.

Non-aeronautical activities

Non aeronautical activities include real estate activities, commercial activities (sales, sub-concessions and utilities, car parks, advertising and refreshment outlets) and other.

GRAPH 1. Economic performance of non aeronautical activities (millions of euros)



(*) amount referred to "unregulated" activities

Non aeronautical revenues decreased from 296.6 million euros in 2011 to 280.5 million euros in 2012 (down 5.4%). The most significant components include:

Real estate management

Revenues from real estate management amount to 62.3 million euros (up 0.6%), broken down as follows:

- revenues from retail and other sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amount to 47.1 million euros, registering a 2.1% increase compared with the previous year. This trend is basically attributable to the adjustment of the unit values of the sub-concession fees to the inflation trends;
- income originating from other fees charged at Fiumicino and Ciampino, calculated on the volume of activities carried out (consideration on jet fuel, catering activities, hotels, car hire, etc.) equal to 15.1 million euros (down 3.7%).

Retail outlets directly managed

These outlets were managed by the Group until September 30, 2012, when the subsidiary undertaking ADR Retail was transferred to third parties. In the first nine months of the year, the direct management of sales (core categories) recorded a turnover of 69.0 million euros; this figure cannot be compared with 2011 (89.4 million euros).

Sub-concession of retail outlets

Revenues of 70.9 million euros were recorded, with a 23.4% increase compared to 2011. Commercial activities benefited from a favorable traffic mix linked to the growing Non-EU component - typically with higher spending - compared to the domestic component. The improved security times recorded from May also contributed to this growth by shortening lines and lengthening the time available for shopping. Together with the business action implemented, the results obtained were better than the traffic trend, despite the unfavorable macroeconomic scenario.

In detail:

- Core Categories: includes the royalties (7.3 million euros) generated by the retail outlets under sub-concession in favor of ADR Retail, which was acquired by the Aelia Group on October 1, 2012. The performance improved considerably in the last three months, with an 8.7% growth of the average spend per passenger;
- Specialist Retail: revenues for royalties of 33.7 million were recorded, up by 13.5% in absolute terms and 16.2% in terms of average revenue per passenger. The "Luxury" and "Fine Food" segments continued to record a positive trend with a growth of 25.7% and 12.5% in terms of average revenue per passenger, respectively;
- Food & Beverage: revenues reached 22.9 million euros, with a growth of 7%; the revenue per passenger rose by 9.5%;
- Other commercial activities: the passenger service activities recorded revenues equal to 7.0 million euros, rising by 9.6% compared to 2011 and by 12.1% in terms of unit revenues, attributable essentially to the renewed current exchange activities.

Car parks

The management of car parks generated revenues for 29.8 million euros with a decrease of 5.6% 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 3%, thus determining a negative value in expenditure terms per passenger equal to -2.6%. In detail the following trends were registered:

- passenger car parking: revenues of 25.4 million euros (down 6.4%) with an average expenditure down by 3.5%, influenced by the mix of outbound passengers, which saw a considerable decrease in domestic outbound passengers;
- airport operator car parking: revenues of 4.4 million euros (down 0.6%).

During 2012, 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. Web marketing activities were continued in support of the booking-on-line service; the “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).

Advertising

Revenues from the management of advertising spaces equaled 18.3 million euros, down by 8.7% compared to 2011, attributable to both the persisting difficulties experienced by the sector and the discontinuation, in the last quarter of 2012, of the advertising activity at the transferred shops, carried out by ADR Retail.

Other revenues

- Revenues from **refreshments**, amounting to 3.8 million euros, cannot be compared with 2011. Concerning the plan to focus on the core business, since July 1, 2012, the management of canteens for airport operators is no longer carried out by ADR but directly by the service supplier ADR provided spaces and equipment to by sub-concession. On the same date also the canteen service was started, reserved for employees of the ADR Group.
- **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, equaled 3.8 million euros in 2012 (down 1.8 million euros compared to 2011 due to the slowdown in the works).
- Revenues from **other activities** amounted to 22.6 million euros; the most significant items showed the following trends:
  - revenues for maintenance operations provided to third parties, equaling 8.3 million euros, down 11.6% in connection with the sale, effective from November 1, 2012, of the vehicle maintenance branch (for more information reference is made to the paragraph Corporate transactions);
  - revenues for cleaning fees and biological wastewater treatment for 3.8 million euros, in line with the previous year;
  - revenues for other sales (fuel, consumable materials, etc), equal to 3.2 million euros, up 9.2%.

ADR Group capital investment

After self-financing investments for about 1 billion euros in the last 10 years, the volume of the Group's works was recently focused further still.

In 2012 capital investment totaled 52.2 million euros, with a decrease compared to 68.0 million euros in 2011. It focused on the extraordinary maintenance needed to maintain the current safety and quality standards.

TABLE 1. Detail of ADR Group capital investment in 2012

(MILLIONS OF EUROS)	2012	2011	CHANGE
Departure area E/F (Pier C and 3° Bhs)	7.8	11.9	(4.1)
Maintenance works and terminal optimization	6.8	5.0	1.8
Fiumicino - maintenance, electrical network and air-conditioning works	5.8	5.4	0.4
Works on runways and aprons	5.4	5.3	0.1
Ciampino - infrastructure adaptation works	4.4	4.9	(0.5)
Fiumicino - Electrical equipment maintenance works	4.3	5.4	(1.1)
Works on baggage systems and new x-ray machines	2.6	9.4	(6.8)
Fiumicino - electromechanical system maintenance works	1.8	2.4	(0.6)
Fiumicino - civil work maintenance operations	1.8	2.2	(0.4)
Fiumicino - sewer and water network maintenance works	1.8	1.7	0.1
Works on airport access	1.7	2.0	(0.3)
Works on commercial areas and car parks	0.9	1.5	(0.6)

(MILLIONS OF EUROS)	2012	2011	CHANGE
Fiumicino Nord: long-term development program	0.8	1.6	(0.8)
Vehicle and equipment purchases	0.6	0.8	(0.2)
Maintenance works on buildings managed by sub-concessionaires	0.2	0.8	(0.6)
HBS/BHS former Alitalia cargo	0.1	1.6	(1.5)
Satellite adaptation for A380	0.0	0.6	(0.6)
New airport (low cost flights)	0.0	0.2	(0.2)
Urbanization of west area / aprons "W" 1st phase	0.0	0.4	(0.4)
Other	5.4	4.9	0.5
TOTAL INVESTMENTS	**52.2**	**68.0**	**(15.8)**
of which:			
- self-financed	48.5	62.6	(14.1)
- State-funded	3.7	5.4	(1.7)

The interventions, in terms of both individual implementation proposals presented by ADR management and investment programs in relation to the necessary financial coverage, are examined and monitored by a specific Investment Committee with consulting functions towards the Board of Directors.

Illustrated below are the main investments for the various categories.

Runways and aprons

Following the sentence of the Regional Administrative Court in ADR's favor, the contact was signed for runway 2 upgrading works to be carried out in 2013.

Upgrading works at the northern part of Runway 3 and at the Bravo-Delta taxiway were completed.

The works have begun to replace the rain water collection grilles. The works to upgrade the vertical signs for the access roads to the terminals have been completed, except for the part concerning the highway tables, for which authorization from ANAS is awaited.

On September 30, 2012 the works to upgrade the runway at Ciampino airport were completed (ahead of schedule), which required the closing of the airport and the diversion of the flights to Fiumicino.

The preliminary project to upgrade Runway 3 and the executive projects concerning the upgrade of the Charlie taxiway and the strip of the central runway were delivered to the Civil Aviation Authority for approval. The executive project to upgrade Runway 3 and the one to upgrade the NG-EG taxiways are being completed. The monitoring activities of the airport surfaces have been completed underway according to the provisions of the Airport Manual (PMS - Pavement Management System).

Terminals

The works continue at a slow pace to complete the structure of the new pier according to the agreement formalized with A.T.I. Cimolai while waiting for the Planning Agreement signed on December 21, 2012 to be finalized. Regarding the works of the Pier, in order to carry out the activities that precede the start of the works at the front part from the beginning of 2013, the works to install the new service elevator that were completed for the handling of goods intended to the Direct Retail warehouses of Terminal 3.

A series of initiatives were undertaken that concern the terminals and passenger departure piers, including the "smart action" program begun in September 2012 and aiming to improve the image and service provided to passengers:

- at the Terminal 3 departures, the works were started to upgrade the security control area and reorganize the passport control area;
- regarding passenger information, two new ADR information desks were installed, one at the root of departure area B and the other in the land-side arrival hall of Terminal 1; at T3 the ADR information point was renovated in the departure hall with the annexed offices and two new information points and related signals were installed;
- the program to renovate the restrooms was continued with the completion of the restructuring works of a group of restrooms in December 2012 and another three halfway through January;
- a public tender was called in August to entrust the works relating to the organization of the Terminal 3 arrival area, which envisages the decongestion of the hall of the Terminal, former Terminal B side, by expanding the spaces for operating activities and the circulation of passengers, making them easier to use, through the movement of the commercial boxes for services to passengers, currently located opposite the exit doors of the baggage hall, and the concentration and 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;
- the works to upgrade the granite paving of the departure hall and the mezzanine floor of Terminal 3 were awarded; these are scheduled to start in January 2013.

In December a project with the FS Group was started for the integration/modification of the signs to direct passengers at Terminals 1 and 3, with particular reference to the exit route, baggage reclaim and transit halls, transportation and external services such as trains, taxis, buses, rent a car and multilevel signs.

Systems

The restructuring works were completed in the former Alitalia cargo area 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 Pier C.

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; the works have been contracted and the tender procedure completed.

Infrastructure and buildings

5 recycling points were completed for the sorting of waste from the activities of the Terminals; 3 are placed “air-side” and 2 “land-side”.

The works were concluded 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.

Research and development

The Group did not carry out any research and development activities during 2012.

Risk factors of the ADR Group

The correct management of the risks inherent in performing the company's businesses is a fundamental element for the ADR Group to maximize opportunities and reduce the potential losses associated to unexpected events, preserve the creation of economic value in the long-term and protect the tangible assets and intangible interests of the stakeholders.

The Group's risk management system is divided over three levels of responsibility:

- the Board of Directors outlines the guidelines of the risk management system, assesses their suitability and identifies the key corporate figures;
- the Internal Audit manager, appointed by the Board of Director, is responsible for checking the suitability and effectiveness of the internal control and risk management system;
- Board of Statutory Auditors.

The management of the ADR Group ensures the general suitability of the system by participating in its correct operation, also through suitable control and monitoring activities, guaranteeing its effectiveness and efficiency over time and preventing irregularities.

The ADR Group has adopted a preventive approach to risk management, to direct choices and activities of the management, with the belief that a suitable process of identification, measurement, management and monitoring of the main risks contributes to guaranteeing that the company is run smoothly, correctly and in line with the strategic objectives. The key principles of the internal control and risk management system of the ADR Group are based on:

- defining roles and responsibilities with the objective of creating synergies among the players in the process and a suitable system of operating mandates that consider the nature, normal size and risks of the individual categories of operations;
- periodic and continuous repetition of the risk identification and assessment process, periodic assessment of the effectiveness and efficiency of the company processes;
- continuous monitoring of the internal control system carried out by the line management first, and of the checks of the Internal Audit department to ensure the actual application of the procedures and compliance with regulations in force;
- the division of roles and the compliance with suitable authorization and decision tracking processes;
- a suitable protection of the assets of the organization and access to data strictly necessary to perform the assigned activities;
- continuous supervision of periodic assessment activities and their constant updating.

During 2012, through various initiatives, a process was started to strengthen the internal control and risk management system to emphasize the integration role of the mechanisms and figures involved in risk identification and mitigation and envisage methods of coordination among these subjects, with the aim of maximizing the efficiency and reducing any redundancies. The system strengthening project is also aimed at:

- conveying an overall view of the company risks to analyze and compare risks of various nature, progressively and with a view to updating the reference framework;
- strengthen the risk management culture in the company processes by spreading a common "language" and uniform tools/methodologies for the representation and management of risks.

As part of the first phase of the process, a general risk assessment activity was started, which is aimed at assisting the organization to enhance the ability to identify and assess the risks that may jeopardize the effectiveness and efficiency of the company processes while identifying actions to be implemented to strengthen the internal control system. In addition, this phase of the process provided the management with a tool to evolve the risk and control culture in the organization, encouraging the empowerment of staff.

The risks of the ADR Group may be divided into four categories: (i) strategic, (ii) operational, (iii) financial and (iv) compliance risks.

Strategic risks

The strategic risk factors may significantly affect the long-term performance, thus determining reviews of the Group's development policies.

Risks linked to the evolution of the air transport market: the Group's economic results are highly affected by the trend of air traffic which, in turn, is conditioned by the economic scenario, the economic-financial conditions of the individual carriers, the alliances among the carriers and the competition, on some routes, and alternative transport. The risk management tools are: (i) short and long-term analysis of the competitive scenario, (ii) monitoring the trends of the demand, (iii) investment program in close cooperation with the stakeholders, (iv) diversification of the customers of the operating carriers.

Risks linked to image and reputation: a negative perception or poor publicity may undermine the Group's public image and its "license to work". The risk management tools are: (i) efficient communication strategy, (ii) continuous dialog with the stakeholders, (iii) creation of the alliances for the development of relations with the territory.

Operational risks

The operational risk factors are strictly connected to the performance of the company activities and, though able to affect the short and long-term performance, do not imply significant consequences on the strategic choices.

Risks linked to safety and security management: the occurrence of incidents means negative consequences on the Group's activity and may also have repercussions on passengers, local residents and employees. The risk management tools are: (i) safety management system, (ii) progressive investments in safety and security (iii) staff training, (iv) security standard control and monitoring.

Risks linked to the discontinuation of the activities: the Group's activities may suffer discontinuation following: (i) strikes of its staff and those of airlines, the staff employed for air traffic control services and public emergency service operators; (ii) incorrect and inaccurate performance of services by third parties and (iii) adverse weather conditions (snow, fog, etc.). The risk management tools are: (i) emergency plan and procedures, (ii) highly trained and skilled staff, (iii) insurance policies.

Risks linked to human resource management: achieving Group objectives depends on internal resources and the relations established with the employees. Unethical or inappropriate behavior by employees may have legal and financial consequences on company activities. The risk management tools are: (i) optimal working environments, (ii) development programs for talented people, (iii) continuous cooperation and communication with trade unions, (iv) Code of Ethics; (v) procedure 231.

Risks linked to dependence on third parties: airport operator activities depend on third parties to a large degree such as, for example, local authorities, carriers, handlers, etc. Any interruption of their activity or unacceptable behavior by third parties may damage the reputation and business of the Group. This risk is heightened by the condition of Fiumicino as hub for the reference carrier, which is experiencing a delicate phase of reorganization. The risk management tools are: (i) constant updating of agreements with third parties, (ii) selection of partners based on economic-financial and sustainability criteria, (iii) suitable contract management.

Financial risks

Credit risk

This is the risk that a customer or the counterparty in a financial instrument fails to meet its obligations, thereby causing a loss. As at December 31, 2012, the ADR Group's maximum exposure to this risk is the nominal value of the guarantees provided for third parties' debt or commitments, the carrying value of the financial assets shown in the financial statements and especially trade receivables to customers.

For an analysis of the policies in place to control the investment in credit as well as the particular situation of concentration deriving from the relationship with the main carrier Alitalia, please see the paragraph on Information on financial risk in the Notes to the consolidated financial statements.

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.

The financial structure of the ADR Group is distinguished by a moderate incidence of the financial leverage component, since net debt is about 3 times the EBITDA at the end of 2012. Nevertheless, a substantial portion of the cash generated from operating activities is used to pay loan interest and, in future, the principal.

The loan agreements in place provide for costs that change according to the rating issued by Moody's and Standard & Poor's; the rating level also affects the application of stricter clauses included in the "Security Package", which assists the agreements to guarantee the priority allocation of the generated cash to service the debt. These additional measures are activated in connection with the rating, but also in the case certain financial ratios do not exceed the minimum levels previously agreed.

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

To address the risk of repaying the important debt tranche (A1) expiring in February 2013 (500 million euros), on May 31, 2012 ADR signed a financial agreement called “Revolving and Term Loan Facility Agreement” with a syndicate of eight banks for a total amount up to 500 million euros for a loan expiring in February 2015, broken down as so:

- up to 400 million euros in the form of “Term Loan” to be disbursed in February 2013;
- 100 million euros as revolving line replacing the previous line of the same amount already re-financed in August 2011 and falling due in February 2013.

Reference should also be made to the paragraph on Information on financial risk in the Notes to the consolidated financial statements.

Interest rate risk

The Group uses external financial resources. Changes in interest rates affect the cost of the funds borrowed, with their effects on the amount of interest expense. To face these risks, the Group uses interest rate swap to manage its exposure to unfavorable fluctuations in interest rates. Reference should also be made to the paragraph on Information on financial risk in the Notes to the consolidated financial statements.

Exchange rate risk

This is linked to unfavorable variations in the exchange rate with consequent increases in the outgoing cash flows. Concerning transactions with consumers, the Group has a negligible exposure to the risk since the transactions in non-EU currencies are related to limited purchases of goods and services.

Risks related to outstanding loan agreements

Rating

ADR and its debt are subject to assessment by Standard & Poor’s and Moody’s.

ADR’s rating was as follows in 2012:

- Moody’s: on June 15, 2012 the agency confirmed ADR's rating at level “Ba2”; the assigned outlook is positive. On January 8, 2013, following the approval of the new Planning Agreement, the agency placed ADR's rating under review for upgrade;
- 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, 2012 the agency raised the long-term rating of the company from “BB” to “BB+”, also with a positive outlook and credit watch position.

Nevertheless, the Trigger Event condition persists included in the Security Package 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).

The two Cash Sweep and Trigger Event conditions impose more restrictive constraints on the company 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 September 4, 2012 and valid until March 20, 2013 to reiterate the derogation regime with exclusion of points a), b) and c) above.

However, with the approaching deadline for the repayment of Tranche A1 of the Romulus loan, with priority of application on the cash sweep regime, an additional constraint was imposed throughout 2012 on the allocation of available cash ("Retention Regime") based on which, on the application dates of March and September, the available cash (equal to 48.3 million euros) was deposited in a constrained bank account to repay the debt falling due.

The balance of this account (Retention Account) at the end of 2012, also following the transfers in 2011, equaled 100.5 million euros entirely allocated to repay the mentioned line.

Security Package: covenants

The structure of the current loan agreements reflects the need to guarantee a "pari passu" regime for various types of lenders. Since February 2013 ADR owes 700 million euros to a vehicle – Romulus Finance – established pursuant to Law no. no. 130/99, which, 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 which guaranteed the issue of the rating AAA making use of the Security Package mentioned several times. At the end of February 2013 ADR also owes 253.8 million euros to banks through agreements with guarantees aligned to the same "Security Package" of the Romulus Finance bonds.

The Security Package consists of a set of guarantees and requires compliance to the principal control covenants (defined on the basis of final and forecast data) which include: (i) Debt Service Coverage Ratio (DSCR), measuring the ratio between available cash flow and debt servicing; (ii) Concession Life Cover 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

As regards the financial ratios calculated on the basis of the results of the financial statements as at December 31, 2012, it is estimated that the DSCR assumes the value of 1.59, the Leverage Ratio 4.64 and the CLCR 6.66, thus ensuring a suitable margin of safety compared to the risk thresholds.

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

Compliance risks

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

Compliance with the Concession Agreement: the airport operator performs the activities under a concession agreement, in compliance with a series of obligations whose non-fulfillment may cause the termination or cancellation of the concession. The risk management tools are: (i) respecting the obligations of the concession, (ii) cooperation with the reference authorities to update the fee programs, (iii) transparency on the fee programs adopted, (iv) participation in discussions with the government authorities responsible.

This compliance risk must be managed even more carefully at the time of disruption represented by the approval of the new Planning Agreement.

Compliance with regulations regarding noise and the environment: the operator is obliged to respect the national and international laws on respecting noise limits and environmental protection. The risk management tools are: (i) respect of laws and regulations, (ii) cooperation with the reference authorities for the definition of laws and regulations, (iii) implementing activities to protect the environment.

ADR SpA: results for the period

The financial position and income statement items of ADR SpA for 2012 were influenced by the extraordinary operations carried out in the year, as better described in the paragraph Corporate transactions:

- contribution in kind of the "direct sales" company branch to ADR Retail on April 2, 2012,
- contribution in kind of the "security" company branch to ADR Security on May 2, 2012,
- contribution in kind of the "car parks" company branch to ADR Mobility on May 3, 2012,
- sale of the "vehicle maintenance" company branch, effective from November 1, 2012,

in addition to the divestiture of the canteen management activity since July 1, 2012.

Economic management

TABLE 1. Income statement

(Euros/thousand)	2012	2011	CHANGE	% CHANGE
Aeronautical revenues	321,676	323,471	(1,795)	(0.6%)
Non-aeronautical revenues	231,070	292,145	(61,075)	(20.9%)
A.- REVENUES FROM ORDINARY ACTIVITIES	**552,746**	**615,616**	**(62,870)**	**(10.2%)**
Cost of materials and external services	(198,573)	(215,502)	16,929	(7.9%)
B.- GROSS MARGIN	**354,173**	**400,114**	**(45,941)**	**(11.5%)**
Payroll costs	(79,731)	(109,294)	29,563	(27.0%)
C.- GROSS OPERATING INCOME	**274,442**	**290,820**	**(16,378)**	**(5.6%)**
Amortization and depreciation	(118,413)	(115,743)	(2,670)	2.3%
Other provisions	(20,057)	(6,643)	(13,414)	201.9%
Allowances for risks and charges	(2,111)	(20,691)	18,580	(89.8%)
Other income (expense), net	6,953	5,824	1,129	19.4%
D.- OPERATING INCOME	**140,814**	**153,567**	**(12,753)**	**(8.3%)**
Finance income (costs), net	(61,841)	(71,527)	9,686	(13.5%)
Adjustments to financial assets	(10)	0	(10)	n.s.
E.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**78,963**	**82,040**	**(3,077)**	**(3.8%)**
Extraordinary income (expense), net	219,644	94	219,550	n.s.
F.- INCOME BEFORE TAXES	**298,607**	**82,134**	**216,473**	**263.6%**
Income tax for the year:				
current taxes	(44,313)	(50,620)	6,307	(12.5%)
deferred tax assets (liabilities)	4,880	8,172	(3,292)	(40.3%)
	(39,433)	**(42,448)**	**3,015**	**(7.1%)**
G.- INCOME (LOSS) FOR THE YEAR	**259,174**	**39,686**	**219,488**	**553.1%**

Revenues

Revenues, equal to 552.7 million euros, recorded a 10.2% drop compared to last year, attributable to the non-aeronautical segment, down by 20.9% due to the absence of: revenues deriving from direct sales starting from April, revenues from car parks starting from May (replaced by the relevant royalties), revenues from canteens in the second half and revenues from vehicle maintenance in the last two months. Aeronautical activities also decreased (down

0.6%), though by a lower extent, having benefited from the fee increase related to target inflation rate only starting from June 2012.

Costs

- The cost of materials and external services totaled 198.6 million euros, with a 7.9% decrease mainly deriving from the combined effect of:
  - raw materials and goods for resale: the 30.9 million euro decrease includes the reduced cost of goods for resale following the break-up of the "direct sales" company branch, only marginally offset by greater charges for the purchase of electricity;
  - external service costs: the increase of 14.0 million euros related to the fee of 24.9 million euros paid to the subsidiary undertaking ADR Security, which in May 2012 was entrusted with airport security services; the other costs for external services decreased by 10.9 million euros thanks to the actions aimed at cutting costs for services, consultants' fees and professional services, communication expenses as well as to the canteen management costs having ceased in the second half and lower costs for contract work in progress due to the slowdown in the works at departure area F (for the state-financed portion).
- Payroll costs, equal to 79.7 million euros, decreased with respect to 2011 (down 27.0%) due to the reduction in the workforce (704 less people) due to the extraordinary transactions mentioned above, which caused the transfer of a part of the employees.

Gross operating income (EBITDA)

The gross operating income, equal to 274.4 million euros, decreased by 5.6% compared to 2011 (16.4 million euros), with an impact on revenues growing from 47.2% in 2011 to 49.7%.

Gross operating income refers to "regulated" activities for 130.6 million euros and to "unregulated" activities for 143.8 million euros.

Amortization, depreciation, provisions and other net income

- Amortization and depreciation rose by 2.7 million euros.
- The positive balance of other income and expense of 7.0 million euros includes the reabsorption of provisions for fixed assets to be handed over for 6.2 million euros in light of the new Planning agreement; in 2011 instead this item included the amount of 8.0 million euros due to ADR as part of the dispute concerning the service of performing 100% screening of checked baggage.
- The load of provisions for doubtful accounts and allowances for risks and charges, equal to 22.2 million euros, is lower overall by 5.2 million euros compared to 2011, despite the greater provisions for doubtful accounts (equal to 20.1 million euros). These were made necessary by the greater risks on the recoverability of receivables arising from the financial difficulties faced by several customers and the disputes regarding some fees deriving from the uncertain regulatory framework.

Operating income (EBIT)

Operating income reached 140.8 million euros compared to 153.6 million euros in 2011, with a decrease in the absolute value of 8.3%, though growing in terms of impact on revenues (from 24.9% in 2011 to 25.5%).

Net financial expense

Net financial expense of 61.8 million euros was 9.7 million euros lower than in 2011 due to the lower net interest expense (3.8 million euros) deriving from the progressive borrowing reduction and the favorable performance of floating rates and the dividends to subsidiary undertakings (5.9 million euros).

Net extraordinary income

It stands at 219.6 million euros in 2012 (0.1 million euros in 2011) and includes the consolidated gain from the sale of the subsidiary undertaking ADR Retail which, net of the transaction costs incurred on the sale (10.9 million euros) and the price adjustment established by the contractual agreements (1.2 million euros), amounts to 216.7 million euros. For further information reference should be made to the section on Corporate transactions. Extraordinary items also include:

- income of 7.1 million euros for taxes relating to previous years regarding the allocation of the recovered IRES from 2007 to 2011 corresponding to the non deduction of IRAP on payroll costs;
- non recurrent costs of 2.6 million euros regarding corporate transactions and the procedures for the sale of ADR Mobility, subsequently withdrawn, and the "vehicle maintenance" company branch.

Net income (loss) for the year

Against an increase in net current and deferred tax expense for a total of 3.0 million euros, a decrease in the ordinary tax rate was recorded, due to the effects of the changes in the tax legislation introduced by the so-called "Save Italy measure".

Net of fiscal charges, the Company reported a net profit of 259.2 million euros compared to a net profit of 39.7 million euros recorded in 2011.

Financial management

TABLE 2.

Financial position

(Euros/thousand)		12/31/2012	12/31/2011	CHANGE
A. - FIXED ASSETS				
Intangible fixed assets *		1,849,556	1,899,128	(49,572)
Tangible fixed assets		179,152	192,542	(13,390)
Non-current financial assets		12,225	10,021	2,204
		2,040,933	**2,101,691**	**(60,758)**
B. - WORKING CAPITAL				
Inventory		10,297	18,324	(8,027)
Trade receivables		161,598	182,057	(20,459)
Other assets		92,163	68,865	23,298
Trade payables		(129,006)	(141,985)	12,979
Allowances for risks and charges		(69,792)	(83,746)	13,954
Other liabilities		(119,660)	(141,749)	22,089
		(54,400)	**(98,234)**	**43,834**
C. - INVESTED CAPITAL, minus short-term liabilities	(A+B)	1,986,533	2,003,457	(16,924)
D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI)		**15,542**	**23,461**	**(7,919)**
E. - INVESTED CAPITAL, minus short-term liabilities and ESI	**(C - D)**	**1,970,991**	**1,979,996**	**(9,005)**
financed by:				
F. - SHAREHOLDERS' EQUITY				
Paid-up share capital		62,225	62,225	0
Reserves and retained earnings (accumulated losses)		763,346	723,660	39,686
Income (loss) for the year		259,174	39,686	219,488
		1,084,745	**825,571**	**259,174**
G. - MEDIUM/LONG-TERM NET BORROWING		**786,611**	**1,295,111**	**(508,500)**
H. - SHORT-TERM NET BORROWING (NET CASH AND CASH EQUIVALENTS)				
Short-term borrowing		524,802	89,822	434,980
Cash and current receivables		(425,167)	(230,508)	(194,659)
		99,635	**(140,686)**	**240,321**
	(G+H)	**886,246**	**1,154,425**	**(268,179)**
I. - TOTAL AS IN "E"	**(F+G+H)**	**1,970,991**	**1,979,996**	**(9,005)**
* *of which the value of concession*		*1,578,013*	*1,628,109*	*(50,096)*

Fixed assets

The reduction of 60.8 million euros compared to December 31, 2011 is attributable to capital investment (down 63.0 million euros) in relation to amortization higher than the investments made in the year; this change was partly offset by the increase in non-current financial assets of 2.2 million euros attributable to the subscription of the capital of ADR Mobility and ADR Security.

Working capital

The increase of 43.8 million euros in working capital derives from:

- increase in “other assets” of 23.3 million euros for tax credits deriving from the abovementioned allocation of the recovered IRES corresponding to the non deduction of IRAP on payroll costs (7.1 million euros), the payment of higher advances compared to the estimated tax burden for the year (3.2 million euros), higher deferred tax assets for 4.4 million euros and the posting of the receivables related to the dividends of subsidiary undertakings (5.9 million euros);

- decrease of 13.0 million euros in trade payables as a result of the divestiture of the “direct sales” company branch and the decreased volume of investments, partly offset by higher trade payables to subsidiary undertakings and ADR Security in particular, which was contracted airport security activities;
- decrease of 14.0 million euros in allowances for risks and charges mainly due to the combined effect of the uses of the period of 15.8 million euros, partly offset by provisions of 2.1 million euros, deriving from the updated assessment of risks/disputes pending;
- reduction of 22.1 million euros in “other liabilities”, due to the combined effect of an overall reduction in payables for current taxes (down by approximately 18.2 million euros), surtaxes (down 3.2 million euros), payables to staff and social security agencies (down 5.6 million euros), following the divestiture of company branches, and the increase in the amount due for fire prevention services (up 8.3 million euros), following an estimate of the amount payable for the year.

These effects were partly offset by:

- a decrease in inventory for 8.0 million euros due to the break-up of the "direct sales" company branch and the transfer of the "maintenance" company branch;
- a reduction of 20.5 million euros in trade receivables mainly attributable to higher provisions for doubtful accounts.

Employee severance indemnities

The reduction in the employee severance indemnities of 7.9 million euros is substantially due to the contribution of the company branches “direct sales”, “car parks” and “security” and the transfer of the company branch regarding the maintenance of vehicles.

Net invested capital

The net invested capital, equal to 1,971.0 million euros at December 31, 2012, recorded a reduction of 9.0 million euros compared to the end of last year.

Shareholders’ equity

The shareholders’ equity increased by 259.2 million euros with respect to December 31, 2011 due to the net income of the year.

Net debt

The net debt amounts to 886.2 million euros at December 31, 2012, down by 268.2 million euros compared to the end of last year.

TABLE 3. Net debt

(Euros/thousand)	12/31/2012	12/31/2011	CHANGE
Securities - Bonds	(2,758)	(2,758)	0
Due to banks	89,350	97,850	(8,500)
Due to other financial institutions	700,019	1,200,019	(500,000)
A. - MEDIUM/LONG-TERM NET BORROWING	**786,611**	**1,295,111**	**(508,500)**
Due to banks	8,914	74,824	(65,910)
Due to other financial institutions	513,989	14,143	499,846
Due to subsidiary undertakings	1,899	855	1,044
Short-term borrowing	**524,802**	**89,822**	**434,980**
Amounts due from subsidiary undertakings	0	(994)	994
Amounts due from others	(43,649)	(56,112)	12,463
Cash on hand and in banks	(381,518)	(173,402)	(208,116)
Cash and current receivables	**(425,167)**	**(230,508)**	**(194,659)**
B- SHORT-TERM NET BORROWING (NET CASH AND CASH EQUIVALENTS)	**99,635**	**(140,686)**	**240,321**
NET DEBT (A+B)	**886,246**	**1,154,425**	**(268,179)**

Medium/long-term net borrowing

The medium/long-term borrowing decreased by 508.5 million euros due to the reclassification to short-term borrowing of:

- Tranche A1, equal to 500.0 million euros, of the payable to Romulus Finance S.r.l. (“Romulus Finance”) maturing in February 2013;
- portion of the Banca BIIS loan falling due in 2013 for 8.5 million euros.

Short-term net borrowing

Short-term borrowing rose by 240.3 million euros, reflecting the combined effect of:

- 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 (65.4 million euros); the reclassification of the 8.5 million euros portion of the Banca BIIS loan falling due in 2013 was offset by the payment of the portion of the same amount falling due in 2012;
- increase in amounts due to other financial institutions by 499.8 million euros substantially due to the reclassification of tranche A1 above;
- higher cash on hand and in banks and current receivables for 194.7 million euros mainly attributable to the collection from the sale of ADR Retail, partly offset by the loan repayment above.

ADR's statement of cash flows is reported below. For a description of the financial events, reference is made to what is illustrated for the ADR Group.

TABLE 4. Statement of cash flows

(Euros/thousand)	2012	2011
A.- NET CASH AND CASH EQUIVALENTS - opening balance	**140,686**	**217,959**
B.- CASH FLOW FROM (FOR) OPERATING ACTIVITIES		
Net income (loss) for the year	259,174	39,686
Amortization and depreciation	118,413	115,743
Gains (losses) on disposal of fixed assets	(216,742)	(2)
Change in working capital (1)	(50,398)	3,325
Net change in "employee severance indemnities" (1)	(116)	(3,776)
	110,331	**154,976**
C.- CASH FLOW FROM (FOR) INVESTING ACTIVITIES		
Investments in fixed assets:		
intangible	(51,681)	(44,666)
tangible	(9,271)	(21,240)
financial	(21)	(8)
Proceeds from disposal, or redemption value of fixed assets (3)	219,293	272
Other changes (assignments and transfer of the vehicle maintenance company branch) (1)	(472)	0
	157,848	**(65,642)**
D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
Portion of medium/long-term loans falling due in the short term	(508,500)	(74,022)
Repayments of loans	0	(92,765)
Other changes	0	180
	(508,500)	**(166,607)**
E.- PROFIT ALLOCATION	**0**	**0**
F.- CASH FLOW FOR THE YEAR (B+C+D+E)	**(240,321)**	**(77,273)**
G.- NET CASH AND CASH EQUIVALENTS (A+F) - closing balance	**(99,635)**	**140,686**

(1) the changes in working capital and ESI are reported net of the effect deriving from company branch contributions and the transfer of the vehicle maintenance branch; the effect of these transactions on cash is shown in item Other changes under C.

(2) of which 11.6 million euros refer to transaction costs incurred on loans

(3) includes, in 2012, the sale price, net of transfer costs and gross of taxes (217.2 million euros) of the stake in ADR Retail Srl

TABLE 5. Analysis of net debt

(Euros/thousand)	2012	2011
A.- NET DEBT - opening balance	**(1,154,425)**	**(1,243,939)**
EBITDA	274,442	290,820
Change in operating working capital (1)	(15,569)	(23,580)
Change in employee severance indemnities (1)	(116)	(3,776)
Other income and expense	706	5,822
Extraordinary income and expense	(4,156)	326
Current taxes paid	(65,790)	(44,558)
Change in other assets (liabilities) and provisions for risks (1)	(12,774)	1,445
B.- OPERATING CASH-FLOW	**176,743**	**226,499**
Investments in intangible, tangible and non-current financial assets	(60,973)	(65,914)
Proceeds from disposal, or redemption value of fixed assets (2)	219,293	272
Other changes (assignments and transfer of the vehicle maintenance company branch) (1)	(472)	0
C.- AVAILABLE CASH-FLOW (CASH GENERATION)	**334,591**	**160,857**
Net financial income/expense	(66,412)	(71,523)
Other changes	0	180
D.- NET CASH-FLOW FOR THE YEAR	**268,179**	**89,514**
E.- NET DEBT (A+D) - closing balance	**(886,246)**	**(1,154,425)**

(1) the changes in operating working capital, ESI and other assets/liabilities are reported net of the effect deriving from company branch contributions and the transfer of the vehicle maintenance branch; the effect of these transactions on cash is shown in item Other changes under C.
(2) includes, in 2012, the sale price, net of transfer costs and gross of taxes (217.2 million euros) of the stake in ADR Retail Srl

Corporate transactions

In 2012 ADR started a process to reorganize the Group's corporate structure with the aim of maximizing the managerial focus on the core business in light of the Plan to re-launch ADR. This reorganization is set in a market scenario of increasing complexity, where the main subjects operating at the airport show an increasingly aggressive approach towards cutting costs, requiring efficiency from the operator. In particular the objectives pursued were:

- progressively aim for high levels of operating efficiency to align ADR to the best practices of the industry at international level,
- strengthen and focus the managerial control on the core businesses of development and management through the most effective organizational solutions and a progressive disengagement from the direct management of the activities of a lower added value for the end user.

Initiatives were thus begun to divest some ADR businesses and transfer them to special purpose companies at the same time, in line with the corporate model already existing and in line with numerous international and national references.

Direct Retail

ADR directly managed some commercial businesses in the airport (*core categories /duty free*). In order to maximize the potential expressible by the business area in economic and employment terms, the identification of a specialized partner was deemed worthwhile. Therefore, following the establishment of ADR Retail (100% ADR), which was entrusted with managing 8 duty free/duty paid outlets at Fiumicino and Ciampino airports, for a total surface currently equal to about 3,100 square meters, a recruitment procedure was conducted, which ended on July 3, 2012, which involved the main reference operators in the airport Duty Free market at global level.

Aelia (Lagardère Services group) was deemed the best bidder based on the committed investment for the entire period of the sub-concession (14 years) and the economic bid. The sub-concession agreement envisages the annual payment of royalties on average equal to 32.5% of the turnover generated by ADR Retail. On July 17, 2012 the preliminary agreement was signed for the sale of the investment (100%) held by ADR in ADR Retail to Aelia for a face value of 229.4 million euros.

On September 28, 2012 after the completion of the Antitrust authority investigation and the authorization of ADR’s financing institutions, the transaction was finalized for the sale of ADR Retail capital to the French company Aelia S.A.S., through its Italian secondary office, effective from September 30, 2012.

Car parks

In May 2012 ADR Mobility was established, which manages the car parks of Fiumicino and Ciampino. The car park business has a high growth potential due to both the possibility of attracting new passengers who currently use other modes of transport and the ability to recover market share from competitors.

To seize these opportunities, ADR identified, within the new Industrial Plan, specific actions for its re-launch and full valorization also with reference to the best practice of the sector and in May

2012 a tender procedure was started to search for a specialized partner able to bring skills and find synergies. Upon the expiry of the terms indicated, four binding bids were received, which did not prove to be in line with the potential value of the business. Nevertheless, the bids received in any case confirmed a strong industrial interest from specialized operators, thus confirming the high development potential of the asset. In light of the above, ADR decided to continue managing the business directly, promptly implementing the valorization actions of the Plan.

Security

With the aim of increasing the managerial effectiveness and encouraging and monitoring the implementation of the improvement actions identified, ADR deemed it worthwhile to dispose of the security business and transfer it to a 100% owned special purpose company. ADR Security was established on May 2, 2012 to be transferred the activity of passenger and goods control at the airports of Fiumicino and Ciampino. Starting from this date, a set of actions were identified and implemented in line with the Industrial Plan through the “Fly in Five” project. The aim of the project is to align line times at Fiumicino with those of the best European airports, in order to offer an excellent service in a critical phase of the process for passengers. The main lines of action regard the infrastructure, micro-processes, staff and the introduction of technological innovations.

Vehicle maintenance

The ADR “vehicle maintenance” division used to carry out activities mainly for third parties (handlers) and in a limited manner towards ADR. In recent years the profitability of this business has constantly decreased due to downward price pressure associated to the serious economic situation experienced by most handlers and very fierce competition. In addition, in the main European and Italian airports, the airport operator carries out maintenance activities only when also providing handling service; thus this activity may not be considered as core for the activities institutionally entrusted to ADR.

Therefore, in order to guarantee the takeover of a specialized operator to ensure stable employment and continuity of operations, a selection was started to transfer the company branch. Following a competitive procedure which involved a significant number of national and international operators assessed based on technical and economic criteria, ADR identified SIMAV, which works throughout the country and is connected to an international Group. The transfer of the company branch took place on October 31, 2012, at the same as granting under sub-concession the real estate areas of Fiumicino and Ciampino airports intended to carry out the activities. The transfer concerned the assets and liabilities belonging to the company branch, including machinery, equipment and work relationships (71 resources).

Equity investments

Below are the characteristics and economic performance of the Group companies during 2012. The balance sheets and income statements of subsidiary undertakings and associated undertakings relating to 2012 are summarized in the Annexes to these financial statements.

Investments in subsidiary undertakings

ADR Engineering SpA

The company (100% ADR), which provides airport engineering services (design, work supervision and technical consultancy), closed 2012 with a net profit of 0.6 million euros, in line with the previous year. Revenues, substantially generated by relations with the parent company ADR, equaled 5.4 million euros, down 14% compared to 2011. The consumption of external materials and services, dropping by 23%, equaled 2.0 million euros; slightly up (1%) were payroll costs, estimated at 2.5 million euros. Positive EBITDA of 0.9 million euros was recorded, compared to 1.1 million euros of the reference period. An operating income of 0.8 million euros was recorded (down 0.2 million euros compared to 2011).

ADR Assistance Srl

ADR Assistance (100% ADR) started operating in July 2008 and became responsible for providing assistance services to passengers with reduced mobility (PRM) at Fiumicino and Ciampino airports, based on a service contract signed with ADR.

In 2012, the company recorded a net profit of 0.8 million euros, up 0.7 million euros compared to the previous year, attributable for 0.4 million euros to the allocation of the recovered IRES from 2008-2011 corresponding to the non deduction of IRAP on payroll costs. Revenues, equal to 16.4 million euros, were up by 11.3%, due to the fee increase obtained at Fiumicino airport relating to the quality project. Operating costs equal to 14.5 million euros were up overall by 7.9%, affected mostly by the payroll costs (80.7% of total costs), up 7% in relation to the increase in resources in proportion to the increase in assistance services (fte progressive years up 7.3%, assistance to PRM up 6.8%). The expansion of revenues affected the gross operating income which grew by 45.6% to reach 1.9 million euros.

ADR Tel SpA

The company creates and manages the telecommunication systems in the Roman airport system; in 2012 it recorded a positive performance of operations, reaching a positive net result of 1.2 million euros with an increase of 0.5 million euros compared to the previous year. The company generated revenues for 10.7 million euros, recording a decrease of 3.3% mostly due to the reduction of the investment activities of the Parent company. Operating costs equaled 7.4 million euros, with a 10.3% reduction compared to 2011, allowing a gross operating income of 3.3 million euros to be achieved, up 0.5 million euros compared to end of 2011.

ADR Security Srl

The company was established on May 2, 2012 through the transfer by ADR of the company branch concerning the airport security services business at the two main Roman airports. Therefore a long-term tender contract (2012-2016) was entered into between ADR and the company to regulate the activities ADR Security must carry out as specialized corporate organization of the airport operator: passenger control services, carry-on luggage, checked baggage, goods and express courier parcels, as well as on-demand services such as surveillance of the airport perimeter.

The company closed its first year of business with a net profit of 0.6 million euros over a turnover of 25.4 million euros, generated almost completely towards ADR. The gross operating income equaled 2.1 million euros, with an incidence on the revenues of 8%, after recording operating costs for 23.3 million euros, of which 19.2 million euros as payroll costs.

ADR Mobility Srl

The company was established on May 3, 2012 through the contribution in kind by ADR of the "car park" company branch, 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, with the exclusion of the activities carried out by ADR as the owner of airport concession (e.g. the management of the parking of taxies, buses and/or minibuses of public and private services, etc.). Under an agreement stipulated with ADR, the company manages the parking areas of Ciampino and Fiumicino airports for a duration of 14 years by sub-concession. In the first eight months of business the company recorded a net profit of 5.7 million euros, against revenues of 27.3 million euros. After having attributed ADR a royalty of 11.7 million euros, as the main cost item of the company (68% of the operating costs), the gross operating income equaled 10.1 million euros, while EBIT is estimated at 8.6 million euros.

ADR Retail Srl

The company was established on April 2, 2012 through the transfer by ADR of the company branch concerning the direct management of the duty free and duty paid outlets. The activity is carried out under sub-concession with expiry in December 31, 2026 and includes the attribution to ADR of a royalty based on the turnover, in the respect of a guaranteed annual minimum. From April 2 to September 30, 2012 (date of transfer to third parties), when the company was consolidated in the ADR financial statements, a net profit was recorded of 3.5 million euros against a turnover of 52.8 million euros.

ADR Advertising SpA

ADR holds 51% of the share capital and 25.5% of the total share capital of ADR Advertising SpA ("ADR Advertising"); the remaining share is held by IGPDecaux SpA. On the basis of a lease agreement for the advertising company branch entered into with ADR in 2003, the company carries out the management activity of the advertising spaces on the Roman airport system. This agreement, extended until December 31, 2013, envisages the payment of an amount based on the company's turnover in favor of ADR. In 2012 revenues, equal to 16.4 million euros, were down by 7.1% due to the crisis of the reference market; as a consequence, the amount attributed to ADR was equal to 12.9 million euros (down by 1.0 million euros). The profit went from 0.6 million euros in 2011 to 0.3 million euros this year.

ADR Sviluppo Srl

The company (100% ADR), with the purpose of promoting and developing real estate initiatives for the airport premises of Fiumicino and Ciampino, had not started its operations in 2012 yet. A net loss of 3 thousand euros was recorded in 2012 (down 1 thousand euros in 2011), in connection with the corporate costs incurred. Shareholders' equity as of December 31, 2012 amounts to 104 thousand euros.

Investments in other companies

Aeroporto di Genova SpA

ADR holds a 15% investment in the company that manages Genoa airport. In 2011 (the year the last approved financial statements refer to), passenger traffic increased by 9.3% compared to 2010, thanks to the growth of the international segment with the introduction of new routes, also low cost. Revenues equaled 24.9 million euros, with an increase of 1.8 million euros attributable to the rise in the aeronautical and non-aeronautical income. The more than proportional increase in payroll costs led to a reduction in the gross operating income, equaling 2.1 million euros, compared to 3.1 million euros in 2010. The company closed 2011 with a net profit of 0.1 million euros in line with 2010. The shareholders' equity as at December 31, 2011 amounts to 5.4 million euros.

S.A.CAL. - Società Aeroportuale Calabrese SpA

ADR owns a 16.57% investment in this company. In 2011 (to which the latest approved financial statements refer), passenger traffic at Lamezia Terme, the airport managed by S.A.CAL., reached 2.3 million passengers with an increase of 20.1% compared to the previous year. Revenues of 23.4 million euros were up by 3.4 million compared to 2010, though overtaken by the growing costs (up 6.1 million euros) and the costs for services in particular (up 5.3 million euros). The year closes with a loss of 2.1 million euros. As a consequence, the shareholders' equity as at December 31, 2011 is down at 9.8 million euros.

Consorzio E.T.L. – European Transport Law (in liquidation)

The Consortium (25% ADR), which promotes training courses and research programs regarding European transport integration issues, has been in liquidation since December 31, 2010 and closed 2012 with a loss of 17 thousand euros and a negative shareholders' equity of 58 thousand euros.

Leonardo Energia Società consortile a r.l.

The limited liability consortium, in which Fiumicino Energia Srl holds a 90% investment and ADR a 10% investment, has the purpose of producing, transforming and transporting electrical and thermal power in favor of consortium partners, through the management of:

- the new co-generation plant built at Fiumicino and owned by Fiumicino Energia Srl, made available to the company via a business unit lease contract;
- thermal power plant made available by ADR through a sub-concession agreement.

The company broke even in 2012, whilst shareholders' equity at December 31, 2012 amounted to 268 thousand euros.

The new Planning Agreement

Development of the Roman airport system

The new Planning Agreement

The signing of the Planning Agreement represents an important step towards the creation of infrastructural investments that are fundamental to tackle the passenger growth expected in the coming years at the Roman airport system (and Fiumicino in particular) and guarantee an improved operating efficiency and higher quality standards for passenger services. The Agreement will allow, through the revision of airport fees, the implementation of the Development Plan, defined with the support of Changi Airport, which envisages investments for 3.1 billion euros in the next decade (intended for the implementation of the current airport infrastructure and the preparatory works to extend the airport to the north) as part of a plan for a total of 12 billion euros up to 2044.

The strategic objectives

The long-term objective of the ADR Group is to create, in the validity period of the Concession, an airport system in line with international best practices to drive the social-economic development of the local territory and the Italian system and serve as access point for intercontinental traffic. The following actions are envisaged in particular:

- the development of Fiumicino in order to turn it into one of the main hubs at global level both in terms of volume, increasing the capacity to more than 100 million passengers from the current 35, and service standards offered to passengers;
- the upgrading of Ciampino as a City Airport to make it compatible with the environmental constraints, limiting the impact on the surrounding urban area, and to service the business component of Commercial Aviation and General Aviation of the Capital's traffic.

The creation of the Development Plan

The creation of the new infrastructure is planned according to a specific schedule to guarantee a balanced supply and demand ratio over the years while supporting the constant improvement of the service level offered to passengers.

The initial phase includes the completion of the current infrastructural organization of Fiumicino Sud with the aim of adjusting the function and layout of the airport to the evolving traffic/alliances. The works are arranged within the project for the completion of Fiumicino Sud, approved by ENAC on July 22, 2011. The Environmental Impact Assessment procedure is being completed with the Ministry of the Environment. The project aims to maximize the capacity manageable in the coming 10-15 years through the creation of all the flight and terminal infrastructures until the saturation of the current site, thus aligning the airport to the main European hubs. The main objectives of the completion project are:

- reach the capacity of 55 million passengers/year at the Terminals in the short/medium term;
- support the growing traffic with suitable airside infrastructure;
- raise the service level offered to passengers;
- complete the use of the areas inside the current site;
- ensure the full compliance and environmental and urban compatibility;
- strengthen the intermodality and the connection system and accessibility to the airport.

A subsequent phase, through the purchase of new land, includes the expansion of the airport to the north of the current runway 07-25 defined inside the long-term Masterplan of Fiumicino. The completion of the Development Plan will increase the overall capacity of Fiumicino from 35 to more than 100 million passengers/year. The expansion of the airport will be in line with the best international examples, state-of-the-art in terms of efficiency, energy savings, technology and architectonic opportunities. The peculiarities of the airport infrastructure included in the development area lie in the flexibility and high level of intermodality concerning the connections with the territory and the city.

In detail, the main elements of the Planning Agreement are as follows.

- **Fee structure**: the fee structure is based on criteria recognized at international level in correlation with the costs of infrastructure and services, promoting the efficiency objectives in accordance with directive 2009/12/EC and Law 27/2012. The fee rules are set until the end of the concession and are based on:
    - "price cap" method ("RAB-based"), which correlates the fees with the costs of the services subject to economic regulation. In addition, the initial RAB value is calculated as at January 1, 2013 at 1.8 billion euros, which is then updated, year on year, with the rules of the regulatory accounts;
    - "dual till" based on which all the revenues of the commercial activities are kept by the airport company;
    - provision of bonuses/ penalties when the values recorded concerning environmental and quality indicators are above / below the objectives set with the ENAC (Civil Aviation Authority).
- **Fee review**: the new Planning Agreement clearly defines, in terms of content, methods and schedules, the mechanisms and reasons that require the update of the economic-financial plan at 2044, of the ten-year regulator periods, in turn subdivided into regulator sub-periods, of the variable contained in the mechanism of the annual fees.
- **Permissible remuneration**: for the first fee period (2012-2016) the real pre-tax WACC equals 11.91%, corresponding to a post-tax nominal value of 8.58%. The Planning Agreement defines all the parameters and criteria to update the return recognized on the capital; most of them must be updated every five or ten years.

  The real pre-tax WACC, for the new works of particular strategic and environmental value, will be increased with a range of 2% to 4%.

- **Differences between forecast and final traffic**: the variations in traffic compared to the forecasts within a +/-5% range will be to the benefit of/charged to ADR. In the presence of greater variations, 50% of the higher revenues will be allocated for future investments without any impact on the fees; if lower, 50% of the lower revenues will be included in the costs permitted for the fee calculation of the next sub-period of five years. Particularly significant traffic variations may legitimate the request to change to the planned structural works.

The Investment plan 2012-2016

In the period 2013-2016 infrastructural elements of essential importance will be made available to increase the capacity and level of service with the following financial commitment:

(MILLIONS OF EUROS)	2012	2013	2014	2015	2016	TOTAL 2012-2016
Terminals and piers	14	62	120	154	87	436
Runways and aprons	10	46	88	65	65	274
Baggage sub-systems and airport systems	4	14	41	50	41	149
Technological systems and networks	5	13	42	32	30	122
Information systems	2	7	6	5	6	26
Expansion to the north of Fiumicino airport	1	1	6	5	6	19
Other	14	32	40	69	77	231
Total	**49**	**174**	**341**	**380**	**312**	**1,258**
Pier C - financed portion	4	6	25	12	0	**46**
TOTAL	**53**	**180**	**366**	**392**	**312**	**1,304**

The hypotheses of the issuing plan reflect strict but realistic schedules to obtain the necessary authorizations and assume the actual effectiveness of the coverage envisaged by the new fee system.

Airport intermodality and connectivity

For an airport like Fiumicino the development of accesses is of the utmost importance in order to best address the mobility and accessibility needs connected to the demand of air transport for Rome. For this reason, since 2006 ADR has been promoting issues linked to airport accessibility with the various Institutions in charge of with territorial planning, in order to allow the correct introduction in the town-planning tools of suitable road and rail structures to support the mobility demand linked to air transport.

In May 2007, thanks to ADR's promotional activities, a work group was set up, consisting of the four companies that manage Rome's mobility (ADR, ANAS, Roma Mobilità, RFI), with the aim of enhancing and improving the accessibility of the West Area of the city, called “technical table”. The technical table has the purpose of studying and creating a multimodal transportation system by upgrading the infrastructural network and transportation services for the airport. This multimodal system translated into the “Roma Intermodale” project, co-financed by the European Union as part of the TEN-T networks and devised on the basis of the following objectives:

- meet the airport's future accessibility needs, as a necessary condition to reach the level of infrastructural development required to adjust these works to traffic growth trends and forecasts;
- guide the transport demand towards a sustainable mobility model by working in the direction of increasing the supply on rail to decongest the road networks;

- increase the use of public transportation systems for airport accessibility as a strategic option for the reduction of the emission balance.

  The "Roma Intermodale" project is part of Fiumicino long-term Masterplan, estimating that 50% of passengers will reach the new airport with integrated and connected public means of transport. The new terminal will be directly connected to an innovative Ground Transportation Center where all the access systems will meet.

  Investments for about 5.3 billion euros are planned for the future access infrastructure at the new airport, not to be borne by ADR.

Environmental sustainability

Another key element for infrastructural development is the high environmental sustainability that will characterize Fiumicino as a good example of Green Airport, thanks to projects such as:

- rationalization of consumption and use of renewable energy sources with a consequent reduction in CO2 emissions;
- system innovation, supervision and control;
- integration of the new infrastructure with the main environmental and local territorial elements;
- implementation of the environmental quality of buildings (exposure, natural ventilation, use of recyclable materials or materials that can be used at the end of the life cycle etc.);
- integrated management of the waste cycle, increasing recycling and creating a pneumatic waste collection system;
- creation of an efficient water management and treatment system;
- implementation of a suitable plan for water course management and ground drainage;
- creation of suitable environmental compensation and mitigation works.

TABLE 1 Medium-term development: Fiumicino Sud completion project

89 new aircraft parking aprons, of which 39 with loading bridges, for a total of 158 aprons
180,000 square meters of new terminal surfaces for a total of 500,000 square meters
20,000 square meters of new commercial areas for a total of 50,000 square meters
Creation of the People Mover
Implementation of the new baggage handling system BHS/HBS
Completion of the car parks for the passenger and employee vehicle parking

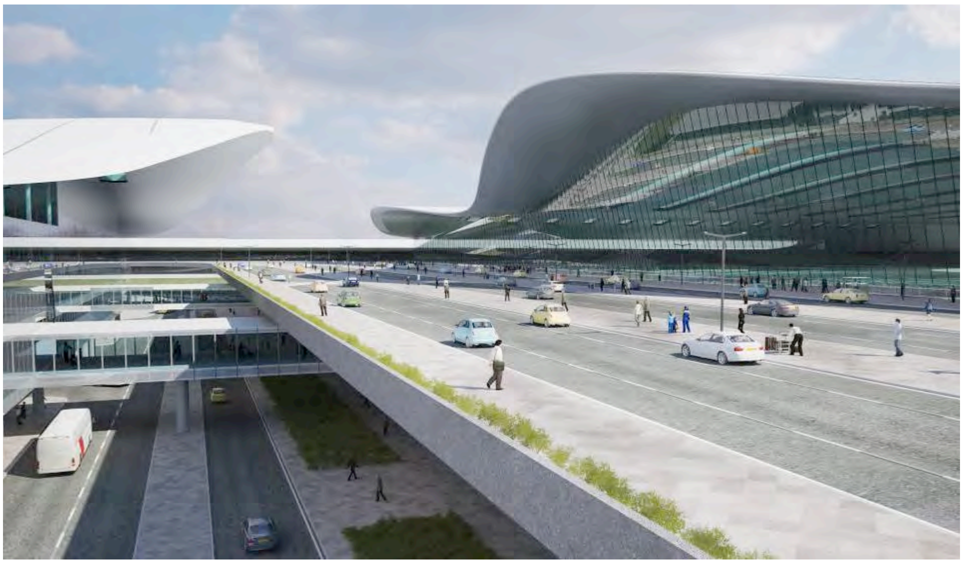
Fiumicino Sud completion project – central area infrastructure

Fiumicino Sud completion project – Terminal 1 and new departure areas A, C

TABLE 2 Long-term development: Fiumicino Nord Masterplan

New runways
New Terminal system
High level of service (maximum comfort for passengers in terms of available spaces and usability of the infrastructure)
200 aircraft aprons of which 155 with loading bridges
New daily rail connections
New commercial areas
Environmental integration and sustainability

Fiumicino Nord Masterplan

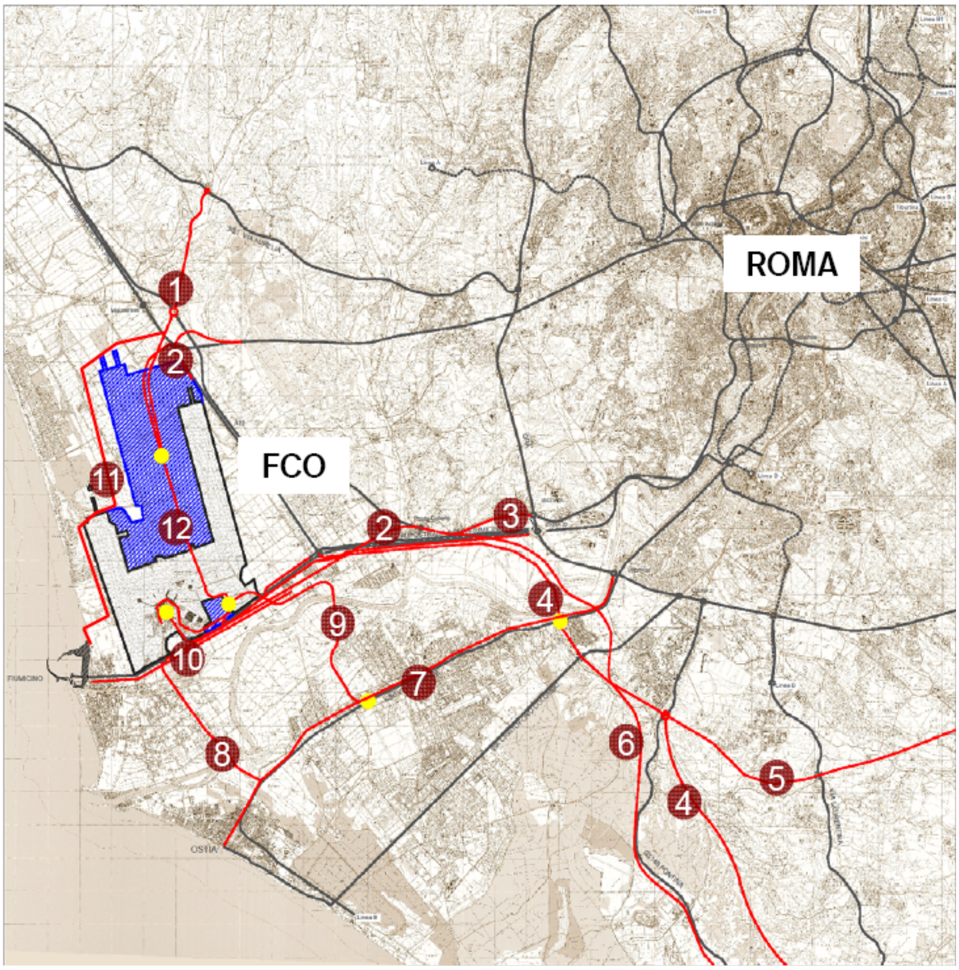


Masterplan of Fiumicino Nord – New Terminal and Ground Transportation Center

TABLE 3 Future structure of the mobility system for Rome western area

1. Road connection SS1 - Fiumicino Nord	7. Unification SS8 - Via Ostiense
2. Rail connection to the new North Terminal and link roads FR5-FR1	8. Scafa bridge
3. Upgrade of current rails services	9. Mobility corridor C9
4. Rome-Latina corridor (including bypass A12-SR148)	10. Corridor C5
5. Motorway SR148-A1 Dir.	11. Connection to Fiumicino commercial port
6. Gronda Sud railway	12. People mover GRTS

Intermodal mobility



Sustainability

Annual Report 2012

Human resources

As at December 31, 2012 the ADR group employed 2,227 people, recording a decrease of 14% compared to 2011. The change is due to the transfer of ADR Retail to Aelia in October and the outsourcing of the vehicle maintenance activity, whose company branch was sold in November 2012.

The Group workforce on permanent contracts as at December 31, 2012 equaled 1,870 people, with a change of 147 people compared to December 31, 2011 (down 7%). This decrease is linked (i) to the mentioned outsourcing operations (Vehicle maintenance down 71 people, ADR Retail down 187 people), (ii) the transformation of temporary contracts in all the companies in the ADR Group (up 126 people) for the application of the general legislation and (iii) the difference between new recruits (up 7 people) and leaving staff (down 22 people).

The payroll costs of the ADR Group for 2012 equaled 122.0 million euros (equal to 29% of the added value) down compared to 2011 by 2.4%.

The Group's average headcount equals 2,318 and is down compared to the 81 people of the previous year, due to the spin-offs which allowed managerial actions to optimize the use of the workforce employed in operations (for example through the use of more flexible contracts) and the implementation of efficiency programs started during 2011.

Development

The ADR Group, with the aim of ensuring an optimal management of people, is committed to defining professional routes and succession plans in line with individual motivations and expectations and the needs of the business to manage mobility processes and define tools to measure the performance and related incentive systems. In particular, since 2007 the Group has been adopting a procedure for the assessment of expertise and professional skills. In 2012, 319 employees were subject to assessment (equal to 13% of total).

Training

In 2012, 41,145 training hours were provided, which involved 817 employees, equal to 36% of the total and with an economic commitment of about 233 thousand euros. Training activities were addressed mainly to issues of health and safety in the workplace (23.8%), airport security (16.9%), technical-specialist training (43.9%) and managerial training (15.4%).

Training activities also concerned environmental and energetic aspects with courses targeting reference regulations. Among the development initiatives created and concluded in 2012, worth mentioning are (i) the ADR Quality project aimed at the professional family of airport employees for a total of 1,000 hours provided, (ii) the training course designed for Procurement figures and (iii) the “Progetto contabilità e finanza (Accounting and finance project)” aimed at the administration, finance and management control professional family.

Wage system

The Group's wage system aims at valuing professionalism and awarding excellence. The Group's wage package is arranged into fixed wages, variable wages and additional benefits. Specifically, the fixed wage consists of the contractual consideration and any productivity bonus; the variable wage includes long-term incentives linked to achieving predefined targets as part of the MBO policy. During 2012 the Ordinary general meeting of the shareholders of Gemina SpA approved the general lines and the regulation framework of the stock option plan 2012. For more details, reference should be made to the document “Remuneration Report”, available at www.gemina.it in the Corporate Governance section.

Organizational Model

The structural change within the ADR Group has stimulated the review and redefinition of the governance system, directing it towards an organizational model that entrusts the Parent Company with guidance and governance functions. Furthermore, the service functions were identified which directly support operations, where also the activity of the subsidiary undertakings and the four business areas converge: (i) Aeronautical, (ii) non aeronautical commercial, (iii) Real estate and (iv) Infrastructure Development.

With the same objective, the most important organizational processes were reviewed also in light of Legislative Decree 231: (i) planning cycle, (ii) passive cycle, (iii) system of mandates and proxies, (iv) operating instruction to entrust the commercial sub-concession spaces. In May, ADR's Board of Directors resolved on the new governance tools (“Contract Governance Committee”, “Committee for the Management of the Valorization Process and the Transfer of the Business Direct Retail and Mobility areas”).

Industrial and trade union relations

2012 mainly concerned the following issues:

- contributin in kind in April and May of the three company branches, including the staff belonging to them; as part of this action, on March 29, 2012 an Agreement was signed with Cisl, Uil and Ugl of the Air Transportation with a temporary validity (2014), which envisages a 16% reduction in salaries (basic and contingent) for new recruits, both temporary and permanent, and the conversion of staff to permanent contracts. Cgil did not sign the agreement as it does not support the planned action since this deviates from the contractual regulation (being renewed);
- for ADR Security and ADR Assistance two agreements were signed 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 2012/2013 for both peak periods and low periods. Likewise the agreements included the conversion of part-time contracts to full-time contracts: 46 units for ADR Security (to be carried out in October 2012 and January 2013) and 21 for ADR Assistance (to be carried out by October 2012);

- on August 30, 2012 the trade union procedure was started for the transfer of the “vehicle maintenance” company branch. The transaction, which was not shared by the trade union organizations, ended on October 8, 2012 with the formalization of the failed trade union consent. The transfer of the activities and dedicated resources – 71 units – took effect in November 1, 2012.

Health and safety in the workplace

Regarding the protection of health and safety in the workplace, the ADR Group has a management system in place, certified according to the OHSAS 18001 international standard.

In 2012, 194 accidents were recorded, of which 70% at work and 30% while traveling to and from work. The improvement actions adopted allowed a reduction in the number of accidents in the period 2010-2012 equal to 30%. Among the initiatives undertaken, worth mentioning are those in favor of: (i) security employees, who were provided with anti-cut protective gloves which offer, in addition to specific protection, excellent maneuverability and tactile sensitivity; (ii) employees in charge of terminal operations, who were made aware of the importance of observing the operating instructions concerning the handling and transportation of baggage on trolleys and (iii) Vehicle/ Electrical /Electromechanical maintenance operators, for whom a specific training course was scheduled to raise awareness on the behavioral aspects involved in maintenance activities.

TABLE 1. Main Indicators Human Resources

	UNIT	2012	2011	2010
Group headcount	**no.**	**2,227**	**2,589**	**2,646**
Group headcount (average headcount)	**FTE**	**2,318.0**	**2,399.0**	**2,356.9**
Group headcount by qualification	**no.**	**2,227**	**2,589**	**2,646**
Managers	no.	45	45	46
Administrative staff	no.	180	184	201
White-collar	no.	1,551	1,791	1,771
Blue-collar	no.	451	569	628
Group headcount by qualification (average headcount)	**no.**	**2,318.0**	**2,399.0**	**2,356.9**
Managers	no.	42.9	43.2	45.7
Administrative staff	no.	182.8	179.8	170.3
White-collar	no.	1,571.2	1,625.5	1,574.4
Blue-collar	no.	521.1	550.5	566.5
Group headcount by company	**no.**	**2,227**	**2,589**	**2,646**
ADR SpA	no.	1,039	2,252	2,308
ADR Engineering SpA	no.	33	34	36
ADR Tel SpA	no.	15	16	17
ADR Advertising SpA	no.	8	9	8
ADR Assistance Srl	no.	281	278	277
ADR Security Srl	no.	793	n.a	n.a
ADR Retail Srl	no.	n.a	n.a	n.a
ADR Mobility Srl	no.	58	n.a	n.a

	UNIT	2012	2011	2010
Group headcount by company (average headcount)	**no.**	**2,318.0**	**2,399.0**	**2,356.9**
ADR SpA	FTE	1,376.4	2,080.4	2,048.9
ADR Engineering SpA	FTE	33.0	34.0	33.6
ADR Tel SpA	FTE	15.9	16.0	16.8
ADR Advertising SpA	FTE	8.8	8.5	9.0
ADR Assistance Srl	FTE	279.0	260.1	248.6
ADR Security Srl	FTE	466.0	n.a	n.a
ADR Retail Srl	FTE	100.5	n.a	n.a
ADR Mobility Srl	FTE	38.4	n.a	n.a
Group headcount by contract type	**no.**	**2,227**	**2,589**	**2,646**
Open-ended contract	no.	1,870	2,017	1,940
Fixed-term contract	no.	357	572	706
Group headcount by contract type (average headcount)		**2,318.0**	**2,399.0**	**2,356.8**
Open-ended contract	FTE	1,900.7	1,820.7	1,730.6
Fixed-term contract	FTE	417.3	578.3	626,2
Passengers/FTE employees	**no.**	17,930	17,707	17,357
Group headcount by age bracket				
< 35	%	35%	38%	40%
36-45	%	33%	34%	33%
46-55	%	25%	22%	21%
> 55	%	7%	7%	6%
Group headcount by educational qualification				
Degree	%	21%	17%	16%
Diploma	%	58%	61%	61%
Turnover rate				
Overall turnover	%	0.4%	(0.7%)	0.9%
Leaving employees	%	12.1%	6.8%	1.6%
Incoming employees	%	12.5%	6.1%	2.4%

Industrial relations				
Percentage of employees adhering to collective agreements	%	100	100	100
Number of agreements signed with trade union	no.	54	20	52
Diversity				
Women over the total workforce	%	33%	34%	31%
Women in managerial positions	%	0.002%	0.003%	0.002%
Training				
Training expenses	(€000)	232	288	446
Average hours of training per employee per annum	h	18	16	13
Training by area:				
Health	%	24%	10%	12%
Airport security	%	17%	48%	46%
Managerial	%	15%	7%	9%
Functional to the Specialist Technician role	%	44%	35%	32%
Health and safety in the workplace				
Expenses for health in the workplace	(€000)	700	700	600
Accidents to employees	no.	194	209	274
Severity index for employees	%	3.4%	4.0%	4.2%
Fatalities	no.	0.0	0.0	0.0
Percentage of workers represented in the Health and Safety committee	%	6%	6%	6%

Airport safety

Airport certification

The regulation for the construction and operation of airports issued by the Italian Civil Aviation Authority ("ENAC") in 2003 lays out that each airport open to commercial traffic must be certified by the Aeronautical Authority as regards the safety requirements of operations defined by the same Civil Aviation Authority regulation. Fiumicino and Ciampino airports were certified by ENAC on November 27, 2003 and November 30, 2004, respectively (the airport certification is subject to renewal every three years). During 2012 the renewal of the Fiumicino airport certificate was obtained. The certificates of the Fiumicino and Ciampino airports are valid until November 26, 2015 and November 30, 2013, respectively.

Monitoring of safety levels

In line with the provisions of the Regulation for the construction and the operation of airports, since 2006 ADR has adopted a Safety Management System (SMS), i.e. a suitable system to guarantee that airport operations are carried out in the preset safety conditions.

The SMS carries out the continuous monitoring of the safety standards, making use of the system to collect and manage data (reporting system) relating to aeronautical events taking place in airport operations.

In order to support the Accountable Manager (i.e. the manager of the ENAC certification of airports) in implementing the safety policies, on September 26, 2006 ADR appointed a committee called the Safety Board, consisting of an Accountable Manager, Post Holders (safety managers for the respective areas of responsibility) and the Safety Manager (responsible for the SMS). The Board meets periodically and is proactive in discussing all the safety aspects in order to review and improve the system. In addition, the respective Safety Committees were established at both airports. These are advisory committees involving Operators/Companies (airlines, handlers, ENAV, etc.) and the public bodies at the airport (ENAC, fire department, etc.) on the subject of safety of airside operations.

Safety of airside operations

The safety of operations in the area where aircraft move (airside) is ensured by the ADR's Operational Safety, which carries out the scheduled and requested (h24) airside inspections, measures runway braking actions, controls airside works and provides a bird and wild fauna control service through the Bird Control Unit (BCU) operating 24 hours a day.

During 2012 the new operating aircraft fueling procedure was implemented at both airports for the safe execution of fueling operations with and without passengers on board or during passenger embarking/disembarking operations in the absence of the fire department, in line with the provisions of Ed. 2 Iss. 6 of ENAC Regulation and Min. Decree of June 30, 2011.

Airport emergency plan for aircraft accidents

Full scale aircraft accident emergency exercises were carried out on October 10, 2012 at Fiumicino airport and on November 23, 2012 at Ciampino airport.

A B 737 simulator owned by the Fire Department and used for training at both airports was placed at the technical area near the cargo city of Fiumicino. The exercise of October 10, 2012 at Fiumicino airport was successfully carried out using the above mentioned simulator. The staff of the ADR Group dedicated to emergencies was fitted with customized waistcoats with the identification of the related operational role (ADR airport manager, Safety Supervisor, Security Supervisor, Medical Triage, Terminal Supervisor, psychologist and evacuation employee).

As part of the initiatives aiming to increase the sensitivity of the staff towards safety in the workplace, the training activities continued during 2012, both basic and refreshers, for the firefighting teams and the employees of the emergency teams.

TABLE 1. Fiumicino Airport - main indicators Airport Safety

	UNIT	2012	2011	2010
Aircraft damage	*accrual* *	0.16	0.18	0.22
Other damage (without aircraft involvement)	*accrual* *	0.21	0.24	0.47
Right of way violations towards aircraft	*accrual* *	0.11	0.10	0.10
Runway incursions [9], [10]	*accrual* *	0.045	0.027	0.049

* Number of events every 1,000 aircraft movements

TABLE 2. Ciampino Airport - main indicators Airport Safety

	UNIT	2012	2011	2010
Aircraft damage	*accrual* *	0.06	0.11	0.04
Other damage (without aircraft involvement)	*accrual* *	0.08	0.05	0.06
Right of way violations towards aircraft	*accrual* *	0.14	0.20	0.11
Runway incursions	*accrual* *	0.000	0.018	0.000

* Number of events every 1,000 aircraft movements

[9] Runway incursions: erroneous presence of aircraft, vehicles or people in the protected area of the surface intended for aircraft landing and take-off.
[10] Data provided by ENAV

Relationships with the territory

The ADR Group is committed to establishing cooperative relations with its reference stakeholders, deeming the relationship with the surrounding economic and social environment fundamental.

Special importance is thus given to the relationships with local stakeholders (Lazio Regional Board, Amministrazione di Roma Capitale, the municipality of Fiumicino, the municipality of Ciampino, the municipality of Viterbo and the Provincial Board of Rome) with the aim of ensuring a common territorial development program. To this end the ADR Group uses various tools and authorizing and consulting measures, whether voluntary or imposed by regulations. In 2012 significant communication and consultation activities were undertaken with the local stakeholders during the process for the definition and approval of the Planning Agreement. In this context a number of meetings were organized, which involved a host of subjects including: the Municipality of Rome, the Municipality of Fiumicino, the Lazio Regional Board, the Provincial Board of Rome and the local and national operators of the transportation infrastructure (ANAS, RFI, Roma Servizi per la mobilità). The issues discussed mainly concerned the infrastructural network that will derive from the implementation of the Roman airport system development plan and the expansion of Fiumicino Sud and Nord. In this context, in September 2012 a public consultation was held at Fiumicino airport, conducted by Civil Aviation Authority to present the documentation relating to the fee structure of the Planning Agreement, in which Associations and representatives of the airlines and the handlers took part, as well as the consumers and couriers.

In addition, as part of the infrastructure planning and development activities, ADR's check and approval of the Masterplan documents and the integrated environmental study, consisting of reports and discussions, were completed. These elements will be sent to ENAC for examination and approval by June 30, 2013 as set in the Planning Agreement.

The environmental impact assessment (EIA) procedure was started and successful concluded for the project of completion of the Fiumicino Sud infrastructure, at the Ministry of the Environment together with the Minister for Cultural Assets and activities; the related ministerial decree is awaited, currently being issued by the competent ministries. Thus ENAC has requested the Public Works Administration (MIT) to convene the Conference of the services, concluding the urban authorization procedure.

The communication approach taken with the leading stakeholder categories has led to other shared and approved choices; of these, the “Roma Intermodale” project planned by ADR, ANAS, RFI and Roma Servizi per la Mobilità, relating to the interventions on the intermodal infrastructure to encourage accessibility to Fiumicino airport and the western area of Rome is particularly important. Furthermore, in light of intermodal development, in the last quarter of 2012 contacts were made with representatives of the Municipality of Fiumicino and the Port Authorities for the activities to create the infrastructure connecting the two Port and Airport poles with the surrounding intermodal network. These contacts continue with the aim of sharing, together with the Municipality of Fiumicino, the intermodal connections between the two poles. The structure of the intermodal accessibility as a whole is being shared with the Lazio Regional Board to include the infrastructural framework of the area of the quadrant in the regional program and schedule; to this end, with a specific resolution and decision of the Lazio Regional Board, a work group was formed, which is aimed at processing the issues connected to the development of the Western Area of the Rome Metropolitan Area where the Leonardo da Vinci airport is located. This group, coordinated by regional managers from the Institutions and Territory Department, includes the managers of the Lazio Regional Board of the Environmental, Infrastructure, Transportation and Urban departments, the representatives of the Ministries of Infrastructure and Transportation, ENAC and ADR.

As part of the relationships with environmental institutions, ADR has met some of the associations and groups more concerned about protecting and sustaining the environment. Specific meetings were organized with the representatives of the National and Local branches of WWF, Legambiente and LIPU during which infrastructures, methods and processes connected with the environment were displayed. In particular a visit was arranged to the site of the biological purifier, the energy cogeneration plant, the acoustic monitoring stations and the photovoltaic fields of the car park. The representatives appreciated the availability, awareness and desire of ADR in its careful and respectful environmental management.

As part of the activities aiming to reduce acoustic pollution and the reduction of the related impacts on the territory and the surrounding communities, ADR is committed to constantly monitoring the airport noise at both airports in compliance to specific legal provisions. In particular, studies are being developed in agreement with ENAC and ENAV to reduce these areas. In any case, having the terms elapsed to send to the competent authorities the documents with the indication of the areas exceeding the acoustic limits, on part of the areas where the excesses were estimated, preliminary activities were carried out to identify the properties falling within the critical area and which may be subject to acoustic redevelopment by ADR. This is necessary to detect the extent and type of the interventions needed to carry out the acoustic redevelopment plans.

Service quality

To effectively and continuously meet the needs and expectations of customers and passengers, the Group is constantly engaged in defining and implementing a policy to improve the quality standards of the offered services.

Service Charter

The Service Charter, published and distributed each year in two languages (Italian/English) starting from 2002, is the document that summarizes the requirements and parameters the company undertakes to respect and uses as a benchmarks for its work at the two airports of Fiumicino and Ciampino.

During 2012, monitoring of the level of service provided at Fiumicino and Ciampino airports was ensured, as established by the Quality Plan, by about 56,000 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 overall performance of the quality levels highlights an improvement compared to the indicators of the Service Charter and the levels reached in 2011 in the carry-on luggage security control processes, the wait time at the check in for the domestic segment and the punctuality of the flights. Starting from July 2012, for the check-in, security and baggage reclaim processes, the service standards were reviewed and improved.

The introduction of the new standards made respecting the Service Charter more difficult.

With reference to the security controls for carry-on luggage, it should be noted that the negative trend in quality levels provided, which concerned the first part of the year in connection with the enforcement of new control procedures to adjust to the security measures requested by ENAC and ECAC (European Civil Aviation Conference) and the spin-off phase which led to the creation of ADR Security, improved notably in the period July-December 2012 with a 95.5% compliance with the Service Charter.

At Ciampino airport, the quality level trend analysis in 2012 shows the compliance of the provisions in the Service Charter; the comparison with last year records improvements, as part of the services relating to check-in, baggage reclaim and flight punctuality. These results were possible thanks to the constant commitment of the Group in offering passengers more and more efficient services with a view to continuous improvement.

TABLE 1. Main indicators Service Quality

	UNIT	2012	STANDARD	2011	2010	STANDARD
Fiumicino						
Average score	%	86.2	90	86.1	82.9	90
Lines at national check-in desk, within 8 minutes	%	96.1	90	95.2	85.9	90
Lines at international check-in desk, within 18 minutes	%	85.5	90	86.1	84.9	90
Waiting time for carry-on baggage security checks, within 10 minutes	%	89.3	90	87.5	92.0	90
Wait on board to disembark first passenger, within 3 minutes	%	88.7	90	92.4	90.3	90
Delivery of first bag from block-on by set time	%	86.9	90	88.3	81.1	90
Delivery of last bag from block-on by set time	%	89.1	90	90.8	86.2	90
Punctuality of incoming flights (flights arrived with less than 15 minutes of delay)	%	83.9	n.a.	83.3	77.5	n.a.
Punctuality of departing flights (flights leaving with less than 15 minutes of delay)	%	80.6	75	78.6	70.1	75
Number of complaints	num.	3,658	n.a.	3,002	1,917	n.a.
Average time to settle complaints	num.	15 days	30 days	12 days	10 days	30 days
Ciampino						
Average score	%	84.1	90	78.2	80.9	90
Lines at check-in desk, within 20 minutes	%	96.1	90	94.4	73.7	90
Waiting time for carry-on baggage security checks, within 14 minutes	%	97.4	90	98.3	96.0	90
Wait on board to disembark first passenger, within 4 minutes	%	96.5	90	97.5	96.2	90
Delivery of first bag from block-on by set time	%	98.6	90	97.2	93.4	90
Delivery of last bag from block-on by set time	%	99.5	90	98.3	94.5	90
Punctuality of incoming flights (flights arrived with less than 15 minutes of delay)	%	88.2	n.a.	86.7	79.0	n.a.
Punctuality of departing flights (flights leaving with less than 15 minutes of delay)	%	87.3	83	84.3	73.8	83
Number of complaints	num.	182	n.a.	235	188	n.a.
Average time to settle complaints	num.	15 days	30 days	12 days	10 days	30 days

Suppliers

Selecting suppliers

The Group's activities aimed at awarding work contracts, supplies and services are conducted according to the following principles:

- compliance with National and Community Legislation (Leg. Decree 163/06, hereafter indicated as "Contract Code"),
- compliance with the Regulation to award public tenders of amounts lower than community threshold (hereafter indicated as "Contract Internal Regulation"),
- respect of competition and non discrimination among the possible competitors,
- conduct transparency in every phase of competition and negotiation,
- efficiency and effectiveness of the company's action.

The Contract Governance Committee, governed by an influential component on the subject and external to the company, provides guidance and support activities in the most important decisions referring to procurement and contracting.

Public tender contracts are awarded according to the provisions of the Contract Code in case their estimated value, net of VAT, is equal to or greater than the community thresholds: a) 0.4 million euros for contract of supplies and services and b) 5 million euros for works contracts. The contracts of an estimated value lower than these thresholds, directly referring to the activities under art. 213 of the Contract Code, are awarded, in compliance with the principles laid down by the EU Treaty protecting competition, through a Contract Internal Regulation adopted pursuant to art. 238, c 7 of the Contract Code available in the Business/Vendor section of the website www.adr.it (www.adr.it/bsn-fornitori). This Regulation governs the principles to be adopted in the rotation of the suppliers and sets the minimum number of suppliers to be invited: from three to ten suppliers according to the type and economic thresholds. All competitors are guaranteed the necessary information on the tender notices and outcome of the tender procedures.

The suppliers are obliged to enroll in the ADR corporate Supplier Register. A supplier qualification process is in place as specified in the Contract Internal Regulation. In addition, the suppliers are obliged to run their business in compliance with the principles and provisions of the corporate Code of Ethics, available in the Company/About ADR group/Corporate Governance/Ethic code section of the site www.adr.it. A specific clause for the acceptance of the Code of Ethics is included in each contract and its non-compliance constitutes serious non-fulfillment of the obligations of the contract and legitimates the Purchaser to assess suitable protection measures to be adopted, including the right to terminate the contract. For awarding the tenders, whatever the amount and method, the Group adopts procedures managed electronically on the "Purchasing Portal" platform. Introduced in 2008, this platform electronically manages the purchasing processes and provides: maximum transparency and equal opportunities in the tender awarding process, cutting the times required to prepare and send bids, more efficiency and effectiveness in interaction thanks to the automation and standardization of the communication and authenticity protocols, competition and integrity in data exchange.

Local suppliers

The economic impact generated by the Group's activity on the surrounding territory in terms of purchasing activity is particularly important: in 2012 the number of orders to local suppliers or supplier located in the Lazio region was a stable 55% compared to the subdivision of the previous year. In terms of economic value, trade with local suppliers represents 40% of the total with a decrease compared to the division in 2011 in favor of suppliers in other Italian regions.

TABLE 1. Main indicators Suppliers[11]

	UNIT	2012	2011	2010
Suppliers used	no.	527	505	463
Qualified suppliers	no.	638	329	n.a.
of which in the last year	%	48%	n.a.	
Number of orders by type				
Supplies	%	39%	46%	50%
Works	%	16%	11%	11%
Services	%	45%	43%	39%
Value of orders by type				
Supplies	%	16%	27%	18%
Works	%	51%	24%	37%
Services	%	33%	48%	45%
Number of orders by geographic origin				
Local	%	55%	55%	55%
Other Italy	%	42%	40%	42%
Abroad	%	3%	4%	4%
Value of orders by geographic origin				
Local	%	40%	46%	51%
Other Italy	%	59%	49%	41%
Abroad	%	0%	5%	7%

[11] The 2012 data is based on the purchasing activities carried out by the Tenders, Purchases and ICT unit, which represent about 93% of the total external traded company value. The 2010 data on the number of suppliers is not comparable as it is based on the new regulation established since January 1, 2011.

Environment

ADR is committed to supplying quality products and services while continuously respecting the environment and health and safety in the workplace. With the Service Order the "Integrated policy for quality, environment, energy and health and safety in the workplace", approved in October 2012, the Group explains the policies and objectives it intends to pursue in terms of environmental protection and guidelines for a sustainable development. In line with this policy, management systems have been implemented for several years according to standards recognized at international level. ADR is ISO 9001 certified for the Quality of two corporate processes (Airport quality monitoring Airport security), ISO14001 for the Environment, OHSAS18001 for Health and Safety in the workplace and ISO50001 for Energy for all corporate processes. The subsidiary undertakings ADR Assistance, ADR Security and ADR Engineering ("ADR Engineering") are ISO9001 certified while ADR Advertising and ADR Security are OHSAS 18001 certified.

The Planning Agreement with ENAC defines a series of environmental indicators for Fiumicino and Ciampino to be kept under strict supervision.

Water consumption

The use of water has a significant environmental impact in the airport.

Water consumption as part of ADR activities includes the use of water for drinking and industrial use. Drinking water is supplied by the manager of the local water service and consumed mostly within the airports for the various services. Industrial water, on the other hand, is used for the irrigation of green areas, the cleaning of tanks and lifting pumps, firefighting services and thermal stations.

As one of the solutions adopted by the Group for a more efficient use of water resources, a UV plant has been active for years in Fiumicino for the treatment of waste water from the biological purifier for reuse in industrial applications. Ciampino airport uses exclusively drinking water taken directly from the public aqueduct and used mainly for restrooms, and secondarily for thermal stations and green areas. Water consumption during the last few years has remained mostly constant. In terms of quality of drinking water, chemical-biological analyses are run regularly; in 2012 in particular, 122 analyses were conducted in Fiumicino and 28 in Ciampino.

Energy consumption

The main energy sources used for airport activities include electricity, produced internally by cogeneration (98%) or purchased from the distribution network (2%), and thermal energy, produced internally by cogeneration or by the methane gas or diesel oil power generating stations. Two large thermal power stations are present in Fiumicino: (i) a methane-gas driven cogeneration power plant for the synergic production of electric and thermal energy of an overall deliverable power of about 26 MW and (ii) a methane-gas driven power plant with an overall power of 48.8 MW (following the disposal of 3 boilers in 2012), serving as back-up for the cogeneration power plant.

Five methane gas driven thermal central stations are present in Ciampino, three with a potential higher than 3 MW.

A decreasing energy consumption trend has been recorded at Fiumicino in the last few years due to significant actions taken to improve energy efficiency, such as: creation of a new lighting system using low consumption luminaires in the areas Terminal 1 - departure area C, Terminal 3 - departure area D, Terminal 3 - hall check-in and transit gallery; works to replace engines with high efficiency equipment at baggage handling systems at Terminal 3; installation of LED lamps on runways; implementation of a system to control the consumption of medium voltage cabinets. These are accompanied by management measures taken to save energy: turning off of billboards at night, turning off of manually and remotely managed lighting systems at night, twilights switching system, air-conditioning systems working for fewer hours a day, installation of inverters, set point adjustment at Air Treatment Units at Terminals and Production Stations and extraordinary maintenance of refrigeration units and evaporation towers.

An electricity saving of about 7% compared to 2011 was achieved in 2012.

Traditional ceiling lights will be replaced with new generation ones at Ciampino during 2013, comprising LED high luminosity lighting. The area concerned is the departure terminal, implying energy savings of about 50% per ceiling light.

Regarding mobility at the airport, energy consumption is related to the use of unleaded petrol and diesel oil for the movement of airport means, including the vehicle fleet acquired via long-term hire and operational vehicles owned by ADR, comprising cars, special vehicles/ramp and electric means. ADR is assessing the possibility of using company means with a lower environmental impact. One of the initiatives envisages the inclusion of the environmental requirement of CO2 emissions lower than 120 gCO2/km among the specifications for the public tender for rental vehicles.

CO2 emissions

ADR, as part of its approach against climate change, has taken a series of measures to control and reduce direct and indirect CO2 emissions related to its activities and those of operators, aircraft and all the entities working within the airport system. To this end ADR has taken part in the Airport Carbon Accreditation (ACA) initiative launched by ACI Europe (Airport Council International), which provides for four accreditation levels based on the mapping of emissions. In 2011 ADR obtained accreditation Level 3+ “Optimization”, implying the quantification of all direct and indirect emissions as well as other emissions of ADR (Scope 1, 2 and 3) and the implementation of a corporate carbon management system that in ADR was integrated with the environmental management system already active for years. In 2012, in addition to maintaining the ACA accreditation for Fiumicino, ADR obtained level 1 “Mapping” for Ciampino, implying the quantification of scope 1 and 2 emissions only (direct and indirect emissions deriving from the electricity acquired). A significant reduction in emissions was recorded in Fiumicino over the years (down 17% based on the indicator regarding passengers in the period 2008-2011), with the contribution of the actions implemented in various areas, of which the commissioning of the cogeneration system is the most significant. Moreover, in 2012 the energy management system was ISO50001 certified and the CDM (Collaborative Decision Making) platform was activated in collaboration with ENAV to reduce the taxi time of aircraft and consequently the emissions associated with it.

Production of waste

The main areas where waste is produced include terminals and offices, the vehicle maintenance activities, infrastructures, green areas, the activities of the contracted firms and the sub-concessionaires. The waste predominantly consists of waste comparable to urban waste, which accounts for about 60% of the total waste produced in Fiumicino and 93% of the waste produced in Ciampino.

In 2011 five areas were designed for the ad-hoc disposal of the waste at terminals, which were put into operation in 2012. This new management method resulted in significant benefits in terms of sorting of airport waste, contributing to the increase in the relevant percentage for the Fiumicino site, which reached 34% in 2012. In 2012 ADR also involved ENAC in the issue of an airport ordinance on waste management (Ord. no. 2/2012).

The trend for special waste quantity over time is linked to the execution of special types of work (such as replacements, renovations, etc.), which may cause an anomalous increase in some waste materials. A waste separation and recycling area was set up in 2011 in Fiumicino, available to all airport operators at Fiumicino airport also to dispose of, subject to prior written agreement, cumbersome waste (such as, for example, furniture, wooden platforms) and waste from electronic equipment (e.g. unused computers, printers, neon lamps, lead batteries and other batteries).

In 2012 ADR was authorized (pursuant to art. 110 of Legislative Decree 152/2006) by the Provincial Board of Rome to confer to its purifier liquid waste from airport septic tanks and the maintenance of the water networks, thus reducing the environmental impact related to the disposal of waste through third parties while achieving significant economic savings.

The overall quantity of waste produced at Ciampino has decreased (down 6% in the period 2011 - 2012), with special reference to waste comparable to urban waste (down 7%); the percentage of sorted recyclable waste instead remained limited, which in the years 2010-2012 stood at 6% (including urban and special waste).

Water discharges

An airport produces solid and liquid waste of different types from civil discharges, technological equipment and the washing of the operating areas. ADR manages water discharges through treatment systems that allow the discharge of water into the final receiving body characterized by a concentration of pollutants that is well below the legal limits. Fiumicino airport in particular has: (i) a biological activated sludge system for wastewater treatment (via F.lli Wright) able to treat up 8,000 m3 of waste/day, (ii) a bio-disc biological activated sludge system for wastewater treatment (Cargo City area) with a capacity of 150 m3/day and (iii) four oil extracting plants for the treatment of water from washing runways and aprons.

Noise pollution

Airport infrastructure generates a significant impact in terms of noise related to aircraft take-off, landing and overfly operations. A complex system of European, national and regional rules is aimed at measuring, limiting and/or regulating the emissions of noise to ensure a high quality of life in the territories around an airport. Based on these rules, Fiumicino and Ciampino airports have a monitoring system in place that regularly detects any excess of the limits and connects this information with the data and trajectory of the aircraft concerned. The number of central units has been increased over the years; in 2012 there were 17 central units in Fiumicino (two of which can be relocated) and 6 in Ciampino.

Fiumicino and Ciampino airports were the first in Italy to set up the airport commissions (in which many entities participate, such as ENAC, ENAV, the Ministry of the Environment, regional, municipal and provincial boards, ARPA, airlines) envisaged by the regulation with the task of defining anti-noise procedures, the acoustic characterization of the airport perimeters and the indexes that classify the airport.

In order to mitigate the acoustic effects produced, over time ADR has carried out several interventions on the ground at Fiumicino airport, including: 4 to 6 meter high artificial dunes to the side of runway 1 to limit the noise during the taxiing phase; a vegetal barrier made of maquis, shrub and trees along the Roma-Fiumicino motorway to dampen the noise within the airport borders; "fast exits" on runway 1 to allow landing aircraft to free the runway without using the reverse command and remaking of the engine test apron with the creation of soundproof barriers and acoustic screens.

Electromagnetic fields

The use of electronic equipment and radars to control air traffic and telecommunications at airports means that electromagnetic fields are generated. In 2010 ADR conducted electromagnetic monitoring campaigns with the objective of highlighting the levels of respect of the parameters and thresholds linked with safeguarding the travelling staff and the personnel employed at airports and adopting suitable preventive and protective measures. The monitoring network used in the Roman airport system includes 15 remote monitoring units (7 outdoor and 8 indoor) in Fiumicino and 5 central units (1 indoor and 4 outdoor) in Ciampino. The measurements taken demonstrated the respect of the legal limits in force.

TABLE 1. Main indicators Environment – Fiumicino

	UNIT	2012	2011	2010
Water consumption				
Total water withdrawal per source of supply:	m3	1,822,300	2,088,461	2,134,446
drinking water	m3	722,300	888,461	1,004,446
industrial water	m3	1,100,000	1,200,000	1,130,000
Energy consumption				
Total consumption of energy by type:				
Electricity	kWh	159,322,706	171,278,496	176,268,122
Methane (1)	m3	10,009,251	10,661,317	10,170,208
Diesel oil (2)	l	25,000	114,555	96,365
Consumption of green fuel for vehicle fleet	l	96,508	111,763	118,682
Consumption of diesel oil for vehicle fleet	l	213,135	214,215	190,043
Emissions				
Direct CO2 emissions	t	1,116	1,135	1,037
Indirect CO2 emissions	t	68,297	69,459	73,275
Nox emissions (3)	t	1,800	1,854	1,854
Waste				
Production of waste by type:	t	9,508	8,788	10,281
Municipal waste	%	60.2%	74.3%	68.7%
Special waste	%	39.8%	25.7%	31.3%
Sorting of waste by type:	t	1.333	983	899
Paper and cardboard packaging	%	47.0%	30.7%	23.1%
Wood packaging	%	12.7%	7.6%	4.9%
Mixed packaging	%	30.8%	59.5%	69.5%
Plastic packaging	%	7.9%	1.4%	2.4%
Glass packaging	%	1.6%	0.8%	0.0%
Waste produced per 1,000 passengers (4)	t	0.2	0.2	0.2
Water discharges				
COD and BOD5 concentration of the purifier via F.lli Wright-annual average				
incoming COD	mg/l	328	566	565
incoming BOD5	mg/l	85	181	167
outgoing COD	mg/l	32	58	64
outgoing BOD5	mg/l	10	16	17
COD and BOD5 concentration of the cargo area purifier - annual average				
incoming COD	mg/l	155	363	377
incoming BOD5	mg/l	41	116	189
outgoing COD	mg/l	27	58	53
outgoing BOD5	mg/l	11	17	16
Spills				
Number of significant spills	no.	n.a.	n.a.	n.a.
Volume of significant spills	m3	n.a.	n.a.	n.a.
Noise				
No. of noise/aircraft movement detection central units x 1,000	no.	4.84	n.a.	n.a.

(1) Inclusive of the thermal energy purchased, expressed in m3 and methane gas for boilers.

(2) Diesel oil for heating and generators.

(3) The value is estimated in consideration of the same type of aircraft and the same number of annual movements recorded in 2009.

(4) Municipal solid waste.

TABLE 2. Main indicators Environment – Ciampino

	UNIT	2012	2011	2010
Water consumption				
Total water withdrawal per source of supply:	m3	134,622	248,681	248,681
drinking water	m3	134,622	248,681	248,681
industrial water	m3	-	-	-
Energy consumption				
Total consumption of energy by type:				
Electricity	kWh	11,219,250	11,693,525	12,022,873
Methane	m3	736,663	826,958	807,825
Diesel oil (1)	l	1,000	3,300	19,521
Consumption of green fuel for vehicle fleet	l	12,676	12,719	12,337
Consumption of diesel oil for vehicle fleet	l	27,125	27,254	21,981
Emissions				
Direct CO2 emissions	t	1,570	1,670	n.a.
Indirect CO2 emissions	t	5,612	5,971	n.a.
Nox emissions (2)	t	300	346	346
Waste				
Production of waste by type:	t	749	793	793
Municipal waste	%	93.0%	97.9%	98.7%
Special waste	%	7.0%	2.1%	1.3%
Sorting of waste by type:	t	33	30	35
Paper and cardboard packaging	%	56.0%	86.7%	74.3%
Wood packaging	%	n.a	n.a	n.a
Mixed packaging	%	44.0%	13.3%	25.7%
Plastic packaging	%	n.a.	n.a.	n.a.
Waste produced per 1,000 passengers (3)	t	0.2	0.2	0.2
Noise				
No. of noise/aircraft movement detection central units x 1,000	no.	12.9	n.a.	n.a.

(1) Diesel oil for heating and generators.

(2) The value is estimated in consideration of the same type of aircraft and the same number of annual movements recorded in 2009.

(3) Municipal solid waste.

Other information

Updates and changes to the reference regulatory framework

The regulatory framework underwent several changes during 2012 regarding both the airport sector in general and ADR:

- “Liberalization” Law Decree (“Urgent provisions for competition, development of infrastructures and competitiveness”, converted with amendments to law no. 27/2012, published in Gazette on March 24, 2012): introduces important innovations to modernize and enhance the national infrastructures and encourage market liberalization and competition.
- “Simplification” Law Decree (“Urgent provisions concerning simplification and development" published in Ordinary Supplement 27/L to OG no. 33 of 2/9/2012, converted into law no. 35/2012 and published in the Gazette on April 6, 2012): in particular it introduces the provisions to protect the procedures underway for the stipulation of the Planning agreements with the airport management companies until December 31, 2012.
- “Thousand-Extensions Decree” ("Conversion into law, with amendments, of Law Decree no. 216 of December 29, 2011, for the extension of the terms set by legislative provisions”, law no. 14/2012 was published in the Gazette on February 27, 2012. extends to December 31, 2012 the term for the identification of the airports and airport systems of national interest, and the term set for adjusting the extent of the airport fees to the rate of inflation planned for 2012.
- ”Revised airport fees for 2011” (Ministerial Decree of November 11, 2011 published in the Gazette on May 4, 2012): establishes the new scope of airport fees updated to the rate of planned inflation for 2011, equal to 1.5%; the scope of the airport fees, under Ministerial Decree 391/2011, was subsequently adjusted to take into account the change of the rate of planned inflation 2011 (2% instead of 1.5%) occurred after the issue of the “Note for the update of the Economic and Financial Document 2011”.
- “Additional provisions for the implementation of art. 24 of Law no. 42 of May 5, 2009, concerning the Roma Capitale order” (art. 12, par. 4 of Leg. Decree no. 61 of April 18, 2012, published in the Gazette on May 18, 2012): it 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”.
- Changes concerning municipal surtax on passenger fees (Law no. 92 of June 28, 2012, regarding the reform of the labor market with a view to growth changes published in the Gazette on July 3, 2012): it changes, starting from January 1, 2016, the allocation of the higher amounts of the additional municipal surtax on passenger fees, which will have to be devoted to the management of the assistance works and to support the INPS’s social security provisions. New elements are also introduced 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. Starting from July 1, 2013, the additional municipal surtax on passenger fees will rise by 2 euros per passenger.

- A national airport development plan is being defined, which includes a proposal to identify airports of national interest. This Plan proposes a classification of airports of national interest and is aimed at encouraging the sustainable development of the segment by identifying actions to rationalize ground and in-flight services, concentrating investments on priority infrastructural actions and increasing the competitiveness of the system as a whole.

Inter-company relations and relations with related parties

Notice regarding management and coordination of the company

From August 2, 2007, ADR is subject to “management and coordination” by Gemina. In turn, ADR manages and coordinates” its subsidiary undertakings, ADR Engineering, ADR Tel (“ADR Tel”), ADR Sviluppo Srl (“ADR Sviluppo”), ADR Assistance, ADR Security and ADR Mobility.

The notice regarding management and coordination required by art. 2497 bis of the Italian Civil Code is available in a specific section of the Notes.

All the transactions with parent companies, subsidiary undertakings and other related parties described below were carried out on an arm’s length basis.

Relations with the parent company

Relations with Gemina in 2012 primarily refer to participation in the consolidated taxation regime.

TABLE 1. Other relations of the ADR Group to Gemina

	12-31-2012	2012		
	RECEIVABLES (PAYABLES)	TAX CONSOLIDATION		
		EXTRAORDINARY INCOME	INCOME	CHARGES
ADR	7,803	7,081	279	31,520
	7,803	**7,081**	**279**	**31,520**
Subsidiary undertakings subject to management and coordination				
ADR Engineering	184	158	3	213
ADR Tel	(120)	68	13	493
ADR Assistance	351	414	7	287
	415	**640**	**23**	**993**
TOTAL	**8,218**	**7,721**	**302**	**32,513**

Participation in the tax consolidation regime by ADR and some Group companies (ADR Engineering, ADR Tel, ADR Assistance and ADR Sviluppo), as consolidated companies, and the parent company Gemina, as consolidating company, for the three-year period 2010-2012 took place in June 2010.

Trading relations with the Parent Company break down as follows:

TABLE 2. Trading relations of the ADR Group to Gemina

	12-31-2012		2012	
	RECEIVABLES	PAYABLES	REVENUES	COSTS
ADR	426	354	807	748
TOTAL	**426**	**354**	**806**	**748**

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.

Inter-company relations

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

TABLE 3. Trading relations of ADR towards subsidiary undertakings and associated undertakings

	12-31-2012				2012				
	RECEIVABLES	PAYABLES	GUARANTEES	COMMITMENTS	REVENUES			COSTS	INVESTMENTS
					ASSETS	SERVICES	OTHER	SERVICES	
Subsidiary undertakings subject to management and coordination									
ADR Engineering	179	6,895	250	7,594	6	326	135	1,127	4,904
ADR Tel	450	2,629	257	278	0	887	189	5,185	894
ADR Assistance	685	4,522	0	0	279	1,557	283	16,508	0
ADR Retail	0	0	0	0	160	17,850	304	0	0
ADR Mobility	1,590	24	0	0	74	14,230	924	953	0
ADR Security	938	13,613	0	0	242	1,470	676	24,944	0
	3,842	**27,683**	**507**	**7,872**	**761**	**36,320**	**2,511**	**48,717**	**5,798**
Other subsidiary undertakings									
ADR Advertising	7,501	1,230	0	0	0	13,319	31	128	0
	7,501	**1,230**	**0**	**0**	**0**	**13,319**	**31**	**128**	**0**
Associated undertakings									
Ligabue Gate Gourmet SpA (insolvent)	0	968	0	0	0	0	0	0	0
	0	**968**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

The revenues of ADR Engineering towards ADR refer to work commissioned by ADR for design and project management services. ADR charged the company royalties, utilities, staff services, etc.

ADR Tel posted revenues from telephony services provided to ADR and carried out upgrading works on the telephone network; ADR's charges to the company refer to royalties and rentals on the lease of telecommunications assets and premises, and for utilities and staff services.

The revenues, generated exclusively from relations with the Parent Company, refer to the provision of assistance services to passengers with reduced mobility; ADR charged the company sub-concession fees, utilities, administrative services, etc.

The revenues posted by ADR from ADR Advertising refer to the consideration for the lease of the advertising business unit and the lease of premises, utilities and various services.

ADR's revenues from ADR Retail mainly relate to the royalties on the areas and premises for the sale of the core categories as well as utilities, administrative and general services, etc.

ADR's revenues from ADR Mobility mainly relate to the royalties on the areas and buildings used as car parks as well as utilities, administrative and general services, etc.

ADR Security's revenues from ADR concern airport security services and on demand services at Fiumicino and Ciampino airports; ADR charged the company royalties, utilities, administrative and general services, etc.

TABLE 4. Financial relations of ADR towards subsidiary undertakings

	12-31-2012		2012	
	RECEIVABLES	PAYABLES	INCOME	CHARGES
Subsidiary undertakings subject to management and coordination				
ADR Engineering	0	478	4	0
ADR Tel	0	579	1	1
ADR Assistance	0	842	0	3
ADR Security	0	0	17	17
	0	**1,899**	**22**	**21**

Financial relations with the subsidiary undertakings, ADR Engineering, ADR Tel and ADR Assistance regard the use of 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.

TABLE 5. Other relations of ADR towards subsidiary undertakings and associated undertakings

	12-31-2012	2012
	RECEIVABLES	DIVIDENDS
Subsidiary undertakings subject to management and coordination		
ADR Mobility	5,400	5,400
ADR Security	520	520
	5,920	**5,920**
Associated undertakings		
Ligabue Gate Gourmet SpA (insolvent)	482	0
	482	**0**

ADR's other receivables from subsidiary undertakings comprise the dividends related to the result for 2012, allocated on an accruals basis.

Relations with related parties

During the year no significant transactions or transactions that significantly affected the Group's financial position or results took place. The transactions listed below did not undergo any change or development that had a significant effect on the Group's financial position or results.

TABLE 6. Trading relations of the ADR Group towards related parties

	12-31-2012			2012		
	RECEIVABLES	PAYABLES	GUARANTEES RECEIVED	REVENUES	COSTS	INVESTMENTS
(Direct or indirect) subsidiary undertakings of Gemina						
Fiumicino Energia	16	0	0	157	0	0
Leonardo Energia	21	4,072	0	172	26,488	0
Companies that have a significant influence on Gemina (directly or indirectly)						
Assicurazioni Generali	0	0	0	0	2,708	0
Autogrill	1,351	218	6,276	8,290	258	0
Changi Airport Planners and Engineers Pte.	0	219	0	0	0	200
Gruppo Unicredit	9	0	0	1,241	68	0
Mediobanca	0	0	0	0	284	0
Pavimental	0	39	885	0	0	0
Sagat Engineering	0	0	0	0	59	0
Telepass	202	0	0	0	149	0
WDFG Italia	350	0	1,445	1,542	0	0
Worldwide United (Singapore)	0	0	0	0	15	0
	1,949	**4,548**	**8,606**	**11,402**	**30,029**	**200**

TABLE 7. Financial relations of the ADR Group towards related parties

	12-31-2012			2012	
	CASH ON HAND AND IN BANKS	RECEIVABLES	PAYABLES	FINANCE INCOME	FINANCE COSTS
Mediobanca	0	43,153	71	224	0
Telepass	0	0	32	0	0
UniCredit	168,990	0	498	1,143	17
	168,990	**43,153**	**601**	**1,367**	**17**

The main relations with other related parties break down as follows:

- Fiumicino Energia Srl: a company 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 in 2023 the co-generation plant will be transferred free of charge to the Parent Company. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR SpA, provides electric and thermal energy to ADR;
- Assicurazioni Generali: the ADR Group has taken out its principal insurance policies with this insurance group;
- Autogrill SpA (indirect subsidiary undertaking of Edizione Srl which, indirectly, holds a sufficient interest in Gemina to have a significant influence on the latter) and WDFG Italia Srl (subsidiary undertaking of Autogrill SpA): revenues from retail sub-concessions, royalties, utilities, car parks and sundry services;
- Telepass (indirect subsidiary undertaking of Edizione Srl which, indirectly, holds a sufficient interest in Gemina): costs related to the Telepass system introduced in ADR car parks;

- Changi Airport Planners and Engineers Pte. Ltd (subsidiary undertaking of Changi Airports International Pte Ltd which, indirectly, holds a sufficient interest in Gemina): presence of a contract to support the preparation of the masterplan for Fiumicino airport;
- Mediobanca: several relations exist in connection with the role played by the latter in existing loan agreements. The role of Security Agent representing all of ADR's creditors and of Administrative Agent must be highlighted, in addition to being the holder of an escrow account called the Debt Service Reserve Account. ADR incurred towards the bank costs regarding bank commissions, advisory costs regarding the transfer of ADR Mobility, reimbursement of expenses and commissions regarding the Term Loan (up-front fee) for the share pertaining to Mediobanca;
- UniCredit SpA: several relations exist in connection with the role played by Unicredit SpA in existing loan agreements. Worth mentioning in particular is the role played by Unicredit Group as holding bank (Account bank) for the current accounts of ADR (“Debt Service Account”, “Interim Proceeds Account”, “Recoveries Account” and “Loan Collateral Account”), regulated by the loan agreements, and some companies in the ADR Group. ADR reported revenues per retail sub-concessions and mainly incurred bank charges for the financial advisory contract regarding the transfer of the mobility business as well as the commissions relating to the Term Loan (upfront fee) for the share pertaining to UniCredit.

Subsequent events

Traffic trends in the first two months of 2013

In the first two months of 2013 the Roman airport system recorded a 7.0% decrease in passengers due to the drop in the domestic (down 13.1%) and international component (down 3.6%, down 6.9% for EU and up 2.1% for non-EU, respectively).

TABLE 1. Main traffic data of the Roman airport system

	JAN. – FEB. 2013	JAN. – FEB. 2012	Δ%
Movements (no.)	**47,555**	**52,133**	**(8.8%)**
Fiumicino	41,235	44,068	(6.4%)
Ciampino	6,320	8,065	(21.6%)
Passengers (no.)	**4,944,437**	**5,315,264**	**(7.0%)**
Fiumicino	4,414,277	4,645,976	(5.0%)
Ciampino	530,160	669,288	(20.8%)
Cargo (t)	**21,479**	**20,889**	**2.8%**
Fiumicino	18,630	18,171	2.5%
Ciampino	2,849	2,718	4.8%

Fiumicino

The drop in passengers equaled 5.0%, accompanied by a net reduction in capacity offered in terms of aircraft movements (down 6.4%) and tonnage (down 5.8%). This trend led to a slight increase in the load factor (up 1.3 p.p.), which stood at 65.4% in the two months. This negative performance is attributable to the losses of the domestic segment (down 10.9%) and the more modest decrease in the international segment (down 1.6%); the non-EU segment rose by 2.2% while EU traffic dropped by 4.2%.

A 1.4% reduction in passenger volumes was recorded in February 2013, thus improving in comparison to the results of January (down 8.2%).

Ciampino

The airport ends the first two months of 2013 with a 20.8% reduction in passenger volume. The same trend was followed by the capacity offered, with aircraft movements and tonnage decreasing by 21.6% and 22.9%, respectively. The results relate mainly to the reduced network operated by the main carrier at the airport (Ryanair). In February 2013 alone Ciampino recorded an 18.7% drop in passenger volume, also in this case accompanied by a reduction in the capacity offered of 18.5% for movements and 21.7% for aircraft tonnage.

Other significant events

- On January 8, 2013, ENAC formally informed IATA, in accordance with the practice in force, that March 9, 2013 is the term when the collectability by ADR of the new fees valid for the year 2013 becomes effective. This refers to the necessary adjustment of the ticket systems of the carriers. On January 23, 2013 ADR made sure, with a communication of its own, that the same communication was given to those concerned.
- On January 29, 2013 the Ministry of Infrastructure and Transport issued the "Guidelines to define the national airport development plan", which includes a proposal to identify the airports of national interest. This deed will be forwarded to the Permanent State-Region Conference for the necessary agreement and will be subsequently adopted with a special decree by the President of the Republic. The Plan places Fiumicino airport within the Core Network-Ten-T, i.e. the airports considered of "strategic importance at EU level", while the Ciampino airport is included in the Comprehensive Network, i.e. the airports that are "indispensable to ensure territorial continuity". The guidelines do not envisage the creation of new airports, thus including Viterbo airport. The set investments will be allocated to upgrading the infrastructure at Fiumicino.
- During the meeting of February 1, 2013, the Board of Directors of the company approved the updated Group's Economic and Financial Plan at 2044, integrating it with the provisions on the investment plan specified by Prime Ministerial Decree of December 21, 2012 which, as is known, approved the new Planning Agreement.
- Line A1 Romulus (500 million euros) was repaid on the maturity date of February 20, 2013. This repayment is known to have already been ensured through the subscription of the bank facility of 400 million euros mentioned several times (for more details reference is made to the specific dedicated sections in the financial statements) which, together with the cash reserved for the repayment (about 100 million euros) would have ensured the repayment of the most significant tranche of the Romulus loan payable by ADR when falling due. A well-arranged series of operational initiatives combined with the positive outcome of the necessary authorization steps with ADR's financial creditors meant that only 156 million euros of the 400 available on the bank facility 2012 were used, at fixed rate through a simultaneous heading transaction. This result also made it possible to reach an agreement with the same syndicate of banks for the conversion of part of the unused funding to increase the pre-existing revolving facility, to ensure more liquidity to support the corporate plans following the signing of the tariff agreement. From February 20, 2013 this was thus increased from the original 100 million euros to the current 150 million euros.
- On February 27, 2013, ADR was notified three appeals (Assohandlers, Assaereo and Codacons) to Lazio Regional Administrative Court contesting the Planning Agreement, the Prime Ministerial Decree of December 21, 2012 and all the other conditioning, connected and consequent deeds. On February 28, 2013 a similar appeal to Lazio Regional Administrative Court was notified by the Municipality of Viterbo, with a claim for damages.
- On March 7, 2013 the rating agency Standard & Poor's, having positively assessed the stronger credit profile of the company, owing to the considerable improvement of the financial situation and the definitive approval of the Planning Agreement, increased ADR's long-term rating from "BB+" to "BBB-", placing the company back in the "Investment Grade" bracket. The positive outlook is confirmed.

- On March 11, 2013 also Moody's reinstated the rating on ADR's debt to the "Investment Grade" ("Baa3") bracket, reporting a "stable" outlook. The considerable improvement by as many as two notches is closely connected, as expressed by the agency in its communication, to the approval of the Planning Agreement that finally provides the Company with a clear and stable regulatory framework as a fundamental element to implement the investment plan and finalize the debt refinancing project that ADR is committed to in the near future

Business Outlook

All the official sources confirm a situation of economic weakness for Italy persisting throughout 2013 and the volatility of the financial markets at European level. This economic scenario is expected to affect traffic volumes in 2013, which are in any case constantly monitored in order to undertake even more significant reactive measures in case of even more drastic drops in activity levels or a worsening of the situations of specific carriers.
However, a recovery for the macroeconomic European and Italian scenario is predicted starting from 2014, which should lead to a considerable improvement of the demand for air transport.

ADR will continue to pursue its strategy of development of its relationships with intercontinental carriers and destinations, particularly for the geographic areas with greater growth potential; it will also proceed with the parallel consolidation of the current supply of short-medium distance flights to premium destinations and the start of new routes currently not serviced.

The signing of the Planning Agreement in December 2012 will lead to the start of an important plan to modernize and expand the Roman airport system with a significantly improved service quality.

The investment plan will be activated in 2013 (3.1 billion in the first 10 years and 12 billion until 2044) to address the issue of structural saturation, financed through the new tariff system.

Alongside the development of the new Infrastructural Plan, the ADR Group will continue its search for maximum efficiency in managing its core business, trying to develop activities that are currently only limited valorized.

Agenda

Agenda

Notice is hereby given to Shareholders of the Ordinary General Meeting to be held at registered office at 10.00 am on April 9, 2013, in first call, and, if necessary, in second call, on April 10, 2013 at the same time and place, to discuss the following:

Agenda

1. Annual Report 2012, and related and consequent resolutions.
2. Assignment of the statutory auditing for the years 2013-2021; related and consequent resolutions.
3. Appointment of the Board of Directors for the three-year period 2013-2015 after determining the number of its members, and establishment of the relevant annual global gross remuneration.
4. Appointment of the Board of Statutory Auditors for the three-year period 2013-2015 and determination of the relevant annual remuneration.

Notice of call has been published in the Official Gazette of the Italian Republic, no. 32, Part II, of March 16, 2013.

Proposal to the shareholder’s meeting

Proposals to the Ordinary General Meeting

Dear Shareholders,

The financial statements for the year ended December 31, 2012, consisting of the Balance Sheet, Income Statement and Notes, and accompanied by the Management Report on Operations, report net income of 259,173,595.46 euros, which we propose to take to retained earnings. We invite you to vote on this proposal.

Dear Shareholders,

with the approval of the financial statements for the year ended December 31, 2012, the extension for the statutory auditing assigned to Deloitte & Touche SpA for the years 2007-2012 expires.

We submit to your review and approval the motivated proposal of the Board of Statutory Auditors pursuant to art. 13 of Leg. Decree 39/2010, regarding the assignment to Ernst & Young SpA of the auditing of the accounts for the years 2013-2021.

Dear Shareholders,

with the approval of the financial statements for the year ended December 31, 2012 the mandate assigned to the Board of Directors expires.

We thus invite you to appoint the new Board of Directors for the three-year period 2013-2015 and set the annual global remuneration.

Dear Shareholders,

with the approval of the financial statements for the year ended December 31, 2012, the mandate assigned to the Board of Statutory Auditors expires. We thus invite you to appoint the Board of Statutory Auditors for the three-year period 2013-2015 and determine the relevant remuneration.

THE BOARD OF DIRECTORS

CONSOLIDATED FINANCIAL STATEMENTS

Annual Report 2012

Consolidated Financial Statements 2012

Consolidated balance sheet and income statement

Consolidated balance sheet for the year ended December 31, 2012 (€000)

ASSETS		12/31/2012			12/31/2011	
AMOUNTS DUE FROM SHAREHOLDERS FOR SHARE CAPITAL SUBSCRIPTION			**0**			**0**
FIXED ASSETS						
INTANGIBLE FIXED ASSETS						
Incorporation and development costs		86			4	
Industrial patent and intellectual property rights		734			1,027	
Concessions, licenses, trademarks and similar rights		1,555,424			1,604,687	
Leasehold improvements in process and advances		22,541			25,665	
Other		236,059			233,228	
			1,814,844			1,864,611
TANGIBLE FIXED ASSETS						
Assets to be handed over:						
Land and buildings		70,291			77,028	
Plant and machinery		54,331			62,748	
Industrial and commercial equipment		1,034			1,408	
Other assets		1,864			2,121	
Fixed assets in progress and advances		49,519			45,770	
			177,039			189,075
NON-CURRENT FINANCIAL ASSETS						
Investments:						
unconsolidated subsidiary undertakings	100			100		
associated undertakings	13			10		
other companies	2,203			2,203		
		2,316			2,313	
Amounts due from others:						
beyond 12 months	475			470		
		475			470	
Other securities:						
Bonds	2,758			2,758		
		2,758			2,758	
			5,549			5,541
Total fixed assets			**1,997,432**			**2,059,227**
CURRENT ASSETS						
INVENTORIES						
Raw, ancillary and consumable materials		2,363			2,691	
Contract work in progress		8,117			7,148	
Finished goods and goods for resale:						
goods for resale	0			8,655		
		0			8,655	
			10,480			18,494
RECEIVABLES						
Due from clients		163,331			183,209	
Due from associated undertakings		483			482	
Due from parent companies		8,644			320	
Due from tax authorities						
within 12 months	8,593			2,975		
beyond 12 months	26,097			23,695		
		34,690			26,670	
Deferred tax assets		45,613			40,624	
Due from others:						
sundry						
within 12 months	46,750			59,224		
advances to suppliers for services	150			143		
		46,900			59,367	
			299,661			310,672
CURRENT FINANCIAL ASSETS			0			0
CASH ON HAND AND IN BANKS						
Bank and post office deposits		393,060			173,561	
Cash and notes in hand		358			864	
			393,418			174,425
Total current assets			**703,559**			**503,591**
ACCRUALS AND DEFERRALS						
Accrued income and prepaid expenses			3,137			5,289
TOTAL ASSETS			**2,704,128**			**2,568,107**

Consolidated balance sheet for the year ended December 31, 2012 (€000)

SHAREHOLDERS' EQUITY AND LIABILITIES		12/31/2012			12/31/2011	
GROUP 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 RESERVE		0			0	
RESERVE FOR OWN SHARES OR STAKES		0			0	
OTHER RESERVES		85			85	
RETAINED EARNINGS (LOSSES)		49,784			8,292	
GROUP INCOME (LOSS) FOR THE YEAR		262,879			41,492	
			1,054,824			791,945
MINORITY INTEREST IN SHAREHOLDERS' EQUITY						
Capital, reserves and profit (loss) for the year		827			603	
			827			603
Total consolidated shareholders' equity			**1,055,651**			**792,548**
ALLOWANCES FOR RISKS AND CHARGES						
Taxation, including deferred taxes		26,097			26,093	
Other		44,972			58,240	
Total allowances for risks and charges			**71,069**			**84,333**
EMPLOYEE SEVERANCE INDEMNITIES (ESI)			**22,091**			**24,792**
PAYABLES						
Due to banks						
within 12 months	9,910			75,322		
beyond 12 months	89,350			97,850		
		99,260			173,172	
Due to other financial institutions						
within 12 months	513,989			14,143		
beyond 12 months	700,019			1,200,019		
		1,214,008			1,214,162	
Advances:						
from clients:						
within 12 months	0			0		
beyond 12 months	2,873			3,111		
other	5,404			5,685		
		8,277			8,796	
Due to suppliers						
within 12 months	95,982			120,451		
beyond 12 months	2,718			2,861		
		98,700			123,312	
Due to associated undertakings						
within 12 months	971			969		
		971			969	
Due to parent companies						
within 12 months	353			17,242		
		353			17,242	
Taxes due						
within 12 months	48,315			47,450		
		48,315			47,450	
Due to social security agencies		6,778			7,529	
Other payables: Sundry creditors						
within 12 months	67,372			62,074		
beyond 12 months	8,988			8,975		
		76,360			71,049	
Total payables			**1,553,022**			**1,663,681**
ACCRUALS AND DEFERRALS						
Accrued expenses and deferred income			**2,295**			**2,753**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			**2,704,128**			**2,568,107**

Memorandum accounts for the year ended December 31, 2012 (€000)

MEMORANDUM ACCOUNTS		12/31/2012			12/31/2011	
GENERAL GUARANTEES						
Sureties		111			111	
Other		328			328	
			439			**439**
SECURED GUARANTEES			**0**			**0**
COMMITMENTS ON PURCHASES AND SALES			**73,527**			**75,606**
OTHERS			**1,007,050**			**994,178**
TOTAL			**1,081,016**			**1,070,223**

Consolidated income statement 2012 (€000)

			YEAR 2012			YEAR 2011
TOTAL REVENUES						
Revenues from sales and services:						
revenues from sales	72,176			92,292		
revenues from services	526,002			521,670		
revenues from contract work	2,832	601,010		9,219	623,181	
Changes in contract work in progress		949			(3,591)	
Capitalized costs and expenses		3,677			4,631	
Other income and revenues:						
revenue grants	197			446		
gains on disposals	11			2		
other	19,077			16,228		
		19,285			16,676	
			624,921			**640,897**
OPERATING COSTS						
for raw, ancillary and consumable materials, finished goods and goods for resale		75,006			81,625	
for services		102,944			112,709	
for leased assets		11,489			11,870	
for staff:						
salaries and wages	88,893			91,201		
social security costs	25,832			25,991		
employee severance indemnities	6,292			6,854		
other costs	1,120			1,038		
		122,137			125,084	
Amortization, depreciation and write-downs:						
amortization of intangible fixed assets	97,959			94,652		
amortization of tangible fixed assets	20,946			21,454		
provisions for doubtful accounts and cash on hand and in banks	20,905			7,367		
		139,810			123,473	
Changes in raw, ancillary and consumable materials, finished goods and goods for resale		(2,657)			(1,164)	
Provisions for risks		2,687			20,512	
Other provisions		0			260	
Other operating costs:						
concession fees	36			14		
other	11,776			9,218		
		11,812			9,232	
			(463,228)			**(483,601)**
Difference between revenues and operating costs			**161,693**			**157,296**
FINANCE INCOME (COSTS)						
Income from equity investments:						
from securities recorded in non-current financial assets that do not qualify as equity investments	395			380		
other						
interest and commissions received from others:	2,213			3,016		
		2,608			3,396	
Interest expense and other financial charges:						
interest and commissions due to others and sundry charges:	70,375			75,007		
		(70,375)			(75,007)	
Foreign exchange gains/(losses)						
foreign exchange gains	32			41		
foreign exchange losses	4			8		
		28			33	
TOTAL FINANCE INCOME (COSTS)			**(67,739)**			**(71,578)**

ADJUSTMENTS TO FINANCIAL ASSETS						
Write-downs:						
of equity investments		(10)			0	
TOTAL ADJUSTMENTS			**(10)**			**0**
EXTRAORDINARY INCOME (EXPENSE)						
Income:						
gains on disposals	224,241			0		
other	8,663			1,837		
		232,904			1,837	
Expense:						
Taxes relating to previous years	76			4		
other	16,248			1,705		
		(16,324)			(1,709)	
TOTAL EXTRAORDINARY ITEMS			**216,580**			**128**
Pre-tax income (loss)			**310,524**			**85,846**
Income tax for the year, current, deferred and prepaid:						
current taxes		(52,864)			(52,626)	
deferred tax assets (liabilities) for the year		5,443			8,696	
			(47,421)			**(43,930)**
Income (loss) for the year			**263,103**			**41,916**
of which:						
minority interest			224			424
Group interest			**262,879**			**41,492**

Notes to the consolidated financial statements

General principles

The consolidated financial statements for the year ended December 31, 2012, prepared in accordance with the Italian Civil Code interpreted and integrated by the accounting standards issued by the Italian Accounting Standards Setter (OIC), comprise the consolidated balance sheet and income statement and the following notes.

The reporting date for the consolidated financial statements is that of the financial statements of the Parent Company, Aeroporti di Roma SpA ("ADR" or the "Parent Company"). The financial statements of subsidiary undertakings used for consolidation purposes is those as of December 31, 2012, prepared by the respective Board of Directors and approved by the Shareholders' meetings.

The reconciliation of shareholders' equity and net income as of and for the year ended December 31, 2012, as reported in the financial statements of ADR, and the related consolidated amounts for the same period is shown in the note to consolidated shareholders' equity.

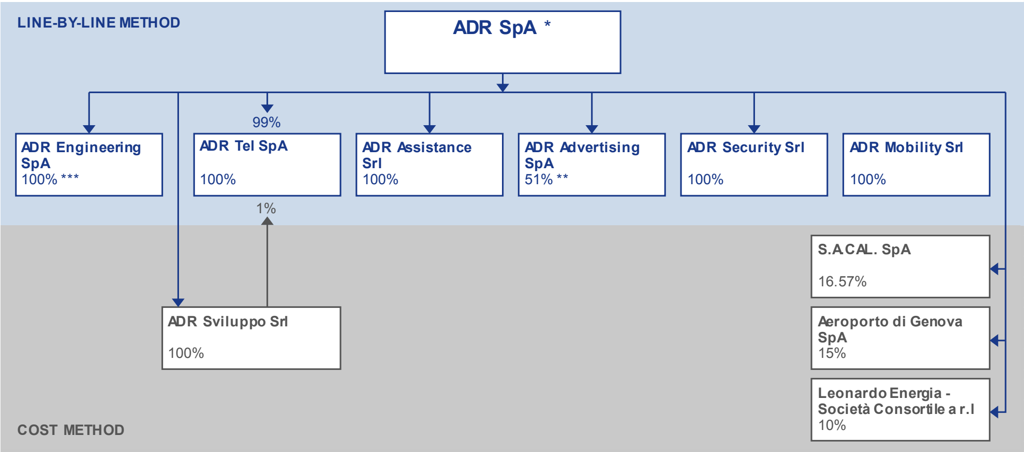
Amounts shown in the consolidated financial statements are expressed in thousands of Euros.

The balance sheet data as of December 31, 2012 and the income statement for the year then ended are compared with the data for 2011. The income statement and balance sheet items, preceded by Arabic numerals, showing zero balances across the periods used for comparison are not shown.

The consolidated financial statements for the year ended December 31, 2012 have been audited by Deloitte & Touche SpA.

Basis of consolidation

The consolidated financial statements for the year ended December 31, 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 also holds a 25% interest in Consorzio E.T.L. - European Transport Law in liquidation
** of the share capital
*** ADR Engineering SpA also holds a 33.33% interest in Consorzio Agere

As of December 31, 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 Srl Unipersonale	Fiumicino (Rome)	Eur	480,000.00	100%	ADR	100%
ADR Mobility Srl Unipersonale	Fiumicino (Rome)	Eur	1,500,000.00	100%	ADR	100%
ADR Security Srl Unipersonale	Fiumicino (Rome)	Eur	400,000.00	100%	ADR	100%
ADR Tel SpA	Fiumicino (Rome)	Eur	600,000.00	99%	ADR	99%[1]
ADR Advertising SpA	Fiumicino (Rome)	Eur	1,000,000.00	25,5%	ADR	25.5%[2]

Compared to December 31, 2011 the subsidiary undertakings ADR Retail, ADR Mobility and ADR Security were included in the basis of consolidation. Regarding the subsidiary undertaking ADR Retail, only the income statement for the period April 3, 2012 - September 30, 2012 was consolidated, date when the company was sold to third parties.

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%
Consorzio Agere	Rome	Eur	10,000.00	33%	ADR Engineering	33%
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 arl	Fiumicino (Rome)	Eur	10,000.00	10%	ADR	10%

The equity investment 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 equity investment in the following associated undertakings have been valued at cost and not according to the equity method given that valuation according to the equity method would have no significant effects on the consolidated financial statements:

- Consorzio E.T.L. (in liquidation) a non-profit consortium in liquidation since December 31, 2010;
- Consorzio AGERE: consortium established at the end of 2012 (10/19/2012) with regard to the registration in the Italferr register to take part in public tenders;
- Ligabue Gate Gourmet Roma SpA (insolvent): the company is insolvent.

1 The remaining 1% stake is held by ADR Sviluppo, which is not included in the basis of consolidation.

2 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%).

Consolidation principles

The main consolidation principles are described below:

- the carrying amount of consolidated equity investments 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 received by subsidiary undertakings during the period and recorded in the Parent Company's income statement as income from equity investments are eliminated against retained earnings. 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".

Warnings

The classification of the assets included in tangible fixed assets at December 31, 2012 complies with the provisions of the new Single Convention approved in December 2012. The assets recorded in tangible fixed assets existing on the date of these Statements in particular, due to their characteristics and relevant useful life, are included in the category of assets to be handed over.

With the objective of making the items of the tangible fixed assets compatible as defined by the Agreement, it must be pointed out that the assets existing at December 31, 2011 as assets to be handed over were reclassified under land and buildings (for 74.7 million euros) and plant and machinery (for 7.4 million euros). Further details are provided in the notes, in paragraph Tangible fixed assets.

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 consolidated financial statements for the year ended December 31, 2012 are those required by the relevant legislation, interpreted and integrated by the accounting principles established by the Italian Accounting Profession, and are those applied throughout the Group.

The 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 patent and intellectual property rights

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

Concessions, licenses, trademarks and similar rights

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, and is applied over a period of three years in the case of concessions and licenses and of not more than ten years for trademarks.

The value of the airport management concession, paid by the Parent Company, Leonardo 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	4%, 10%
Plant and machinery	from 10% to 25%
Industrial and commercial equipment	from 10% to 25%
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.

Non-current financial assets

The investment in the unconsolidated subsidiary undertaking (ADR Sviluppo) 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 investments in associated undertakings are 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 (insolvent), Consorzio E.T.L. – European Transport Law in liquidation and Consorzio Agere 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.

Accruals and deferrals

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 12/31/2012 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 guarantees

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 party 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 SpA and the subsidiary undertakings, ADR Tel SpA, ADR Engineering SpA, ADR Assistance Srl and ADR Sviluppo Srl as consolidated companies, and the Parent Company, Gemina SpA, 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 for the period. 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 contracts 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 50% 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 FOR THE YEAR				12/31/2012		
	COST	AMORTIZATION	BOOK VALUE	ACQUISIT./ CAPITALIZ.	RECLASS.	CHANGE IN BASIS OF CONS.	AMORTIZATION	COST	AMORTIZATION	BOOK VALUE
Incorporation and development costs	1,892	(1,888)	4	147	0	(44)	(21)	1,990	(1,904)	86
	1,892	**(1,888)**	**4**	**147**	**0**	**(44)**	**(21)**	**1,990**	**(1,904)**	**86**
Industrial patent and intellectual property rights	9,439	(8,412)	1,027	267	137	(7)	(691)	9,782	(9,048)	734
	9,439	**(8,412)**	**1,027**	**267**	**137**	**(7)**	**(691)**	**9,782**	**(9,048)**	**734**
Concessions, licenses, trademarks and similar rights	2,194,151	(589,465)	1,604,687	1,491	569	(11)	(51,311)	2,196,170	(640,746)	1,555,424
	2,194,151	**(589,465)**	**1,604,687**	**1,491**	**569**	**(11)**	**(51,311)**	**2,196,170**	**(640,746)**	**1,555,424**
Leasehold improvements in process and advances:										
Leasehold improvements in process	25,659	0	25,659	7,369	(10,493)	0	0	22,535	0	22,535
Advances to suppliers	6	0	6	0	0	0	0	6	0	6
	25,665	**0**	**25,665**	**7,369**	**(10,493)**	**0**	**0**	**22,541**	**0**	**22,541**
Other										
Leasehold improvements	651,098	(431,419)	219,679	29,459	8,079	(324)	(40,284)	681,609	(465,000)	216,609
Transaction costs incurred on loans	54,865	(41,316)	13,549	11,553	0	0	(5,652)	66,417	(46,967)	19,450
	705,963	**(472,735)**	**233,228**	**41,012**	**8,079**	**(324)**	**(45,936)**	**748,026**	**(511,967)**	**236,059**
TOTAL	**2,937,111**	**(1,072,500)**	**1,864,611**	**50,286**	**(1,708)**	**(386)**	**(97,959)**	**2,978,509**	**(1,163,665)**	**1,814,844**

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 1,552,433 thousand euros as of December 31, 2012. The decrease of 49,263 thousand euros is primarily due to amortization for the period, amounting to 51,311;
- "Leasehold improvements in progress" decreased by 3,124 thousand euros due to the combined effect of the following:
  - an increase of 7,369 thousand euros for new capital investment;
  - a decrease of 10,493 thousand euros deriving from improvements entering service during the period and reclassified under "industrial patent and intellectual property rights", "concessions, licenses, trademarks and similar rights" and "leasehold improvements", as well as adjustments;
- "Other" intangible fixed assets increased by 2,831 thousand euros in total. In detail the "Leasehold improvements" reduced by 3,070 thousand euros due to the amortization of the year, equal to 40,284 thousand euros, partly offset by the acquisitions of the year, equal to 29,459 thousand euros, and the transfers from work in progress and reclassifications (up 8,079 thousand euros) and the change of the basis of consolidation for 324 thousand euros. Instead "transaction costs incurred on loans" rose by 5,901 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 11,553 thousand euros), partly compensated by the amortization of the year equal to 5,652 thousand euros.

The principal leasehold improvements in progress (equal to 7,369 thousand Euros) include:

- T3 reconfiguration of the security control area for 755 thousand euros;
- upgrade of rest rooms at terminals for 787 thousand euros;
- T3 upgrade of departure and information area for 701 thousand euros;
- works on loading bridges for 259 thousand euros;

- works on the electromechanical systems of buildings for 395 thousand euros;
- T3 electromechanical upgrade of transport lines in tunnels for 500 thousand euros.
- The main leasehold improvements completed during the year (equal to 29,459 thousand euros) include:
- upgrade of Bravo-Delta taxiway flooring for 2,455 thousand euros;
- upgrading of runway at Ciampino for 1,290 thousand euros;
- refrigeration unit revision at T1 and T3 for 1,432 thousand euros;
- interventions on evaporation towers for 1,155 thousand euros;
- T1 section road – Ceremonial Office for 575 thousand euros;
- improvements to electric panel systems Cargo City for 616 thousand euros;
- runway resurfacing and signs upgrade for 982 thousand euros;
- electric and "avl" upgrades on runways for 1,193 thousand euros;
- upgrade of commercial areas managed by sub-concessionaires for 716 thousand euros.

Tangible fixed assets

	12/31/2011				CHANGES FOR THE YEAR					12/31/2012			
Assets to be handed over:	COST	REVAL. UNDER LAW 72/1983	ACC. DEPR.	BOOK VALUE	ACQUISIT./ CAPITALIZ.	RECLASSIF.	DISPOSALS	DEPRECIATION	CHANGES IN THE BASIS OF CONSOLIDATION	COST	REVAL. UNDER LAW 72/1983	ACC. DEPR.	BOOK VALUE
Land and buildings	21,898	465	(20,015)	2,348	24	1	0	(518)	0	21,923	465	(20,532)	1,855
Land and buildings (formerly to be handed over)	175,396	1,908	(102,624)	74,680	447	(35)	0	(6,656)		175,804	1,908	(109,276)	68,436
Land and buildings	**197,294**	**2,373**	**(122,639)**	**77,028**	**471**	**(34)**	**0**	**(7,174)**	**0**	**197,727**	**2,373**	**(129,808)**	**70,291**
Plant and machinery	157,252	0	(101,889)	55,363	3,525	363	(143)	(11,146)	(93)	162,870	0	(115,002)	47,868
Plant and machinery (formerly to be handed over)	23,522	0	(16,137)	7,385	207	(9)		(1,120)		23,711	0	(17,248)	6,463
Plant and machinery	**180,774**	**0**	**(118,026)**	**62,748**	**3,732**	**354**	**(143)**	**(12,266)**	**(93)**	**186,581**	**0**	**(132,250)**	**54,331**
Industrial and commercial equipment	**9,825**	**0**	**(8,417)**	**1,408**	**144**	**0**	**(59)**	**(425)**	**(33)**	**9,478**	**0**	**(8,444)**	**1,034**
Other assets	**31,946**	**0**	**(29,825)**	**2,121**	**265**	**667**	**0**	**(1,081)**	**(108)**	**30,694**	**0**	**(28,830)**	**1,864**
Tangible fixed assets in progress and advances	**45,770**	**0**	**0**	**45,770**	**5,131**	**(1,383)**	**0**	**0**	**0**	**49,519**	**0**	**0**	**49,519**
TOTAL	**465,609**	**2,373**	**(278,907)**	**189,075**	**9,743**	**(396)**	**(202)**	**(20,946)**	**(234)**	**473,999**	**2,373**	**(299,332)**	**177,039**

In compliance with the asset regime governed by the new Planning Agreement, all the assets within the Tangible fixed assets category are represented as part of the assets to be handed over, since the new Agreement ceased the constraint of transfer free of charge.

As specified in the paragraph Warnings of these Notes, the assets classified as to be handed over were reclassified, based on their nature, under Land and buildings and Plant and machinery.

None of the assets recorded in tangible fixed assets has a duration longer than the concession.

Net tangible fixed assets reduced by 12,036 thousand euros mainly due to the amortization and depreciation for the year, equal to 20,946 thousand euros, only partly offset by the investments equal to 9,743 thousand euros.

The most significant capitalizations during the year include:

- within the category “plant and machinery” (3,732 thousand euros), baggage conveyor belts (446 thousand euros), baggage inspection equipment (510 thousand euros) and electrical equipment (565 thousand euros);
- within the category “work in progress and advances” (5,131 thousand euros), departure area F (formerly Pier C – the portion financed by ADR) for 3,743 thousand euros.

As security for the loans governed by agreements with Romulus Finance Srl. ("Romulus Finance"), a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS) – 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 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	12-31-2012
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
Consorzio Agere	0	3	3
	10	**3**	**13**
Other companies:			
Aeroporto di Genova SpA	895	0	895
S.A.CAL. SpA	1,307	0	1,307
Leonardo Energia – Società Consortile arl	1	0	1
	2,203	**0**	**2,203**
	2,313	**3**	**2,316**

In 2012 investments rose by 3 thousand euros due to the subscription by ADR Engineering of 33% of the consortium fund of Consorzio Agere. For further information regarding the performance of Group companies, reference should be made to the section "Equity investments" in the Management Report on Operations.

As security for the loans taken out via contracts entered into with Romulus Finance Srl, a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS), 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 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	12-31-2012
Receivables:			
due from others:			
Public bodies for licenses	23	0	23
other	447	5	452
	470	**5**	**475**

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	12-31-2012
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, purchased in the market by the Parent Company ADR 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	12-31-2012
Raw, ancillary and consumable materials	2,691	(328)	2,363
Finished goods and goods for resale: goods for resale	8,655	(8,655)	0
Contract work in progress	7,148	969	8,117
	18,494	**(8,014)**	**10,480**

Inventories registered an overall decrease of 8,014 thousand euros compared to the end of the previous year, due to:

- decrease in inventories of “raw, ancillary and consumable materials” of 328 thousand euros due to the transfer of the vehicle maintenance branch, including a vehicle spare parts warehouse of 955 thousand euros; this effect is partly offset by the increase in stocks of accident prevention material, chemical products and telephone material remained within the ADR Group;
- elimination of the stocks of "goods for resale" (directly managed duty-free and duty-paid shops) for 8,655 thousand euros due to the exclusion of ADR Retail from the basis of consolidation;
- a 969 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, a syndicate of banks, EIB and Sanpaolo (formerly BIIS), 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's inventory. This guarantee is valid until the above loans have been fully repaid.

Current receivables

	12-31-2011	CHANGES DURING THE PERIOD		12-31-2012
		INCREASES (+) REPAYMENTS (-)	PROVISIONS (-) VALUE RECOVERIES (+)	
Due from clients	**236,272**	(1,564)	0	**234,708**
less				
allowance for doubtful accounts	(44,951)	2,488	(20,905)	(63,368)
allowance for overdue interest	(8,112)	103	0	(8,009)
	183,209	1,027	(20,905)	**163,331**
Due from associated undertakings	**482**	1	0	**483**
Due from parent companies	**320**	8,324	0	**8,644**
Due from tax authorities	**26,670**	8,020	0	**34,690**
Deferred tax assets	**40,624**	4,989	0	**45,613**
Due from others:				
sundry	59,224	(12,474)	0	46,750
advances to suppliers for services	143	7	0	150
	59,367	(12,467)	0	**46,900**
	310,672	**9,894**	**(20,905)**	**299,661**

“Due from clients”, net of allowances for doubtful accounts, amounts to 163,331 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 reduction of 19.9 million euros is mainly attributable to higher provisions to the allowance for doubtful accounts deriving from the greater risks on the recoverability of receivables arising from the financial difficulties faced by several customers and the disputes regarding some fees deriving from the uncertain regulatory framework.

This item includes amounts due to the Group from Alitalia Group companies under special administration, totaling 20.3 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 483 thousand euros, includes amounts due from the insolvent Ligabue Gate Gourmet Roma SpA, classified among preferential liabilities.

"Due from parent companies", equal to 8,644 thousand euros comprises trade receivables for 426 thousand euros (320 thousand euros at 12/31/2011) and amounts due from tax consolidation for 8,218 thousand euros (zero at 12/31/2011), which include 7,721 thousand euros of the credit deriving from the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs. For further information, reference should be made to the item "Extraordinary income and expense"

"Due from tax authorities", equal to 34,690 thousand euros, includes 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 8.0 million euro increase in tax credits includes the payment in the year of the installments above for 2.4 million euros, the increase in the VAT credit for 2.9 million and the IRAP credit for 2.5 million euros.

"Deferred tax assets", amounting to 45,613 thousand euros, registered an increase of 4,989 thousand euros with respect to December 31, 2011. The composition of deferred tax assets and changes during the period are shown in the following table.

	BALANCE AT 12.31.2012 (A)		INCREASE (B)		DECREASE (C)		CHANGES IN THE BASIS OF CONSOLIDATION	BALANCE AT 12.31.2012 (A+B+C+D)	
	TAXABLE	TAX	TAXABLE	TAX	TAXABLE	TAX	(D)	TAXABLE	TAX
DEFERRED TAX ASSETS									
Allowances for risks and charges	46,445	14,773	2,663	769	8,545	2,745	(33)	40,444	12,764
Allowance for obsolete and slow moving goods	292	81	982	270	82	23	(296)	116	32
Provision for doubtful accounts	42,447	11,675	19,248	5,293	1,232	339	0	60,463	16,629
Staff provisions	7,628	2,098	6,106	1,679	6,711	1,845	(59)	6,811	1,873
Accelerated amortization/depreciation	722	201	0	0	129	37	0	593	164
Consolidation adjustments	18,652	6,085	2,410	786	1,893	617	(44)	19,035	6,210
Other	20,770	5,711	9,793	2,693	1,309	360	(22)	29,174	8,022
Total deferred tax assets	**136,956**	**40,624**	**41,202**	**11,490**	**19,901**	**5,966**	**(454)**	**156,636**	**45,694**
DEFERRED TAX LIABILITIES									
Dividends	0	0	(296)	(81)	0	0	0	(296)	(81)
Gain	0	0	(7)	(2)	(7)	(2)	0	0	0
Total deferred tax liabilities	**0**	**0**	**(303)**	**(83)**	**(7)**	**(2)**	**0**	**(296)**	**(81)**
TOTAL	**136,956**	**40,624**	**40,899**	**11,407**	**19,894**	**5,964**	**(454)**	**156,340**	**45,613**

DEFERRED TAX ASSETS (LIABILITIES) IN THE I/S	**4,989**

"Due from others: sundry", dropped by 12,474 thousand euros during the year, and includes (43,150 thousand euros) the balance of the Debt Service Reserve Account (55,709 thousand euros as at 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, a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS), 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 ADR 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, ADR Tel, ADR Advertising, ADR Assistance, ADR Mobility and ADR Security.

Amounts due as of December 31, 2012 (299,661 thousand euros) comprise trade receivables (163,757 thousand euros), financial receivables (43,650 thousand euros) and sundry receivables (92,254 thousand euros). There are no promissory notes or similar bills. There are no receivables falling due beyond five years or receivables subject to exchange rate risk.

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

	ITALY	OTHER EU COUNTRIES	REST OF EUROPE	AFRICA	AMERICA	ASIA	TOTAL
Due from clients	154,989	7,100	873	39	70	260	163,331
Due from parent companies	426						426
	155,415	**7,100**	**873**	**39**	**70**	**260**	**163,757**

Cash on hand and in banks

	12-31-2011	CHANGES DURING THE PERIOD	12-31-2012
Bank and post office deposits	173,561	219,499	393,060
Cash and notes in hand	864	(506)	358
	174,425	**218,993**	**393,418**

The Group's cash on hand and in banks increased by 218,993 thousand euros compared to the end of the year essentially due to the collection of the sale of the investment in ADR Retail.

"Bank deposits" include, in particular, the following current accounts under ADR's loan agreements, subject to special use constraints:

- "Recoveries Account", in which any cash deriving from extraordinary transactions must be deposited and insurance claims. As of December 31, 2012, the balance in the account amounted to 0.7 million euros compared to 11.1 million euros of December 31, 2011 because, by virtue of a specific waiver granted by the lenders, the cash previously blocked on this account was released in favor of the contractual condition of price adjustment of the sale of ADR Handling;

- account called “loan collateral” with a balance of 100.5 million euros on which, in relation to the retention regime in force in 2012, on the application dates of March and September, another 48.3 million euros were deposited destined for the repayment of Line A1 of the loan from Romulus Finance falling due;
- two new accounts with a total balance of 218.7 million euros, with similar purposes to the mentioned Recoveries Account. On these, the collection was deposited deriving from the sale of ADR Retail (229.4 million euros), partly used for the payment of the transaction costs incurred on the sale. This amount, net of additional transaction costs, price adjustment and related taxes, is subject to a constraint on the allocation for the repayment of Line A1.

As security for the loans governed by agreements with Romulus Finance, a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS), ADR has granted a lien on all ADR’s current accounts governed by a specific agreement ("Account Bank Agreement") and on the current accounts of ADR Mobility and ADR Security. This guarantee is valid until the above loans have been fully repaid.

As of December 31, 2012, 25.3 million euros (43.4 million euros as at December 31, 2011) was held in two ADR current accounts that is not subject to a lien (even in the event of a *cash sweep*). This amount derives from free cash flow generated before 2008 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	12-31-2012
Prepaid expenses			
Service costs	1,471	(834)	637
Expenses for leased assets	5	(2)	3
Payroll costs	12	10	22
Other operating costs	27	24	51
Finance costs	3,774	(1,350)	2,424
	5,289	**(2,152)**	**3,137**

Prepaid expenses dropped by 2,152 thousand euros in relation to the decrease in the “service costs” and “finance costs” component. The latter comprises prepayments, not accruing in the period, of the following premiums:

- 2,307 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 that correspond to Facility A;
- 118 thousand euros (120 thousand euros at December 31, 2011) paid to Intesa Sanpaolo (formerly BIIS), the bank that has guaranteed the loan granted to ADR SpA by EIB.

Shareholders' equity

	CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	OTHER RESERVES	RETAINED EARNINGS	RESULT FOR THE YEAR	GROUP SHAREHOLDERS' EQUITY	MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	CONSOLIDATED GROUP SHAREHOLDERS' EQUITY AND MINORITY SHAREHOLDERS' INTEREST
Balances as at 12.31.2010	**62,310**	**667,389**	**12,462**		**(14,201)**	**22,313**	**750,273**	**179**	**750,452**
Allocation of net income 2010					22,313	(22,313)	0	0	0
Other changes	(85)			85	180		180	0	180
Income (loss) for the year						41,492	41,492	424	41,916
Balances as at 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)			
Income (loss) for the year						262,879	262,879	224	263,103
Balances as at 12.31.2011	**62,225**	**667,389**	**12,462**	**85**	**49,784**	**262,879**	**1,054,824**	**827**	**1,055,651**

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 year of 262,879 thousand euros; also the "Minority interest in shareholders' equity" increased by 224 thousand euros in relation to the positive result of 2012.

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

Reconciliation of net income for the period and shareholders' equity

	NET INCOME (LOSS) FOR THE YEAR		SHAREHOLDERS' EQUITY	
	2012	2011	12-31 -2012	12-31 -2011
Balances in ADR's accounts	**259,174**	**39,686**	**1,084,745**	**825,571**
Effect of consolidation of subsidiary undertakings	3,127	1,589	8,539	5,413
Gain (elimination) of inter-company profits and other adjustments	(358)	(913)	(19,088)	(18,731)
Effect of deferred tax assets	124	318	6,208	6,084
Merger effect[3]	812	812	(25,580)	(26,392)
Balances in consolidated accounts	**262,879**	**41,492**	**1,054,824**	**791,945**

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

Allowances for risks and charges

	12-31-2011	CHANGES DURING THE PERIOD			12-31-2012
		PROVISIONS	RELEASES /REABSORPTIONS	CHANGES IN THE BASIS OF CONSOLIDATION	
Taxation, including deferred taxes	**26,093**	**4**	**0**	**0**	**26,097**
Other:					
Current and potential disputes	49,178	2,629	(9,124)	(119)	42,564
Insurance deductibles	1,729	58	0	0	1,787
Restructuring	1,078	0	(482)	0	596
To cover investee companies' losses	15	10	0	0	25
Fixed assets to be handed over	6,240	0	(6,240)	0	0
	58,240	**2,697**	**(15,846)**	**(119)**	**44,972**
	84,333	**2,701**	**(15,846)**	**(119)**	**71,069**

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 2012 the procedure for the collection by the Customs Office of the sum due ended; this is equal to 26.1 million euros and was paid by ADR in 36 installments 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".

As part of "current and potential disputes", a provision of 2,629 thousand euros was made in order to provide cover for likely potential liabilities and releases in the year in relation to new disputes/risks in the relationships with employees, customers, etc. Releases equal 9,124 thousand euros, of which 7.4 million euros relate to the revocation action Volare under special administration. For further information reference should be made to the disputes.

"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, has been released for an amount of 482 thousand euros.

"Fixed assets to be handed over", equal to 6,240 thousand euros as at December 31, 2011, were reabsorbed. Indeed, the approval of the new Planning Agreement, and the related Investment plan, meaning a thorough future infrastructural reorganization of the Roman airport system, in addition to new rules for the transfer of assets upon the expiry of the concession, makes this fund no longer necessary.

Employee severance indemnities

Balance as of 12-31-2011	**24,792**
Changes during the period	
Provisions to the income statement	6,065
Releases to pay indemnities	(599)
Releases to pay advances	(1,029)
Other	176
Amounts allocated to pension funds or to the Treasury Fund	(4,630)
Other changes	(1,253)
Change in the basis of consolidation	(1,431)
Balance as of 12-31-2012	**22,091**

In 2012, employee severance indemnities of the ADR Group report a net decrease of 2,701 thousand euros. Against a provision of 6,065 thousand euros, the employee severance indemnities were reduced due to the releases to pay indemnities and advances, equaling 1,628 thousand euros, and an amount of 4,630 thousand euros for indemnities accrued during the year paid into pension funds or to the Treasury Fund amount allocated and due to the exclusion of ADR Retail from the basis of consolidation.

"Other changes" includes employee severance indemnities of 1,253 thousand euros relating to the 71 resources included in the "vehicle maintenance" company branch transferred to a third party, effective from 11/1/2012.

Payables

	12-31-2011	CHANGES DURING THE PERIOD	12-31-2012
Due to banks	173,172	(73,912)	99,260
Due to other financial institutions	1,214,162	(154)	1,214,008
Advances:			
from clients:			
from the Ministry of Transport	3,111	(238)	2,873
other	5,685	(281)	5,404
	8,796	(519)	8,277
Due to suppliers	123,312	(24,612)	98,700
Due to associated undertakings	969	2	971
Due to parent companies	17,242	(16,889)	353
Taxes due	47,450	865	48,315
Due to social security agencies	7,529	(751)	6,778
Other payables: sundry creditors	71,049	5,311	76,360
	1,663,681	**(110,659)**	**1,553,022**

"Due to banks" totaling 99,260 thousand euros, includes:

- 97,850 thousand euros representing the principal on long-term lines of credit granted to ADR denominated BOPI Facility (17,850 thousand euros) and EIB Term Loan (80,000 thousand euros);

- 414 thousand euros of amounts due from ADR for interest and commissions accrued during the period but not yet settled.
- 996 thousand euros for the short-term lines of credit granted to the subsidiary undertaking, ADR Advertising to meet temporary liquidity requirements.

The decrease of 73,912 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 8,500 thousand euros of the Intesa Sanpaolo (formerly BIIS) loan in connection with payment of installments, falling due in March and September 2012;
- a reduction of 388 thousand euros in the amounts due for interest and commissions accrued during the period but not yet settled;
- an increase of 498 thousand euros in the lines of credit granted to ADR Advertising.

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

INSTITUTION	NAME	AMOUNT (MIL OF EUROS)		INTEREST	REPAYMENT	DURATION	EXPIRY
		RESIDUES AS AT 12.31.2012	USED AS AT 12.31.2012				
Syndicate of banks	Term Loan (*)	236.0	0.0	variable index-linked to the Euribor + margin	expiring in	2 years	Feb. 2015
	Revolving Facility	100.0	0.0	variable index-linked to the Euribor + margin	revolving	2.8 years	Feb. 2015
		336.0	**0.0**				
Banca Intesa Sanpaolo	BOPI Facility	17.9	17.9	variable index-linked to the Euribor + margin	after 5 years in six-month installments	12 years	Mar. 2015
EIB	EIB Term Loan	80.0	**80.0**	variable index-linked to the Euribor + margin	expiring in	10 years	Feb. 2018
	Total	**433.9**	**97.9**				

(*) 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 ADR for a total amount of 100 million euros, falling due in February 20, 2013. The syndicate of banks comprises Banca Nazionale del Lavoro SpA., Barclays Bank Plc, Crédit Agricole Corporate & Invest Bank, Mediobanca – Banca di Credito Finanziario SpA (Mediobanca), Natixis S.A., The Royal Bank of Scotland N.V. and UniCredit SpA.

On May 31, 2012, with the stipulation of a new loan agreement granted by the same syndicate 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 new lines will expire in February 2015. Following the two partial cancellations requested by ADR in October and December 2012, the Term Loan line reduced by 164 million euros; thus the residual amount as at 12/31/2012 equals 236 million euros. In 2013, only 156 million euros were used of this amount and 50 million euros were converted to increase the Revolving Facility, which therefore rose, from February 2013, to 150 million euros; the residual amount of 30 million euros was canceled.

The line of credit denominated the BOPI Facility was granted on February 19, 2003 by Intesa Sanpaolo (formerly 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 17,900 thousand euros following the early repayment of 28,900 thousand euros in September 20, 2006, and of 12,750 thousand euros in March 20, 2008, corresponding to the installments falling due in September 2008, March and September 2009 and payment of installments falling due in 2010-2012.

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 Intesa Sanpaolo (formerly 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 1,214,008 thousand euros. The item includes the principal of 1,200,019 thousand euros due from ADR to Romulus Finance and 13,989 thousand euros consisting of interest accrued on the above-mentioned loans and not yet paid.

The decrease of 154 thousand euros compared to December 31, 2011 is exclusively attributable to the interest component.

It should be recalled that the loan granted by Romulus Finance in February 2003 arose from the transfer without recourse to Romulus Finance 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:

INSTITUTION	NAME	AMOUNT (MIL OF EUROS)	INTEREST	REPAYMENT	DURATION	EXPIRY
Romulus Finance Srl	**A1**	500.0	fixed	expiring in	10 years	Feb. 2013
	A2	200.0	variable index-linked to the Euribor + margin	expiring in	12 years	Feb. 2015
	A3	175.0	variable index-linked to the Euribor + margin	expiring in	12 years	Feb. 2015
	A4	325.0	variable index-linked to the Euribor + margin until 12/20/09 and then fixed	expiring in	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 48.3 million euros in the account denominated "loan collateral", which was added to the amounts collateralized during the same year, for a total of 100.5 million euros as of December 31, 2012.

The **hedging policy**, an integral part of the loan agreements entered into by ADR, requires that at least 50% of all debt be hedged against fluctuations in interest rates.

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.

At December 31, 2012, 63.6% of ADR's lines of credit have fixed interest rates (at December 31, 2011: 60.1%) and hedging agreements are not active.

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 ADR's and ADR Mobility's inventory, as well as any receivables deriving from the sale of these assets;
- a lien on all receivables by ADR, ADR Tel, ADR Advertising, ADR Assistance, ADR Mobility and ADR Security and contracts with clients and the insurance policies.
- a lien on ADR's, ADR Mobility's and ADR Security's bank current accounts;
- a lien on ADR's shareholdings in ADR Tel, ADR Advertising and ADR Assistance, 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 covenants 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 timeframes 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.

“Due to suppliers” dropped by 24,612 thousand euros due to the decreased volume of capital investment during the period and due to the exclusion of ADR Retail from the basis of consolidation.

The item “Due to parent companies” totaled 353 thousand euros and it is entirely made of trade payables; the decrease of 16,889 thousand euros compared to the end of the previous year substantially derives from the elimination of payables to Gemina for tax consolidation; the advances in the year, together with the withholding tax paid on interest, exceed the estimated

IRES tax burden for the year, highlighting a receivable from the consolidating company reported in the appropriate asset item.

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

“Taxes due”, amounting to 48,315 thousand euros, were up 865 thousand euros on the previous year, essentially due to the combined effect of:

- higher IRES not belonging to the consolidated taxation regime and IRAP for 2.0 million euros;
- higher VAT payables for 0.9 million euros;
- lower amounts due to the tax authorities for the municipal surtax on passenger fees for 3.2 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 38,887 thousand euros as of December 31, 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 5,311 thousand euros mainly due to the greater debt entered for the cost of the fire prevention fund of 2012 equal to 8.3 million euros. The amounts due recorded in the financial statements regarding the years from 2007 to 2012 total 51.1 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;

Briefly, as of December 31, 2012 total payables of 1,553,022 thousand euros include 1,313,268 thousand euros of a financial nature, 108,267 thousand euros of trade payables and 131,487 thousand euros of sundry items.

A breakdown of the Company's trade payables by geographical area is not provided as it is not significant given the limited amount due to overseas creditors (41 million euros out of a total of 98.7 million euros). Foreign currency payables exposed to exchange rate risk total 28 thousand euros and refer to services supplied.

Payables secured by collateral on the Group’s assets amount to 1,312,272 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.

Accrued expenses and deferred income

	12-31-2011	CHANGES DURING THE PERIOD	12-31-2012
Deferred income			
Sub-concessions and license fees	478	(80)	398
Other	2,275	(378)	1,897
	2,753	**(458)**	**2,295**

The sub-item “Other”, totaling 1,897 thousand euros as of December 31, 2012, includes 701 thousand euros for the advance billing of advertising and miscellaneous services, and 1,196 thousand euros regarding grants collected but not accruing during the period.

Notes to the consolidated memorandum accounts

General guarantees

	12-31-2012	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

	12-31-2012	12-31-2011
Commitments on purchases		
Investments:		
electronic equipment	84	361
maintenance and services	3,003	1,651
self-financed works	70,440	73,594
	73,527	**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 38.6 million euros. This figure relates to extension activities only, and does not include maintenance. The figure may be calculated with more certainty depending on the interpretation which will be given pursuant to current legislation and once the specific projects have been carried out on the types of interventions to be done. 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 years 2006-2012 under extraordinary items with a contra-entry in allowances for risks and charges, totaling around 4.5 million euros as of December 31, 2012. The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years.

Other memorandum accounts

	12-31-2012	12-31-2011
General guarantees received		
Sureties:		
received from suppliers	70,869	64,736
received from clients	95,042	90,956
	165,911	**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	29,293	29,293
Work carried out on behalf of the State	692,023	689,369
	841,139	**838,485**
	1,007,050	**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 2012.

Notes to the consolidated income statement

Total revenues

Revenues

	2012	2011	CHANGE
Revenues from sales:			
"Non-aeronautical" activities:			
duty free and duty paid	68,980	89,364	(20,384)
other	3,196	2,928	268
	72,176	**92,292**	(20,116)
Revenues from services:			
"Aeronautical" activities:			
fees	178,964	181,608	(2,644)
centralized infrastructures	41,622	40,493	1,129
security	68,328	70,350	(2,022)
other	32,762	31,020	1,742
	321,676	**323,471**	(1,795)
"Non-aeronautical" activities:			
sub-concessions and utilities	133,134	119,316	13,818
car parks	29,834	31,594	(1,760)
advertising	18,300	20,049	(1,749)
refreshments	3,825	7,422	(3,597)
other	19,233	19,818	(585)
	204,326	**198,199**	6,127
	526,002	**521,670**	4,332
Revenues from contract work	2,832	9,219	(6,387)
Total revenues from sales and services	**601,010**	**623,181**	(22,171)
Changes in contract work in progress	949	(3,591)	4,540
Grants and subsidies	197	446	(249)
Total revenues	**602,156**	**620,036**	(17,880)

Revenues total 602,156 thousand euros. Of these, 53.4% derived from “aeronautical activities” carried out by the Group and 46.6% from “non-aeronautical activities” (52.2% and 47.8% in 2011, respectively).

"Revenues from sales", equal to 72,176 thousand euros, were down by 21.8% compared to 2011, due to the sale of the subsidiary undertaking ADR Retail to third parties on September 30, 2012.

"Revenues from services" totaled 526,002 thousand euros, up 0.8% compared to the year of comparison. Against an increase in sub-concessions and utilities of 11.6% mainly deriving from the royalties obtained from the sub-concession of the outlets dedicated to the sale of the core categories to ADR Retail, a reduction was recorded in the revenues relating to car parks (down 5.6%) and advertising (down 8.7%). Also the canteen management activities entrusted to third parties since July 1, 2012 dropped by 48.5%.

"Revenues from contract work", amounting to 2,832 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. "Changes in contract work in progress" equaling 949 thousand euros, includes the works carried out in the year, but not recharged yet.

For additional analysis reference should be made to the paragraph "The ADR Group's activities" of the Management Report on Operations.

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[4].

Finally, the category **"**Other activities**"** includes the sale of advertising space, the management of car parks and refreshment facilities[5]design, refreshments, 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.

[4] carried out by the ADR Group until September 30, 2012 when ADR Retail was transferred to third parties

[5] until June 30, 2012

REVENUES (€000)	FEES	CENTRALIZED INFRASTRUCTURES	COMMERCIAL ACTIVITIES		OTHER ASSETS	TOTAL
			SUB-CONCESSIONS	DIRECT SALES		
2012	178,964	41,622	133,135	72,177	176,258	**602,156**
2011	181,608	40,493	119,316	92,292	186,327	**620,036**
Change	(2,644)	1,129	13,819	(20,115)	(10,069)	**(17,880)**
% change	(1.5%)	2.8%	11.6%	(21.8%)	(5.4%)	**(2.9%)**

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 321,676 thousand euros, compared with 323,471 thousand euros in 2011 (down 0.6%);
- "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 280,480 thousand euros, compared with 296,565 thousand euros in the year of comparison (down 5.4%).

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: other

	2012	2011
Grants and subsidies	197	446
Gains on disposals	11	2
Other:		
Releases:		
release from allowance for overdue interest	12	16
release from other allowances	6,240	0
Expense recoveries	2,202	826
Damages and compensation from third parties	1,207	6,799
Recovery of personnel expenses	167	172
Other income	9,249	8,415
	19,077	**16,228**
	19,285	**16,676**

"Grants and subsidies" include grants relating to management training programs, mainly funded by Fondimpresa.

As part of "other" revenues, the following is to be noted:

- "Release from allowances for risks and charges" relates in 2012 to the re-absorption of the provisions for fixed assets to be handed over mentioned in the notes to the Allowances for risks and charges;
- "Damages and compensation from third parties" equal 1,207 thousand euros compared to 6,799 thousand euros of 2011, which included the compensation deriving from the positive outcome of the dispute on 100% of the checked baggage;

- "Other income", amounting to 9.2 million euros, primarily (7.3 million euros) includes the effects of updated valuations of costs and revenues, formerly estimated at the end of the previous year.

Operating costs

Amortization, depreciation and write-downs

Amortization and depreciation in 2012 amounted to 118,905 thousand euros (116,106 thousand euros in 2011), including amortization of intangible fixed assets of 97,959 thousand euros (94,652 thousand euros in 2011) and tangible fixed assets of 20,946 thousand euros (21,454 thousand euros in the reference year). Amortization of intangible fixed assets includes the charge for amortization of the concession, amounting to 49,284 thousand euros.

Further details are provided in the note to fixed assets.

Provisions for doubtful accounts totaled 20,905 thousand euros (7,367 thousand euros in 2011) and reflect an updated assessment of the recoverability of the ADR Group's receivables against the greater risks arising from the financial difficulties faced by several customers and the disputes regarding some fees deriving from the uncertain regulatory framework.

Provisions for risks and other charges

	2012	2011
Current and potential disputes	2,629	20,342
Insurance deductibles	58	170
	2,687	**20,512**

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

	2012	2011
Concession fees	36	14
Other costs	11,776	9,218
	11,812	**9,232**

The item "Other" primarily comprises:

- 999 thousand euros for membership fees (1,008 thousand euros in 2011);
- 5,716 thousand euros for indirect taxes and duties (3,903 thousand euros in 2011), including 4,531 thousand euros for local property taxes;
- 3,230 thousand euros for updated valuations of costs and revenues recognized in the 2011 financial statements (2,966 thousand euros in the previous year).

Finance income (costs), net

Other finance income

	2012	2011
Finance income on securities recorded in non-current financial assets that do not qualify as equity investments	**395**	**380**
Other:		
Interest on overdue current receivables:		
Clients	0	95
Interest and commissions received from other companies:		
Interest from banks	2,062	2,724
Interest from clients	53	150
Other	98	47
	2,213	**3,016**
	2,608	**3,396**

“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, which ADR purchased on February 13, 2009.

"Interest from banks", totaling 2,062 thousand euros, fell by 662 thousand euros compared with 2011, despite the increase in average liquidity held during the year, due to the reduction in interest rates.

Interest expense and other financial charges

	2012	2011
Interest and commissions due to others and sundry charges:		
Interest and commissions paid to banks	7,411	5,210
Interest and commissions paid to other financial institutions	61,772	63,755
Provisions for overdue interest on doubtful accounts	0	95
Other	1,192	5,947
	70,375	**75,007**

“Interest and commissions paid to banks” increased by 2,201 thousand euros despite the lower average exposure deriving from reimbursements of the Term Loan Facility, due to the increase in the commissions for failed use acknowledged on the Revolving Facility and the commissions acknowledged on the new Term Loan line, as mentioned in the notes on the Payables, usable in February 2013.

“Interest and commissions paid to other financial institutions” are down by 2.0 million euros compared to the previous year due to the reduction of the interest paid on Tranches A2 and A3 with a floating rate.

“Other” basically consisted of the differential, negative for both the comparison periods, matured on the interest rate collars. The impact is lower in 2012 since the funding expired in February 2012.

Foreign exchange gains/(losses)

	2012	2011
Foreign exchange gains	32	41
Foreign exchange losses	4	8
	28	**33**

Adjustments to financial assets

Write-downs of equity investments

“Write-downs of equity investments” equal 10 thousand euros and refer to the investment in the Consorzio E.T.L. in liquidation.

Extraordinary income and expense

Income

	2012	2011
Gains on disposals	**224,241**	**0**
Other:		
Income and recovery of expenses relating to previous years deriving from:		
Total revenues	36	0
Operating costs	44	23
Taxes relating to previous years	7,737	21
Reversal of liabilities	108	1,786
Other extraordinary income	738	7
	8,663	**1,837**
	232,904	**1,837**

“Gains on disposals” consists of the gain of 224.2 million euros obtained by the Group through the sale (100%) of ADR Retail to Aelia S.A.S.. Against a value of the investment in the consolidated financial statements of about 4 million euros, the consideration for the transfer equaled 228.2 million euros, equal to the offered price of 229.4 million euros, net of the adjustment of 1.2 million euros carried out based on contractual agreements in relation to the company's financial position on the effective date of the transfer (September 30, 2012). It should be noted that “extraordinary expense” includes the costs incurred for the transfer.

“Taxes relating to previous years” include 7,721 thousand euros of the allocation of the amount which will be requested to repay the companies of the ADR Group for the tax periods 2007-2011, with the methods and terms set by the Tax Office, in relation to the lower IRES due for the analytical deduction of IRAP paid on payroll costs. Art. 2 of Law Decree 201/2011 introduced, starting from 2012, deductibility for income tax purposes of IRAP relating to the taxable amount of the expenses for payroll costs. With the amendment made by Law Decree 16/2012, the same deduction is applied also in relation to the taxation periods prior to 2012.

In 2012 the item “Other extraordinary income” consists of the insurance claim received for the theft that took place at the central warehouse in 2010.

Expense

	2012	2011
Taxes relating to previous years	**76**	**4**
Other:		
Extraordinary expense deriving from:		
Total revenues	0	23
Operating costs	13	85
Payroll costs	96	0
Exceptional asset write-downs	1,591	1,224
	1,700	**1,332**
Other extraordinary expense:		
Payments due for lost cargo	431	39
Fines	201	77
Damages and compensation paid to third parties	0	8
Costs relating to extraordinary operations	13,524	249
Other extraordinary expense	392	0
	14,548	**373**
	16,248	**1,705**
	16,324	**1,709**

In 2012 “Exceptional asset write-downs” includes, for 1.1 million euros, the allocation in the income statement of the costs incurred in previous years, and suspended in the fixed assets, in relation to the project of the new Viterbo airport, which will no longer be created as stated in the new Planning Agreement.

“Costs relating to extraordinary operations”, equal to 13.5 million euros, includes 10.9 million euros for the costs incurred for the transfer of ADR Retail and 2.6 million euros for the costs incurred for the corporate transactions and the procedures for the sale of ADR Mobility, subsequently withdrawn.

Income taxes

	2012	2011
Current taxes		
IRES	4,662	369
Income from tax consolidation	(302)	(382)
Expenses from tax consolidation	32,513	36,131
IRAP	15,991	16,508
	52,864	**52,626**
Deferred tax (assets) liabilities		
Deferred tax assets	(5,524)	(8,691)
Deferred tax liabilities	81	(5)
	(5,443)	**(8,696)**
	47,421	**43,930**

"Current taxes – IRES" refers to the subsidiary undertakings 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 32,513 thousand euros were recorded. Income from tax consolidation of 302 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.

The calculation of IRES, included in the expenses from tax consolidation, benefited from the introduction of ACE (economic growth assistance) pursuant to Law Decree 201/2011, which led to the exclusion from the taxable base of an amount corresponding to the notional return (equal to 3% for 2011), referable to the profits reinvested in the company.

In particular, IRES, accounting for 12.0%[6] of pre-tax income, is higher than the statutory rate of 27.5%. Reconciliation of the statutory and effective rates is provided in the table below.

[6] The tax rate for IRES on pre-tax income was calculated with reference to the items "IRES" and "expenses deriving from tax consolidation".

	2012	2011
Pre-tax income (loss)	310,524	85,846
Statutory rate (IRES)	27.5%	27.5%
Taxation at statutory rate	85,394	23,608
Effect of increases (decreases) in the ordinary rate:		
non-deductible costs	9,808	6,209
other income (gains on disposals)	(58,535)	0
other permanent differences	(4,822)	(668)
temporary differences (increases)	11,333	12,625
temporary differences (decreases)	(6,003)	(5,265)
Expenses from tax consolidation + IRES	**37,175**	**36,509**
Effective rate	12.0%	42.5%

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 SpA and 23 thousand euros regarding ADR Engineering SpA) 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 SpA, for 2007, on February 1, 2010 and February 24, 2010, respectively.

Information on the financial risk

Credit risk

As at December 31, 2012, the ADR Group’s maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the financial statements, as well as the nominal value of the guarantees provided for third parties’ debt or commitments.

As at December 31, 2012 total credit risk exposure was as follows:

(THOUSANDS OF EUROS)		CARRYING VALUE
FINANCIAL ASSETS	12/31/2012	12/31/2011
Due from clients	163,331	183,209
Due from associated undertakings	483	482
Due from parent companies	8,644	320
Amounts due from others	46,900	59,367
Cash on hand and in banks - bank and post office deposits	393,060	173,561
Total	**612,418**	**416,939**

The ADR Group's greatest credit risk is the receivables arising from its transactions with customers.

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

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

- cash payment is required in transactions with consumers (sales in directly operated stores, multilevel and long-term parking lots, first aid, etc.) and with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional 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.

The table below is an aging schedule for receivables.

(THOUSANDS OF EUROS)		PAST DUE LOANS (NET OF THE ALLOWANCE FOR BAD DEBT)				
AT 12/31/2012	LOANS TO MATURE	LESS THAN 60 DAYS	FROM 61 TO 120 DAYS	FROM 121 TO 180 DAYS	OVER 181 DAYS	TOTAL RECEIVABLES
Due from clients	77,826	45,964	3,236	1,792	34,513	163,331
Due from associated undertakings	0	0	0	0	483	483
Due from parent companies	8,644	0	0	0	0	8,644
Amounts due from others	45,960	0	0	0	940	46,900
total	**132,429**	**45,964**	**3,236**	**1,792**	**35,935**	**219,356**

(THOUSANDS OF EUROS)		PAST DUE LOANS (NET OF THE ALLOWANCE FOR BAD DEBT)				
AT 12/31/2011	LOANS TO MATURE	LESS THAN 60 DAYS	FROM 61 TO 120 DAYS	FROM 121 TO 180 DAYS	OVER 181 DAYS	TOTAL RECEIVABLES
Due from clients	83,900	49,845	5,916	3,890	39,657	183,209
Due from associated undertakings	0	0	0	0	483	483
Due from parent companies	320	0	0	0	0	320
Amounts due from others	58,427	0	0	0	940	59,367
total	**142,648**	**49,845**	**5,916**	**3,890**	**41,079**	**243,378**

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.

The ADR Group's credit risk features a high degree of concentration, as ten customers account for around 67% of all receivables (69% in 2011), for which no provisions have been made.

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 ADR at December 31, 2012 is illustrated below:

	LOAN		TO MATURE		PAST DUE	
€000	12/31/2012	12/31/2011	12/31/2012	12/31/2011	12/31/2012	12/31/2011
Alitalia - Compagnia Aerea Italiana SpA	59,657	64,058	31,235	38,123	28,421	25,936
AirOne SpA	1,650	1,581	911	947	739	634
Alitalia / AirOne	**61,307**	**65,639**	**32,146**	**39,069**	**29,160**	**26,570**
EAS SpA - current (*)	308	308	0	0	308	308
Alitalia Group/CAI-AirOne-EAS	**61,615**	**65,947**	**32,146**	**39,069**	**29,469**	**26,878**

(*) excluding receivables for the use of common assets

The table includes the receivables for the handling system of transit baggage (NET 6000), which at the end of 2012 was equal to 9.9 million euros; Alitalia is the main user of the plant, generating approximately 90% of the activity. For information on the circumstances that led to the failure to collect this fee, reference should be made to the dedicated section on "Information concerning disputes".

Furthermore, as of December 31, 2012, the following are ascertained:

- receivables for the sub-concession of the Technical Area equal to 4.0 million euros, - plus local property taxes for 2.1 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 23.5 million euros;
- receivables to use Goods for Common Use for the years from 2009 to 2012 equaling 6.2 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 may arise with the inability to raise, on adequate terms, the cash necessary to fund the Group's operations.

The main factor determining the Group's liquidity position relates to the resources generated or absorbed by the operating and investment activities.

A breakdown of payables by expiry terms is shown hereunder (thousands of euros).

(THOUSANDS OF EUROS)	PAYABLES FALLING DUE			TOTAL PAYABLES
AT 12/31/2012	WITHIN THE YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	
Due to banks	9,910	9,350	80,000	99,260
Due to other financial institutions	513,989	375,000	325,019	1,214,008
Advances	5,404	2,873	0	8,277
Due to suppliers	95,982	2,718	0	98,700
Due to associated undertakings	971	0	0	971
Due to parent companies	353	0	0	353
Other payables	67,372	8,988	0	76,360
Total	**693,981**	**398,929**	**405,019**	**1,497,929**

(THOUSANDS OF EUROS)	PAYABLES FALLING DUE			TOTAL PAYABLES
AT 12/31/2011	WITHIN THE YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	
Due to banks	75,322	17,850	80,000	173,172
Due to other financial institutions	14,143	875,000	325,019	1,214,162
Advances	5,685	3,111	0	8,796
Due to suppliers	120,451	2,861	0	123,312
Due to associated undertakings	969	0	0	969
Due to parent companies	17,242	0	0	17,242
Other payables	62,074	8,975	0	71,049
Total	**295,886**	**907,797**	**405,019**	**1,608,702**

Interest rate risk

The ADR 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 Group's hedging policy has already been illustrated in the Management Report on Operations to which reference is made.

At December 31, 2012, 63.6% of ADR's lines of credit have fixed interest rates (at December 31, 2011: 60.1%) and hedging agreements are not active.

An increase of 50 basis points in interest rates would determine a rise of 2.4 million euros in interest expense, before tax.

A decrease of 50 basis points in interest rates would determine a reduction of 2.4 million euros in interest expense, before tax.

Other information

Headcount

The following table shows the average number of employees of companies consolidated on a line-by-line basis by category:

AVERAGE HEADCOUNT	2012	2011	CHANGE
Managers	42.9	43.2	(0.3)
Administrative staff	182.8	179.8	3.0
White-collar	1,571.2	1,625.5	(54.3)
Blue-collar	521.1	550.5	(29.4)
Total	**2,318.0**	**2,399.0**	**(81.0)**

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

AVERAGE HEADCOUNT	2012	2011	CHANGE
ADR SpA	1,376.4	2,080.4	(704.0)
ADR Engineering SpA	33.0	34.0	(1.0)
ADR Tel SpA	15.9	16.0	(0.1)
ADR Advertising SpA	8.8	8.5	0.3
ADR Assistance Srl	279.0	260.1	18.9
ADR Security Srl	466.0	n.a.	466.0
ADR Retail Srl	100.5	n.a.	100.5
ADR Mobility Srl	38.4	n.a.	38.4
Total	**2,318.0**	**2,399.0**	**(81.0)**

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	125
Executive Directors	80
Statutory Auditors	348
Total	**553**

Remuneration of independent auditors

In accordance with art. 149-12 of the Issuers' Regulations, which apply to ADR as it is a company controlled by a listed company (Gemina SpA), a breakdown of the fees paid to the ADR Group's principal independent auditors is shown in the table below :

TYPE OF SERVICE	SERVICE PROVIDER	RECIPIENT	REMUNERATION 2012 (€000)
Auditing	Deloitte & Touche SpA	ADR	196
Certification services	Deloitte & Touche SpA	ADR	70
Other services (*)	Deloitte Financial Advisory Services SpA	ADR	295
Other services (**)	Deloitte ERS Srl	ADR	35
Auditing	Deloitte & Touche SpA	ADR Engineering SpA ADR Tel SpA ADR Assistance Srl ADR Security Srl ADR Mobility Srl	157
Total			**753**

(*) Vendor Due Diligence activities relating to the sale procedures of ADR Retail and ADR Mobility

(**) methodological support to the Company to check the suitability of existing company procedures

Information concerning disputes

Administrative, civil and labor litigation is followed by the Group through its internal legal department which has provided, for the preparation of the accounts as of and for the period ended December 31, 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 civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

Tax litigation

The most significant disputes involving the Parent Company, ADR, are shown below. These are the same as those described in the Company's statutory financial statements, given that no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements, are reported.

- In 2007, the Rome Customs District Office notified ADR of reported irregularities in the sales carried out at its duty free shops in the period 1/1/1993 – 1/31/1998 to passengers traveling within the EU that exceeded duty free allowances in terms of amount and value, ordering payment regarding VAT, excise duties and tobacco duties, as a result of the findings set out, for a total of 22.3 million euros. ADR appealed before the Provincial Tax Commission, which was rejected with a ruling of the Commission in April 2009. Therefore the Custom Office activated the procedure to collect the sum due, equal to 26.1 million euros (including interest and expenses), which ADR paid by installment. ADR lodged an appeal against the sentence submitted in first instance, rejected with sentence of May 2010 of the Provincial Tax Commission for Rome. 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. Therefore, in preparing the financial statements for 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. On March 5, 2013 the hearing was held to discuss the appeal to the Supreme Court; downstream of the debate, the Company is waiting for the sentence to be filed.

Administrative, civil and labor litigation

Some of the most significant disputes involving the Parent Company, ADR, are shown below. These are the same as those described in the Company's statutory financial statements, given that no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements, are reported.

Airport fees and regulated tariffs

- 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 before the Lazio Regional Administrative Court. These notifications stipulate that EU fees should be applied to 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 of June 2012, the Lazio Administrative Court declared the appeal inadmissible "having to exclude that the notes being appealed against express orders taken", excluding 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 11 million euros plus interest (as of December 2012). Obviously, the fees claimed by carriers would in turn be verified in a court of law.

  On this subject, in July 2011, Swiss International Airlines Ltd ("Swiss") summoned ADR to return the sum of 5.2 million euros (including interest, subsequently reduced to 1.6 million euros, due to a material error made in the initial quantification) equal to the amount paid in excess by Swiss from 2002 to 2009 for landing and take-off fees. In August 2011, ADR was notified a similar deed, again by Swiss, with a request equal to 3.5 million euros (including interest) concerning the passenger boarding fees.

- In July 2011 ADR was notified, in its capacity as involved party, the appeal lodged before the Lazio Regional Administrative Court by IBAR and ten airlines for the cancelation of the letter of May 11, 2011 with which ENAC 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 numerous airlines, at the end of 2011 ADR filed the relevant appeals for injunctions to recover its expired credit regarding fees until September 2011 for 3.8 million euros, of which 3.6 million euros from Alitalia. In June 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 euros 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. On November 6, 2012 ADR filed a third injunction against Alitalia for 1.9 million euros regarding the invoices issued until September 2012, net of the payments made by Alitalia for a value of 0.38 euro per passenger. On November 27, 2012 the Judge rejected the injunction and ADR is now assessing the alternative of protecting the receivable of that injunction, by ordinary civil action with summons.

Airport Fuel Supply Fees

- IBAR (Italian Board Airlines Representatives) and 6 carriers lodged an appeal with the Lazio Administrative Court, against the Civil Aviation Authority's memorandum of September 15, 2006, 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". 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 in order to ascertain the obligation to pay oil companies the amounts that the company owes to airport operators and to order the carriers to pay ENI the amounts accrued to this effect since October 2005. In the same claim, ENI has also brought a secondary claim against airport operators, including ADR, 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, ENI requests that the Company be ordered to pay an amount corresponding to the sum paid since October 2005, totaling 0.2 million euros, and that it be determined that ENI does not owe ADR the amount of 1.1 million euros (as determined for the period up to May 2006), which is as yet unpaid. The issue of the sentence is awaited.
- AirOne has taken out legal proceedings at the Civil Court of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators including ADR 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 – be ordered to repay the sum paid by Airone since 2003, amounting to 2.9 million euros. With no definitive sentence in 2012, the Judge provided an expert to examine the case which is set to be heard on September 25, 2013.

Fire prevention fund

- In November 2009 ADR appealed before the Lazio Administrative Court, without suspensive relief, the Civil Aviation Authority directive of July 2009 which included a table indicating the amounts of the contributions due from each operator for the fire prevention fund. In 2010 additional grounds were provided against the subsequent Civil Aviation Authority directive of December 2009, which reiterated the request to operators to make the related payments as soon as possible. An announcement of the date of the relevant hearing is awaited.

With a sentence in 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 fire prevention fund contribution “given that such contributions, as demonstrated, are to be allocated for purposes other than those laid down by law”. With sentence 2011 the Regional Tax Commission (2nd instance), accepting the appeal of the authorities, reformed the abovementioned 1st instance sentence.

In September 2012, the Ministers of Interior and Economy and Finance notified ADR an injunction, demanding the payment of 34.3 million euros plus interest concerning the years 2007-2010 to the so-called fire prevention fund. ADR, like the other operators who were notified with injunctions, refused. At the first hearing of the parties on March 7, 2013, the Judge took it under advisement on the provisional execution demand of the injunction, put forward by the Attorney’s Office.

Noise abatement measures

- 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 Ciampino airport, 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.

Bankruptcy proceedings involving clients

- A series of sentences passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia SpA under special administration, Volare SpA under special administration, Alitalia Express SpA. under special administration, Alitalia Servizi SpA under special administration, Alitalia Airport SpA under special 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 under special administration and Alitalia Airport under special administration.
- In 2009 Volare Airlines SpA under special administration and Air Europe SpA under special 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 and an order requiring ADR to pay back a sum of 6.7 million euros and 1.8 million euros. With sentence of June 2011, the Court ordered ADR to pay the requested amounts; the company lodged an appeal. Regarding the ruling for Volare Airlines under special administration, with sentence filed on July 2012, the Appeal Court of Milan rejected ADR's appeal. In order to avoid the enforceable proceeding, ADR paid 7.4 million euros (including interests and expenses). The hearing for Air Europe is adjourned until March 6, 2014 to pronounce the final judgment.

Labor disputes

- A group of 16 parties summoned 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 around 9.8 million euros. The dispute was settled in favor of ADR by a sentence in June 2010. 14 parties have appealed and ADR has taken formal legal action. A further hearing has been fixed for December 2, 2014.

Tenders

- ATI Alpine Bau, which was awarded the contract for works relating to the upgrading of runway 3 at Fiumicino airport, appealed the sentence of 2006 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. The appeal reiterates the claims for damages made in first instance (66 million euros, plus legal interest accrued from the time of the claim). With partial judgment of July 2012, the Court of Appeal arranged an expert, still in charge, adjoining the case until January 28, 2014.
- In 2005 Fondedile Costruzioni Srl lodged an appeal against sentence of 2004 of the Civil Court of Rome. This appeal reiterates the claim submitted in first instance for 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. Due to the replacement of the reporting judge, the proceedings were adjourned and a new hearing was set to pronounce the final judgment for December 13, 2013.
- ATI NECSO Entrecanales – Lamaro Appalti has appealed to the Supreme Court against the sentence of the Court of Appeal, which in 2011 fully rejected the claim for damages for 9.8 million euros, plus interest, revaluation and costs, in relation to claims posted in the contract accounts relating to the contract for work on the extension and restructuring of Satellite Ovest (Satellite West) at Fiumicino airport. A hearing to discuss the case has not been scheduled yet.
- With reference to the evolution of the negotiations with ATI Cimolai, which was awarded with the construction works at departure area F (formerly Pier C), it is noted that, with the signature of the Planning Agreement, the main assumption is met to entirely restart all the works previously slowed down in connection with the failed finalization of the tariff agreement. However it is still necessary to define the methods to restart the works as an assumption for the definitive waiving of the claims by the ATI.

Claims for damages

- In 2011 ADR received a claim for damages for 27 million dollars for direct damages (the indirect ones are still being defined) from AXA Assicurazioni, who insures Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to a bird strike taking place on November 10, 2008 at Ciampino airport. ADR declines any responsibility for the event. Should the survey being conducted by the competent authorities reveal ADR's clear responsibility, the compensation would be covered by the third-party liability insurance policy of the Airport Operator.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

* * *

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

THE BOARD OF DIRECTORS

Report of the Independent Auditors

Deloitte.

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**AUDITORS' REPORT PURSUANT TO
ART. 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND TO ART. 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

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

1. We have audited the consolidated financial statements of Aeroporti di Roma S.p.A. and subsidiaries ("Aeroporti di Roma Group") as of December 31, 2012. These consolidated financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on March 19, 2012.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of Aeroporti di Roma Group as of December 31, 2012, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. As described in the Management Report on Operations and in the Notes to the Consolidated Financial Statements, on September 28, 2012 the Company disposed of its subsidiary ADR Retail S.r.l.. The consolidated income statement includes the results of the subsidiary for the first nine months of the year and, among "Extraordinary income (expense)", the gain realized from the disposal, in addition to the related costs.

5. The Company's Directors are responsible for the preparation of the Management Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Management Report on Operations is consistent with the consolidated financial statements of Aeroporti di Roma Group as of December 31, 2012.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
March 18, 2013

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

SEPARATE FINANCIAL STATEMENTS

Annual Report 2012

FINANCIAL STATEMENTS AT DECEMBER 31, 2012

Balance sheet and income statement

ASSETS (in Euros)		12/31/2012			12/31/2011	
AMOUNTS DUE FROM SHAREHOLDERS FOR SHARE CAPITAL SUBSCRIPTION			**0**			**0**
FIXED ASSETS						
INTANGIBLE FIXED ASSETS						
Industrial patent and intellectual property rights		726,976			1,023,412	
Concessions, licenses, trademarks and similar rights		1,580,869,364			1,630,994,645	
Leasehold improvements in process and advances		29,367,686			31,644,945	
Other		238,591,818			235,464,781	
			1,849,555,844			1,899,127,783
TANGIBLE FIXED ASSETS						
Assets to be handed over:						
Land and buildings		71,750,384			78,892,251	
Plant and machinery		51,095,163			60,529,182	
Industrial and commercial equipment		1,026,803			1,399,102	
Other assets		1,822,141			2,079,227	
Fixed assets in progress and advances		53,456,829			49,643,143	
			179,151,321			192,542,905
NON-CURRENT FINANCIAL ASSETS						
Investments:						
subsidiary undertakings	9,538,324			7,338,324		
associated undertakings	10,330			10,330		
other companies	2,202,006			2,202,006		
		11,750,660			9,550,660	
Amounts due from others:						
beyond 12 months	474,548			470,171		
		474,548			470,171	
Other securities:						
bonds	2,758,309			2,758,309		
		2,758,309			2,758,309	
			14,983,517			12,779,140
Total Fixed Assets			**2,043,690,682**			**2,104,449,828**
CURRENT ASSETS						
INVENTORIES						
Raw, ancillary and consumable materials		2,229,595			2,691,494	
Contract work in progress		8,067,727			6,977,683	
Finished goods and goods for resale:						
goods for resale	0			8,654,811		
		0			8,654,811	
			10,297,322			18,323,988
RECEIVABLES						
Due from clients		149,830,419			173,624,308	
Due from subsidiary undertakings		17,262,478			9,106,673	
Due from associated undertakings		482,332			482,332	
Due from Parent companies		8,228,189			319,741	
Due from tax authorities:						
within 12 months	8,104,423			2,693,824		
beyond 12 months	26,096,949			23,695,105		
		34,201,372			26,388,929	
Deferred tax assets		38,023,428			33,662,345	
Due from others:						
sundry						
within 12 months	46,209,753			59,141,965		
advances to suppliers for services	145,755			140,417		
		46,355,508			59,282,382	
			294,383,726			302,866,710
CURRENT FINANCIAL ASSETS			0			0
CASH ON HAND AND IN BANKS						
Bank and post office deposits		381,430,699			172,539,799	
Cash and notes in hand		87,426			862,184	
			381,518,125			173,401,983
Total current assets			**686,199,173**			**494,592,681**
ACCRUALS AND DEFERRALS						
Accrued income and prepaid expenses			3,026,249			5,160,375
TOTAL ASSETS			**2,732,916,104**			**2,604,202,884**

LIABILITIES (in Euros)		12/31/2012			12/31/2011	
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
STATUTORY RESERVE			0			0
RESERVE FOR OWN SHARES			0			0
OTHER RESERVES			501,358			501,358
RETAINED EARNINGS (LOSSES)			82,993,487			43,307,323
INCOME (LOSS) FOR THE YEAR			259,173,595			39,686,164
Total shareholders' equity			**1,084,744,638**			**825,571,043**
ALLOWANCES FOR RISKS AND CHARGES						
Taxation, including deferred taxes						
Income taxes		26,096,949			26,092,600	
Other		43,694,804			57,653,868	
Total allowances for risks and charges			**69,791,753**			**83,746,468**
EMPLOYEE SEVERANCE INDEMNITIES (ESI)			**15,541,713**			**23,461,324**
PAYABLES						
Due to banks:						
within 12 months	8,914,131			74,823,908		
beyond 12 months	89,350,000			97,850,000		
		98,264,131			172,673,908	
Due to other financial institutions						
within 12 months	513,988,710			14,142,990		
beyond 12 months	700,018,896			1,200,018,896		
		1,214,007,606			1,214,161,886	
Advances:						
from clients:						
from the Ministry of Transport:						
within 12 months	267,000			267,000		
beyond 12 months	2,605,656			2,844,461		
other	5,379,041			5,658,505		
		8,251,697			8,769,966	
Due to suppliers:						
within 12 months	87,803,180			112,400,696		
beyond 12 months	2,717,864			2,861,092		
		90,521,044			115,261,788	
Due to subsidiary undertakings:						
within 12 months	30,810,243			17,426,781		
		30,810,243			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	353,213			17,165,031		
		353,213			17,165,031	
Taxes due:						
within 12 months	40,865,939			46,498,097		
		40,865,939			46,498,097	
Due to social security agencies		3,924,480			6,417,490	
Other payables: sundry creditors						
within 12 months	63,925,142			60,623,175		
beyond 12 months	8,987,849			8,975,230		
		72,912,991			69,598,405	
Total payables			**1,560,880,024**			**1,668,942,032**
ACCRUALS AND DEFERRALS						
Accrued expenses and deferred income			**1,957,976**			**2,482,017**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			**2,732,916,104**			**2,604,202,884**

MEMORANDUM ACCOUNTS (in Euros)		12/31/2012			12/31/2011	
GENERAL GUARANTEES						
Sureties		110,522			110,522	
Other		507,841			715,841	
			618,363			**826,363**
SECURED GUARANTEES			**0**			**0**
COMMITMENTS ON PURCHASES AND SALES			**81,398,937**			**83,208,010**
OTHERS			**1,005,903,472**			**989,532,007**
TOTAL			**1,087,920,772**			**1,073,566,380**

INCOME STATEMENT (in Euros)		2012			2011	
TOTAL REVENUES						
Revenues from sales and services:						
revenues from sales	21,678,197			92,530,419		
revenues from services	527,140,918			517,247,373		
revenues from contract work	2,653,419			9,059,909		
		551,472,534			618,837,701	
Changes in contract work in progress		1,090,044			(3,668,453)	
Other income and revenues:						
revenue grants	184,020			446,371		
gains on disposals	7,283			1,940		
other	21,141,457			16,006,596		
		21,332,760			16,454,907	
			573,895,338			**631,624,155**
OPERATING COSTS						
Raw, ancillary and consumable materials, finished goods and goods		49,491,129			79,695,601	
Services		142,725,371			126,105,410	
Leased assets		11,121,253			11,741,057	
Staff:						
salaries and wages	58,656,755			79,906,686		
social security costs	16,640,930			22,715,619		
employee severance indemnities	4,203,123			6,100,230		
other costs	1,035,091			995,182		
		80,535,899			109,717,717	
Amortization, depreciation and write-downs:						
amortization of intangible fixed assets	98,188,092			94,713,228		
amortization of tangible fixed assets	20,224,877			21,030,267		
provisions for doubtful accounts and cash on hand and in banks	20,057,257			6,642,667		
		138,470,226			122,386,162	
Changes in raw, ancillary and consumable materials, finished goods and goods for resale		(1,901,834)			(1,164,228)	
Provisions for risks		2,111,317			20,431,441	
Other provisions		0			260,000	
Other operating costs:						
losses on disposals	326			0		
concession fees	35,720			13,904		
other	10,492,374			8,869,495		
		10,528,420			8,883,399	
			(433,081,781)			**(478,056,559)**
Difference between revenues and operating costs			**140,813,557**			**153,567,596**
FINANCE INCOME (COSTS)						
Income from equity investments:						
dividends from subsidiary undertakings	5,920,000			0		
		5,920,000			0	
Other finance income:						
From securities recorded in non-current financial assets that do not qualify as equity investments	395,035			379,821		
Other						
Interest and commissions from subsidiary undertakings	21,325			46,575		
Interest and commissions from banks	2,016,778			2,713,999		
Interest and commissions from customers	52,573			244,343		
Interest and commissions from others	97,340			47,006		
		2,583,051			3,431,744	
Interest expense and other financial charges:						
interest and commissions to subsidiary undertakings	21,577			6,431		
Interest and commissions to banks	7,375,695			5,197,523		
interest and commissions to other financial institutions	61,771,939			63,755,230		
interest and commissions to others	1,181,710			5,938,138		
provisions for overdue interest on doubtful accounts	0			94,902		
		(70,350,921)			(74,992,224)	
Foreign exchange gains/(losses)						
foreign exchange gains	9,927			40,532		
foreign exchange losses	3,435			7,511		
		6,492			33,021	
TOTAL FINANCE INCOME (COSTS)			**(61,841,378)**			**(71,527,459)**

INCOME STATEMENT (in Euros)		2012			2011	
ADJUSTMENTS TO FINANCIAL ASSETS						
Write-downs:						
of equity investments		10,000			0	
TOTAL ADJUSTMENTS			**(10,000)**			**0**
EXTRAORDINARY INCOME (EXPENSE)						
Income:						
gains on disposals	227,682,000			0		
other	7,951,945			1,832,521		
		235,633,945			1,832,521	
Expense:						
Taxes relating to previous years	27,207			0		
other	15,962,435			1,738,613		
		(15,989,642)			(1,738,613)	
TOTAL EXTRAORDINARY ITEMS			**219,644,303**			**93,908**
Pre-tax income (loss)			**298,606,482**			**82,134,045**
Income tax for the year current, deferred and prepaid:						
Current taxes		(44,312,887)			(50,619,881)	
Deferred tax assets (liabilities) for the year		4,880,000			8,172,000	
			(39,432,887)			(42,447,881)
Income (loss) for the year			**259,173,595**			**39,686,164**

Notes to the financial statements

General principles

The financial statements for the year ended December 31, 2012, consisting of the Balance Sheet, Income Statement and Notes, have been prepared in accordance with the law, as interpreted and integrated by the accounting standards issued by the Italian Accounting Standards Setter (collectively referred to as Italian GAAP).

The balance sheet data as of December 31, 2012 and the income statement for the year 2012 then ended are compared with the data for 2011. The income statement and balance sheet items showing zero balances across the periods used for comparison are not shown.

The financial statements are expressed in Euros.

These Notes include details of changes in each balance sheet and income statement component with respect to the previous year, as well as providing additional disclosures on the Balance sheet and the Income statement, in order to guarantee a true and fair view of the financial position and operating performance of Aeroporti di Roma SpA ("ADR" or the "Company").

The financial statements for the year ended December 31, 2012 have been audited by Deloitte & Touche SpA.

About the company

Leonardo SpA (now ADR) was incorporated on January 25, 2000[1] for the purpose of acquiring holdings in airport management companies.

As a result of the privatization of ADR, on July 31, 2000 Leonardo SpA acquired 51.148% of the share capital of ADR, an airport management company founded on February 12, 1974, from IRI SpA (now Fintecna SpA).

This equity investment was increased to 95.860% following the public offerings (obligatory and residual) launched by Leonardo SpA, in order to acquire the remaining shares of ADR, pursuant to art. 106 of Legislative Decree 58/98. The offerings were concluded on November 6, 2000 and March 23, 2001. Other shares in ADR SpA were purchased on the open market. Therefore, with effect from March 29, 2001, in accordance with the action taken by the Italian Stock Exchange, Borsa Italiana SpA, ADR's shares, which had been quoted since July 24, 1997, were subsequently delisted.

The deed for the ensuing merger of ADR and Leonardo was drawn up on May 16, and came into effect on May 21, 2001, under the terms of art. 2503 of the Italian Civil Code. At the time of the merger of ADR with Leonardo SpA, the latter changed its name to ADR.

The merger adjustments were posted to the financial statements of the acquiring company, with effect from January 1, 2001, for both statutory and fiscal purposes.

[1] Leonardo was incorporated as a limited liability company with the name of Sysira Srl. The Extraordinary General Meeting of July 4, 2000 resolved to convert the company into a joint-stock company with the name of Leonardo SpA.

The business purpose of the merged company, ADR, is the construction and management of airports, including the operation of any activity connected with or complementary to air traffic of any type or specification. The Company's principal activities include the management of Rome's two airports ("Leonardo da Vinci at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with financial and organizational criteria, as per Law 755 dated November 10, 1973 and subsequent amendments.

This activity is carried out under a concession granted by the Italian Ministry of Transport and Infrastructure (the grantor). The current concession term is due to expire in 2044. The concession, regulated by specific contractual agreements with the grantor, includes the management of infrastructures and services (retail outlets, etc.) and the maintenance of plant, machinery and buildings. ADR also provides security screening services for passengers and carry-on and checked baggage.

Additionally, the Company is responsible for coordinating the airport infrastructure "Development Program" financed by both the government and by the Company, with funds generated from its own resources. The special laws governing the Company's activities require that the assets utilized be indicated in the balance sheet according to legal title to ownership.

In art. 12 the new Single Convention governs the regime of possession of assets by the Concessionaire. The same is to be interpreted in any case in combination with the provisions in articles 41 and 703 of the Navigation Code.

Additional rules contained in the new Agreement contribute to defining the legal treatment of the assets (e.g. art. 9 paragraph 7 and art. 20 bis) which, though conditioned by the pertinence of the principle of correlation for the use to perform regulated activities or alternatively commercially (unregulated) activities, does not significantly differ from the pre-existing regime. In particular:

- the assets received under concession at the time of establishing the concessionaire or subsequently created by the concessionaire by virtue of laws of the State with public funds, are possessed by the concessionaire under the right of use regime as these are government property; as the Company does not hold title to such assets, they are recorded in the Memorandum Accounts under "Other";
- the assets acquired/created by the Concessionaire with funding from its accounts and used to perform activities subject to fee regulation are possessed under the concession ownership regime. This leads to the obligation to hand them over to the Grantor upon the natural expiry of the concession; this action will be in any case conditioned by the repayment of their value to be established according to the new convention rules;
- the same treatment applies to the goods acquired/created by the Concessionaire with funding from its accounts but used to perform (unregulated) commercial activities, provided these are related to real estate;
- for commercial movable properties, the Grantor is granted a right to purchase (art 20 bis 4.d) upon the natural expiry of the concession, which can be exercised by paying the former concessionaire their residual carrying value.

Consequently to the indications above, as of December 31, 2012:

- the entry is confirmed of the assets making up the concession ownership and the assets that belong to the so-called "industrial property" in the accounts under capital investment. The assets received under the concession and those financed by the State remain recorded under memorandum accounts;

- for the assets of the concession ownership previously considered as “to be handed over”, the principle of transfer free of charge upon the expiry of the concession ceases; these assets are thus classified as “assets to be handed over”;
- also the assets that are functional to the services subject to regulation are recorded under “assets to be handed over”, whether these are properties, plans, capital goods and equipment.

The value of the airport management concession, posted in the accounts at the time of ADR merger with Leonardo Spa, represents the goodwill purchased by Leonardo SpA and reflecting the difference between the price paid for ADR’s shares and the value of the relevant interest in shareholders’ equity. The concession is posted among “Intangible fixed assets” under “Concessions, licenses, trademarks and similar rights”.

As of December 31, 2012, the Company is a subsidiary of Gemina SpA (“Gemina”), which owns 95.90% of the share capital.

Warnings

The new Planning Agreement

As described in the paragraph About the company, the classification of the assets included in tangible fixed assets at December 31, 2012 complies with the provisions of the new Single Convention approved in December 2012. The assets recorded in tangible fixed assets existing on the date of these Statements in particular, due to their characteristics and relevant useful life, are included in the category of assets to be handed over.

With the objective of making the items of the tangible fixed assets compatible as defined by the Agreement, it must be pointed out that the assets existing as at December 31, 2011 as assets to be handed over were reclassified under land and buildings (for 76,544 thousand euros) and plant and machinery (for 7,385 thousand euros). Further details are provided in the notes, in paragraph Tangible fixed assets.

Spin-off transactions

Four divestitures of company branches were performed in 2012 (three were assigned to newly established companies and one to third parties), which had an impact on the company's balance sheet and income statement structure. The contributions were the following:

- on April 2, 2012 ADR subscribed 100% of the share capital, equal to 480 thousand euros, of ADR Retail through the contribution in kind, pursuant to art. 2465 of the Italian Civil Code, of the company branch called "direct retail". This branch consists of the assets and liabilities relating to the management of the Duty Free and Duty Paid outlets inside the airports of Fiumicino and Ciampino, managed by ADR, and the existing contractual relations connected directly, including those relating to the employees in the same Branch, as described in detail in the Valuation Report drawn up under art. 2465 of the Italian Civil Code;
- on May 2, 2012 ADR subscribed 100% of the share capital of 400 thousand euros and the relevant share premium reserve of 100 thousand euros, of ADR Security. The share capital was entirely released through the contribution in kind of the company branch called "security",

pursuant to art. 2465 of the Italian Civil Code. This branch consisted of the assets and liabilities relating to the security management at Fiumicino and Ciampino airports and the existing contractual relations connected directly, including those relating to the employees in the same Branch, as described in detail in the Valuation Report drawn up under art. 2465 of the Italian Civil Code;

- on May 3, 2012 ADR subscribed 100% of the share capital of 1,500 thousand euros and the related share premium reserve of 200 thousand euros, of ADR Mobility; the share capital was entirely released through the contribution in kind of the company branch called "car parks", pursuant to art. 2465 of the Italian Civil Code, 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, as described in detail in the Valuation Report drawn up under art. 2465 of the Italian Civil Code. The activities performed by ADR in relation to the airport management concession it holds were excluded from the company branch; namely: the management of the parking of taxies, busses and/or minibuses of public and private services and the related services; the management of the parking of hired vehicles with driver; the management of the parking of service vehicles and the vehicles of the employees of administrations, public security, public authorities and government bodies in general; the management of the parking of service vehicles and the vehicles of ADR employees.

For more information reference is made to the paragraph Spin-off transactions of the Report on operations.

The detailed statements of the changes occurred in the balance sheet items highlight the effect of these contributions of company branches, where pertinent.

Exemptions

The financial statements were prepared in accordance with the specifications laid down in the Italian Civil Code within the limits already specified in the introduction to the Notes. A true and fair account of the Company's financial position, operating results and cash flows was ensured without recourse to any departure from the principles mentioned above. No exceptional cases of incompatibility arose that required application of art. 2423 paragraph IV of the Italian Civil Code.

Explanation added for translation into English

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

Accounting policies

The accounting policies adopted in the preparation of the financial statements for the year ended December 31, 2012 are based on the prudence, going-concern and substance over form principles. They comply with the provisions of article 2426 of the Italian Civil Code and are consistent with those adopted in previous years.

The financial statements were prepared in the assumption of going-concern. The Company 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:

Industrial patent and intellectual property rights

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

Concessions, licenses, trademarks and similar rights

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, and is applied over a period of three years in the case of concessions and licenses and of not more than ten years for trademarks.

The value of the airport management concession, paid by the Parent Company, Leonardo 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.

A summary of the rates used is provided below:

Land and buildings	4%, 10%
Plant and machinery	from 10% to 25%
Industrial and commercial equipment	from 10% to 25%
Other assets	from 10% to 25%

In accordance with articles 10 and 3 of Law no. 72 of March 19, 1983, the Company has revalued fixed assets still in its possession by 2,463,379 euros. Assets amounting to 2,372,924 euros continue to be held by the Company as at December 31, 2012. The original revaluation reserve was utilized in previous years to absorb losses.

Land and buildings

These are recorded at purchase cost adjusted in accordance with art. 3 of Law 72/83.

Non-current financial assets

Non-current financial assets include equity investments recorded at purchase cost in accordance with the previously explained criteria applied to fixed assets. Should there be a permanent impairment in the value of an asset, due to losses incurred or to other reasons, and revenues in the near future are not expected to cover such losses, the asset is written down accordingly. In future years, should the reason for the write-down cease to apply, the original value of the asset is reinstated.

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

Non-current receivables are recorded at their nominal value.

Securities in the company's portfolio held as a long-term investment until 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. 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 Company 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

Such items are recorded at their nominal value subject to verification of the clearance of bank checks and the availability of bank deposits.

Accruals and deferrals

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

Allowances for risks and charges

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

Employee severance indemnities

Employee severance indemnities were calculated for all employees and in accordance with governing legislation. This amount was calculated for indemnities accrued up to 12/31/2012 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”. As any net income deriving from translation using closing exchange rates is unrealized profit, this is allocated to a special undistributable reserve until it is subsequently realized.

Memorandum accounts

General guarantees

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

Commitments on purchases and sales

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

Other

Secured/general guarantees received

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

Third party 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. This item also includes the value of the advertising business unit leased to ADR Advertising SpA, as recorded in the inventory check carried out on the start-up of activities.

Revenues

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

- revenues from sales: upon delivery;
- revenues from services: upon supply of the service.

Dividends

Dividends from subsidiary undertakings are posted to the income statement on an accruals basis, that is in the year in which the relevant net income is generated by the subsidiary undertaking, if the dividend distribution proposed is approved by the company's board of directors prior to the date of approval of ADR's financial statements.

Income taxes

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

Regarding participation in the domestic tax consolidation regime by ADR, as the consolidated company, 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 company also transfers 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 for the period. 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 swap contracts and accrued at the end of the period are recorded on an accruals basis in the income statement among finance income and costs.

The Company's hedging policy, in accordance with the obligations laid down in loan agreements, stipulates that at least 50% of the loan should be subject to a fixed rate of interest.

Notes to the balance sheet

Fixed assets

Intangible fixed assets

	12/31/2011			CHANGES FOR THE YEAR			12/31/2012		
	COST	AMORTIZ.	BOOK VALUE	ACQUIS./CAPIT.	RECLASS./ ASSIGN.	AMORTIZ.	COST	AMORTIZ.	BOOK VALUE
Incorporation and development costs	672,577	(672,577)	0	0	0	0	672,577	(672,577)	0
	672,577	**(672,577)**	**0**	**0**	**0**	**0**	**672,577**	**(672,577)**	**0**
Industrial patent and intellectual property rights	9,379,599	(8,356,187)	1,023,412	266,364	120,071	(682,870)	9,712,050	(8,985,074)	726,976
	9,379,599	**(8,356,187)**	**1,023,412**	**266,364**	**120,071**	**(682,870)**	**9,712,050**	**(8,985,074)**	**726,976**
Concessions, licenses, trademarks and similar rights	2,204,260,458	(573,265,813)	1,630,994,645	1,490,331	393,478	(52,009,090)	2,205,820,483	(624,951,119)	1,580,869,364
	2,204,260,458	**(573,265,813)**	**1,630,994,645**	**1,490,331**	**393,478**	**(52,009,090)**	**2,205,820,483**	**(624,951,119)**	**1,580,869,364**
Leasehold improvements in process and advances:									
Leasehold improvements in process	31,467,997	0	31,467,997	8,732,832	(11,010,091)	0	29,190,738	0	29,190,738
Advances	176,948	0	176,948	0	0	0	176,948	0	176,948
	31,644,945	**0**	**31,644,945**	**8,732,832**	**(11,010,091)**	**0**	**29,367,686**	**0**	**29,367,686**
Other									
Leasehold improvements	651,583,012	(429,667,697)	221,915,315	29,639,065	7,431,885	(39,844,240)	680,903,238	(461,761,213)	219,142,025
Transaction costs incurred on loans	54,866,048	(41,316,581)	13,549,467	11,552,218	0	(5,651,892)	66,418,266	(46,968,473)	19,449,793
	706,449,060	**(470,984,278)**	**235,464,781**	**41,191,283**	**7,431,885**	**(45,496,132)**	**747,321,505**	**(508,729,686)**	**238,591,818**
TOTAL	**2,952,406,639**	**(1,053,278,856)**	**1,899,127,783**	**51,680,810**	**(3,064,658)**	**(98,188,092)**	**2,992,894,301**	**(1,143,338,456)**	**1,849,555,844**
of which									
Contributions					**(1,406,860)**				

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 1,578,015 thousand euros as of December 31, 2012. The decrease of 50,125 thousand euros is due to the combined effect of amortization for the period (52,009 thousand euros), capital investment (1,490 thousand euros), transfers from work in progress (496 thousand euros), the contribution of the "car parks" company branch (165 thousand euros) and positive reclassifications (62 thousand euros);
- "Leasehold improvements in progress" decreased by 2,277 thousand euros in 2012 due to the following:
  - an increase of 8,733 thousand euros for new capital investment;
  - a decrease of 9,257 thousand euros deriving from improvements entering service during the period and reclassified under "industrial patent and intellectual property rights", "leasehold improvements" and "concessions, licenses, trademarks and similar rights";
  - contribution of the "car parks" company branch for 103 thousand euros,

  - write-downs of 1,650 thousand euros;
- "Other" intangible fixed assets increased by 3,127 thousand euros. In detail the "leasehold improvements" reduced by 2,773 thousand euros due to the amortization of the period, equal to 39,844 thousand euros, partly offset by the acquisitions of the year (29,639 thousand euros), transfers from work in progress (8,627 thousand euros), contributions to the "direct retail" (524 thousand euros) and "car parks" (593 thousand euros) company branch and negative reclassifications of 78 thousand euros. Instead "transaction costs incurred on loans" rose by 5,900 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 11,552 thousand euros), partly compensated by the amortization of the year equal to 5,652 thousand euros.

The principal leasehold improvements in progress (equal to 8,733 thousand euros) include:

- T3 reconfiguration of the security control area for 755 thousand euros;
- upgrade of rest rooms at terminals for 787 thousand euros;
- T3 upgrade of departure and information area for 701 thousand euros;
- works on loading bridges for 259 thousand euros;
- works on the electromechanical systems of buildings for 395 thousand euros;
- T3 electromechanical upgrade of transport lines in tunnels for 500 thousand euros.

The main leasehold improvements completed during 2012 (equal to 29,639 thousand euros) include:

- upgrade of Bravo-Delta taxiway flooring for 2,455 thousand euros;
- upgrading of runway at Ciampino for 1,290 thousand euros;
- refrigeration unit revision at T1 and T3 for 1,432 thousand euros;
- interventions on evaporation towers for 1,155 thousand euros;
- T1 section road – Ceremonial Office for 575 thousand euros;
- improvements to electric panel systems Cargo City for 616 thousand euros;
- runway resurfacing and signs upgrade for 982 thousand euros;
- electric and "avl" upgrades on runways for 1,193 thousand euros;
- upgrade of commercial areas managed by sub-concessionaires for 716 thousand euros.

Tangible fixed assets

	12-31-2011				CHANGES FOR THE YEAR				12-31-2012			
ASSETS TO BE HANDED OVER:	COST	REVAL. UNDER LAW 72/1983	ACC. DEPREC.	BOOK VALUE	ACQ./CAP.	RECLASS.	DISPOSALS	DEPREC.	COST	REVAL. UNDER LAW 72/1983	ACC. DEPREC.	BOOK VALUE
Land and buildings	21,897,494	465,128	(20,014,393)	2,348,229	23,800	1,429	0	(517,870)	21,922,723	465,128	(20,532,263)	1,855,588
Land and buildings (formerly to be handed over)	179,670,105	1,907,796	(105,033,879)	76,544,022	443,633	(12,778)	(22,638)	(7,057,443)	180,073,828	1,907,796	(112,086,827)	69,894,796
	201,567,599	**2,372,924**	**(125,048,272)**	**78,892,251**	**467,433**	**(11,349)**	**(22,638)**	**(7,575,313)**	**201,996,551**	**2,372,924**	**(132,619,090)**	**71,750,384**
Plant and machinery	150,873,557	0	(97,729,192)	53,144,366	3,008,767	316,905	(1,760,064)	(10,077,632)	147,573,099	0	(102,940,759)	44,632,340
Plant and machinery (formerly to be handed over)	23,522,073		(16,137,257)	7,384,816	206,686	(2,269)	(6,050)	(1,120,359)	23,711,041		(17,248,218)	6,462,823
	174,395,630	**0**	**(113,866,449)**	**60,529,182**	**3,215,453**	**314,636**	**(1,766,114)**	**(11,197,991)**	**171,284,140**	**0**	**(120,188,977)**	**51,095,163**
Industrial and commercial equipment	9,733,851	0	(8,334,749)	1,399,102	143,042	(4)	(95,615)	(419,723)	9,384,748	0	(8,357,945)	1,026,803
	9,733,851	**0**	**(8,334,749)**	**1,399,102**	**143,042**	**(4)**	**(95,615)**	**(419,723)**	**9,384,748**	**0**	**(8,357,945)**	**1,026,803**
Other assets	31,488,612	0	(29,409,385)	2,079,227	248,647	701,458	(175,341)	(1,031,850)	30,446,071	0	(28,623,930)	1,822,141
	31,488,612	**0**	**(29,409,385)**	**2,079,227**	**248,647**	**701,458**	**(175,341)**	**(1,031,850)**	**30,446,071**	**0**	**(28,623,930)**	**1,822,141**
Work in progress and advances	49,643,143	0	0	49,643,143	5,196,656	(1,382,970)	0	0	53,456,829	0	0	53,456,829
	49,643,143	**0**	**0**	**49,643,143**	**5,196,656**	**(1,382,970)**	**0**	**0**	**53,456,829**	**0**	**0**	**53,456,829**
TOTAL TANGIBLE FIXED ASSETS	**466,828,835**	**2,372,924**	**(276,658,855)**	**192,542,905**	**9,271,231**	**(378,229)**	**(2,059,708)**	**(20,224,877)**	**466,568,339**	**2,372,924**	**(289,789,942)**	**179,151,321**

In compliance with the asset regime governed by the new Planning Agreement, all the assets within the Tangible fixed assets category are represented as part of the assets to be handed over, since the new Agreement ceased the constraint of transfer free of charge.

As specified in the paragraph Warnings of these Notes, the assets classified as to be handed over were reclassified, based on their nature, under Land and buildings and Plant and machinery.

None of the assets recorded in tangible fixed assets has a duration longer than the concession.

Net tangible fixed assets decreased by 13,392 thousand euros mainly due to the amortization and depreciation for the year (20,225 thousand euros), contributions (1,840 thousand euros) and the transfer of the vehicle maintenance branch (202 thousand euros), partly offset by investments of 9,271 thousand euros.

The most significant capitalizations during the period include:

- within the category "plant and machinery" (3,215 thousand euros), baggage conveyor belts (446 thousand euros), baggage inspection equipment (510 thousand euros) and electrical equipment (565 thousand euros);
- within the category "work in progress and advances" (5,197 thousand euros), departure area F (formerly Pier C – the portion financed by ADR) for 3,743 thousand euros.

As security for the loans governed by agreements with Romulus Finance Srl ("Romulus Finance"), a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS) – described in detail in the notes to "Payables" – 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. This guarantee is valid until the above loans have been fully repaid.

Equity investments held as non-current financial assets

EQUITY INVESTMENTS IN:	12-31-2011	CHANGES DURING THE PERIOD ACQUISITIONS/ SUBSC. OF CAPITAL	DISPOSALS/ CAPITAL REPAYMENTS	12-31-2012
Subsidiary undertakings				
ADR Engineering SpA	593,925	0	0	593,925
ADR Assistance Srl	6,000,000	0	0	6,000,000
ADR Tel SpA	594,000	0	0	594,000
ADR Advertising SpA	50,399	0	0	50,399
ADR Retail Srl		480,000	(480,000)	0
ADR Mobility Srl		1,700,000		1,700,000
ADR Security Srl		500,000		500,000
ADR Sviluppo Srl	100,000	0	0	100,000
	7,338,324	**2,680,000**	**(480,000)**	**9,538,324**
Associated undertakings				
Consorzio E.T.L. (in liquidation)	10,329	0	0	10,329
Ligabue Gate Gourmet Roma SpA (insolvent)	1	0	0	1
	10,330	**0**	**0**	**10,330**
Other companies				
Aeroporto di Genova SpA	894,437	0	0	894,437
S.A.CAL. SpA	1,306,569	0	0	1,306,569
Leonardo Energia Scarl	1,000	0	0	1,000
	2,202,006	**0**	**0**	**2,202,006**
	9,550,660	**2,680,000**	**(480,000)**	**11,750,660**

The following changes in equity investments were recorded in 2012:

- increase of 2,680 thousand euros due to the subscription, at the time of establishment, of 100% of the capital of ADR Retail, ADR Mobility and ADR Security, as better described in paragraph Warnings of these Notes;
- reduction of 480 thousand euros due to the transfer of the equity investment in ADR Retail.

For further information regarding the performance of Group companies during 2012, reference should be made to the section "Equity investments" in the Management Report on Operations.

A comparison between the carrying amount and the value calculated on the basis of the equity method is provided in the following table:

	REGISTERED OFFICE	CAPITAL	SHAREHOLDERS' EQUITY At 12-31-12	PROFIT/ (LOSS) 2012	INTEREST (%)	INTEREST IN SHAREHOLDERS' EQUITY	CARRYING AMOUNT	VALUATION UNDER ARTICLE 2426, NO. 4 OF THE ITALIAN CIVIL CODE	DIFFERENCE B-A	DIFFERENCE B-C
						(A)	(B)	(C)		
Subsidiary undertakings										
ADR Engineering SpA Unipersonale	Fiumicino (Rome)	774,690	2,948,537	580,685	100%	2,948,537	593,926	(9,915,812)	(2,354,611)	10,509,738
ADR Assistance Srl Unipersonale	Fiumicino (Rome)	6,000,000	7,019,323	815,214	100%	7,019,323	6,000,000	7,019,323	(1,019,323)	(1,019,323)
ADR Tel SpA	Fiumicino (Rome)	600,000	5,180,130	1,253,253	99%	5,128,328	594,000	4,929,442	(4,534,328)	(4,335,442)
ADR Advertising SpA*	Fiumicino (Rome)	1,000,000	1,040,770	284,205	25,5%	265,396	50,399	358,620	(214,997)	(308,221)
ADR Mobility Srl Unipersonale	Fiumicino (Rome)	1,500,000	7,441,995	5,741,995	100%	7,441,995	1,700,000	2,041,995	(5,741,995)	(341,995)
ADR Security Srl Unipersonale	Fiumicino (Rome)	400,000	1,095,139	595,139	100%	1,095,139	500,000	575,139	(595,139)	(75,139)
ADR Sviluppo Srl Unipersonale	Fiumicino (Rome)	100,000	104,323	(3,259)	100%	104,323	100,000	104,323	(4,323)	(4,323)
Associated undertakings										
Consorzio E.T.L. (in liquidation)	Rome	82,633	(58,056)	(17,124)	25%	(14,514)	10,329	(14,514)	24,843	24,843
Total							**9,548,653**			

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

The positive difference between the carrying amount of the equity investment in ADR Engineering SpA and the valuation under article 2426 of the Italian Civil Code primarily derives from the reversal of inter-company income realized by the company from services provided to ADR, capitalized as fixed assets, and is of temporary nature.

As security for the loans taken out via contracts entered into with Romulus Finance, a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS), ADR has granted the lenders a lien on the ADR's shareholdings in the subsidiary undertakings ADR Tel, ADR Advertising, ADR Assistance, 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	12-31-2012
Receivables			
Due from others:			
Public bodies for licenses	24,205	233	24,438
Other	445,966	4,144	450,110
	470,171	**4,377**	**474,548**

The sub-item “other”, equal to 450 thousand euros, consists of guarantee deposits issued by the company in favor of third parties.

There are no receivables falling due beyond five years.

	12-31-2011	CHANGES DURING THE PERIOD	12-31-2012
Other securities			
Bonds	2,758,309	0	2,758,309
	2,758,309	**0**	**2,758,309**

The item "bonds" includes a portion of the A4 bonds issued by the special purpose vehicle, Romulus Finance, purchased in the market by the ADR 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	CONTRIBUTIONS	CHANGES DURING THE PERIOD	12-31-2012
Raw, ancillary and consumable materials	2,691,494		(461,899)	2,229,595
Finished goods and goods for resale:				
goods for resale	8,654,811	(10,063,603)	1,408,792	0
Contract work in progress	6,977,683		1,090,044	8,067,727
	18,323,988	**(10,063,603)**	**2,036,937**	**10,297,322**

The total decrease of 8,027 thousand euros in inventories is due to:

- decrease in inventories of “raw, ancillary and consumable materials” of 462 thousand euros due to the transfer of the vehicle maintenance branch, including a vehicle spare parts warehouse of 955 thousand euros; this effect is partly offset by the increase in stocks of accident prevention material and chemical products remained within the ADR;
- elimination of the stocks of "goods for resale" (directly managed duty-free and duty-paid shops) following the transfer of the company branch to ADR Retail;
- a 1,090 thousand euro increase in stocks of “contract work in progress”, 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, a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS), 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, and other goods forming part of ADR's inventory. This guarantee is valid until the above loans have been fully repaid.

Current receivables

	12-31-2011	CHANGES DURING THE PERIOD		12-31-2012
		INCREASES (+) /REPAYMENTS (-)	PROVISIONS (-)/ VALUE RECOVERIES (+)	
Due from clients	223,840,566	(6,194,669)	0	217,645,897
less				
allowance for doubtful accounts	(42,106,947)	2,355,812	(20,057,257)	(59,808,392)
allowance for overdue interest	(8,109,311)	102,225	0	(8,007,086)
	173,624,308	**(3,736,632)**	**(20,057,257)**	**149,830,419**
Due from subsidiary undertakings	9,106,673	8,155,805	0	17,262,478
Due from associated undertakings	482,332	0	0	482,332
Due from parent companies	319,741	7,908,448	0	8,228,189
Due from tax authorities	26,388,929	7,812,443	0	34,201,372
Deferred tax assets	33,662,345	4,361,083	0	38,023,428
Due from others:				
sundry	59,141,965	(12,932,212)	0	46,209,753
advances to suppliers for services	140,417	5,338	0	145,755
	59,282,382	**(12,926,874)**	**0**	**46,355,508**
	302,866,710	**11,574,273**	**(20,057,257)**	**294,383,726**

“Due from clients”, net of allowances for doubtful accounts, amounts to 149,830 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 reduction of 23,794 million euros is mainly attributable to higher provisions to the allowance for doubtful accounts deriving from the greater risks on the recoverability of receivables arising from the financial difficulties faced by several customers and the disputes regarding some fees deriving from the uncertain regulatory framework.

This item includes amounts due to the Group from Alitalia Group companies under special administration, totaling 20.1 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 subsidiary undertakings”, totaling 17,262 thousand euros, increased by 8,156 thousand euros compared with December 31, 2011, due to an increase in both trade and financial receivables. A breakdown of receivables due from subsidiary undertakings shows that 11,342 thousand euros derives from trading relations (8,112 thousand euros as of December 31, 2011) and 5,920 thousand euros from relations of varying nature in connection with the receivables for dividends allocated on an accruals basis (zero in 2011). At December 31, 2012 there are no financial receivables from subsidiary undertaking (994 thousand euros as at December 31, 2011).

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

“Due from parent companies”, equal to 8,228 thousand euros comprises trade receivables for 426 thousand euros (320 thousand euros at 12/31/2011) and amounts due from tax consolidation for 7,802 thousand euros (zero at 12/31/2011), which include 7,081 thousand euros of the credit deriving from the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs. For further information, reference should be made to the item "Extraordinary income and expense".

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

“Due from tax authorities”, equal to 34,201 thousand euros, includes 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 7.8 million euro increase in tax credits includes the payment in the year of the installments above for 2.4 million euros, the increase in the VAT credit for 2.9 million euros and the IRAP credit for 2.5 million euros.

“Deferred tax assets”, totaling 38,023 thousand euros, registered an increase of 4,361 thousand euros with respect to December 31, 2012, primarily due to provisions made to the allowance for doubtful accounts. For further information, reference should be made to the item “Income taxes”.

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

		BALANCE AT 12.31.2011 (A)		INCREASE (B)		DECREASE (C)		CONTRIBUTION (D)		BALANCE AT 12.31.2012 (A+B+C+D)	
	% RATE	TAXABLE	TAX	TAXABLE	TAX	TAXABLE	TAX	TAXABLE	TAX	TAXABLE	TAX
DEFERRED TAX ASSETS											
Allowances for risks and charges	27.5% - 32.62%	46,026	14,654	2,121	620	8,545	2,744	242	67	39,359	12,468
Allowance for obsolete and slow moving goods	27.50%	294	82	313	86	61	17	429	118	116	32
Provision for doubtful accounts	27.50%	40,982	11,271	18,948	5,211	1,232	339	0	0	58,698	16,142
Staff provisions	27.50%	6,742	1,854	5,391	1,483	5,953	1,637	1,100	303	5,081	1,397
Accelerated amortization/depreciation	27.50%	722	199	0	0	129	35	0	0	593	163
Other	27.50%	20,362	5,601	8,945	2,460	456	125	117	32	28,734	7,902
Total deferred tax assets		**115,128**	**33,660**	**35,718**	**9,860**	**16,376**	**4,897**	**1,888**	**520**	**132,581**	**38,104**
DEFERRED TAX LIABILITIES											
Dividends	27.50%	0	0	(296)	(81)	0	0	0	0	(296)	(81)
Gains	27.50%	0	0	(7)	(2)	(7)	(2)	0	0	0	0
Total deferred tax liabilities		**0**	**0**	**(303)**	**(83)**	**(7)**	**(2)**	**0**	**0**	**(296)**	**(81)**
TOTAL		**115,129**	**33,660**	**35,415**	**9,777**	**16,369**	**4,895**	**1,888**	**520**	**132,285**	**38,023**

DEFERRED TAX ASSETS (LIABILITIES) IN THE I/S **(4,880)**

“Due from others: sundry”, dropped by 12,927 thousand euros during the year, and includes (43,150 thousand euros) the balance of the Debt Service Reserve Account (55,709 thousand euros as at 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). Debt servicing currently has different weightings in the above-mentioned six-month periods, so the due dates on which the reserve is increased (in March) and decreased (in September) alternate constantly.

As security for the loans governed by agreements with Romulus Finance, a syndicate of banks, EIB and Intesa Sanpaolo (formerly BIIS) ADR has granted 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 ADR 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, ADR Tel, ADR Advertising, ADR Assistance, ADR Mobility and ADR Security.

Amounts due as of December 31, 2012 (294,384 thousand euros) comprise trade receivables (161,598 thousand euros), financial receivables (43,649 thousand euros) and sundry receivables (89,137 thousand euros). There are no promissory notes or similar bills.

The following table shows a geographical breakdown of the Company’s trade receivables (in thousands of euros):

(EUROS/THOUSAND)	ITALY	OTHER EU COUNTRIES	REST OF EUROPE	AFRICA	ASIA	AMERICA	TOTAL
Due from clients	141,500	7,089	873	38	260	70	**149,830**
Due from parent companies	426	0	0	0	0	0	**426**
Due from subsidiary undertakings	11,342	0	0	0	0	0	**11,342**
	153,268	**7,089**	**873**	**38**	**260**	**70**	**161,598**

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

Cash on hand and in banks

	31-12-2011	CHANGES DURING THE PERIOD	12-31-2012
Bank and post office deposits	172,539,799	208,890,900	381,430,699
Cash and notes in hand	862,184	(774,758)	87,426
	173,401,983	**208,116,142**	**381,518,125**

As at December 31, 2012, the Group's cash on hand and in banks were 381,518 thousand euros, recording a net increase of 208,116 thousand euros compared to the previous year mainly due to the collection of the sale of the stake in ADR Retail.

"Bank deposits" include, in particular, the following current accounts under ADR's loan agreements, subject to special use constraints:

- the "Recoveries Account", in which any cash deriving from extraordinary transactions and insurance claims must be deposited. As at December 31, 2012 the balance in the account amounted to 0.7 million euros compared to 11.1 million euros of December 31, 2011 because, by virtue of a specific waiver granted by the lenders, the cash previously blocked on this account was released in favor of the contractual condition of price adjustment of the sale of ADR Handling;
- the account called "loan collateral", with a balance of 100.5 million euros on which, in relation to the retention regime in force in 2012, in the application dates of March and September, an additional 48.3 million euros were deposited, intended for the repayment of Line A1 of the Romulus Finance loan falling due;
- two new accounts with a total balance of 218.7 million euros, with similar purposes to the mentioned Recoveries Account. On these, the collection from the sale of ADR Retail (229.4 million euros) was deposited, partly used for the payment of the transaction costs incurred on the sale. This amount, net of additional transaction costs, price adjustment and related taxes, is subject to a constraint on the allocation for the repayment of Line A1.

As security for the loans governed by agreements with Romulus Finance, a syndicate of banks, the EIB and Intesa Sanpaolo (formerly BIIS), ADR has granted a lien on all the Company's current accounts governed by a specific agreement ("*Account Bank Agreement*"). This guarantee is valid until the above loans have been fully repaid.

As of December 31, 2012, 25.3 million euros (43.4 million euros as at December 31, 2011) was held in two ADR current accounts not subject to the constraints of the financial contracts (even in case of cash sweep). This amount derives from free cash flow generated before 2008 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	12-31-2012
Prepaid expenses			
Service costs	1,344,310	(815,960)	528,350
Expenses for leased assets	4,998	(1,704)	3,294
Payroll costs	10,875	8,543	19,418
Other operating costs	27,000	23,508	50,508
Finance costs	3,773,192	(1,348,513)	2,424,679
	5,160,375	**(2,134,126)**	**3,026,249**

During the year prepaid expenses dropped by 2,134 thousand euros due to the simultaneous decrease in the "service costs" (down 816 thousand euros) and "finance costs" (down 1,349 thousand euros) components.

"Finance costs", amounting to 2,425 thousand euros as at December 31, 2012 comprises prepayments, not accruing in the period, of the following premiums:

- 2,307 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 that correspond to Facility A ;
- 118 thousand euros (120 thousand euros at December 31, 2011) paid to Intesa Sanpaolo (formerly BIIS), the bank that has guaranteed the loan granted to ADR SpA by the EIB.

Shareholders' equity

	CAPITAL (1)	SHARE PREMIUM RESERVE	REVALUATION RESERVES	LEGAL RESERVE	STATUTORY RESERVES	RESERVE FOR OWN SHARES	AVAILABLE RESERVE	RETAINED EARNINGS (LOSSES)	INCOME (LOSS) FOR THE YEAR	TOTAL
Balances as at 12.31.2009	**62,309,801**	**667,389,495**	**0**	**12,461,960**	**0**	**0**	**416,300**	**16,766,361**	**5,093,594**	**764,437,511**
Allocation of the result for the year:										
allocation to reserves								5,093,594	(5,093,594)	**0**
Income (loss) for the year									21,267,045	**21,267,045**
Balances as at 12.31.2010	**62,309,801**	**667,389,495**	**0**	**12,461,960**	**0**	**0**	**416,300**	**21,859,955**	**21,267,045**	**785,704,556**
Allocation of the result for the year:										
allocation to reserves								21,267,045	(21,267,045)	**0**
Other changes	(85,058)						85,058	180,323		**180,323**
Income (loss) for the year									39,686,164	**39,686,164**
Balances as at 12.31.2011	**62,224,743**	**667,389,495**	**0**	**12,461,960**	**0**	**0**	**501,358**	**43,307,323**	**39,686,164**	**825,571,043**
Allocation of the result for the year:										
allocation to reserves								39,686,164	(39,686,164)	**0**
Income (loss) for the year									259,173,595	**259,173,595**
Balances as at 12.31.2012	**62,224,743**	**667,389,495**	**0**	**12,461,960**	**0**	**0**	**501,358**	**82,993,487**	**259,173,595**	**1,084,744,638**

(1) of which: Ordinary shares (of the face value 1 euro) no. 62,224,743

The Company's "share capital" amounts to 62,224,743 euros, represented by 62,224,743 shares with a par value of 1 euro each.

Changes in shareholders' equity during the year reflect the net income of 259,174 thousand euros reported for 2012 and the allocation of the net income of 39,686 thousand euros reported for 2011. This was approved by the General Meeting of Shareholders on April 3, 2012, whereby this income was allocated to retained earnings. The following statement shows changes in shareholders' equity during the year and a breakdown of available and distributable reserves:

	AMOUNT	USEFUL LIVES	AVAILABLE PORTION	SUMMARY OF THE RELEASES MADE IN THE YEARS 2010 TO 2012	
				TO COVER LOSSES:	FOR OTHER REASONS:
Capital	**62,224,743**				**(85,058)**
Capital reserves					
Share premium reserve	667,389,495	A, B, C (*)	667,389,495		
Profit reserves					
Legal reserve	12,461,960	B			
Available reserve	501,358	A, B, C	501,358		
Retained earnings	82,993,487	A, B, C	82,993,487		
Total capital and reserves	**825,571,043**		**750,884,340**		
Undistributable amount (as defined by art. 2426, no.5)			0		
Distributable amount			**750,884,340**		

(*) distributable for the entire amount, given that the legal reserve has reached the limit as defined by art. 2430 of the Italian Civil Code

Legend: A: for capital increase; B: to cover losses C: for distribution to shareholders

The available portion of reserves may be fully distributed without incurring tax expense.

Allowances for risks and charges

	12-31-2011	CHANGES DURING THE PERIOD			12-31-2012
		PROVISIONS	CONTRIBUTIONS	RELEASES/ REABSORPTION	
Taxation, including deferred taxes	26,092,600	4,349	0	0	26,096,949
Other:					
current and potential disputes	48,596,922	2,094,200	(241,988)	(9,116,514)	41,332,620
insurance deductibles	1,728,799	17,116	0	0	1,745,915
restructuring	1,073,147	0	0	(481,878)	591,269
to cover investee companies' losses	15,000	10,000	0	0	25,000
fixed assets to be handed over	6,240,000	0	0	(6,240,000)	0
	57,653,868	**2,121,316**	**(241,988)**	**(15,838,392)**	**43,694,804**
	83,746,468	**2,125,665**	**(241,988)**	**(15,838,392)**	**69,791,753**

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 2012 the procedure for the collection by the Customs Office of the sum due ended; this is equal to 26.1 million euros and was paid by ADR in 36 installments 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".

As part of “current and potential disputes”, a provision of 2,094 thousand euros was made in order to provide cover for likely potential liabilities and releases in the year in relation to new disputes/risks in the relationships with employees, customers, etc. Releases equal 9,117 thousand euros, of which 7.4 million euros relate to the revocation action Volare under special administration.

The allowance for “restructuring”, allocated in 2009-2010 to cover the restructuring program launched, which will enable implementation of redundancy schemes regarding around 280 staff, has been released for an amount of 482 thousand euros.

“Fixed assets to be handed over”, equal 6,240 thousand euros as at December 31, 2011, were reabsorbed. Indeed, the approval of the new Planning Agreement, and the related Investment plan, meaning a thorough future infrastructural reorganization of the Roman airport system, in addition to new rules for the transfer of assets upon the expiry of the concession, makes this fund no longer necessary.

Employee severance indemnities

BALANCE AS OF 12-31-2011	23,461,324
Changes during the period	
Provisions to the income statement	4,203,123
Releases to pay indemnities	(328,166)
Releases to pay advances	(763,026)
Amounts allocated to pension funds or to the Treasury Fund	(3,361,652)
Contributions	(6,550,796)
Other changes	(1,119,094)
BALANCE AS OF 12-31-2012	15,541,713

In 2012, employee severance indemnities of the ADR Group report a net decrease of 7,920 thousand euros. Against a provision of 4,203 thousand euros, the employee severance indemnities were reduced due to the releases to pay indemnities and advances, equaling 1,091 thousand euros, and an amount of 3,362 thousand euros for indemnities accrued during the year paid into pension funds and especially due to the contributions (6,551 thousand euros) as detailed below:

- 1,431 thousand euros relating to the 227 resources belonging to the “direct sales” company branch transferred to ADR Retail;
- 751 thousand euros relating to the 53 resources belonging to the “car parks” company branch transferred to ADR Mobility;
- 4,369 thousand euros relating to the 793 resources belonging to the “security” company branch transferred to ADR Security.

“Other changes” includes employee severance indemnities of 1,253 thousand euros relating to the 71 people in the “vehicle maintenance” company branch transferred to a third party, effective from 11/1/2012.

Payables

	12-31-2011	CHANGES DURING THE PERIOD	12-31-2012
Due to banks	172,673,908	(74,409,777)	98,264,131
Due to other financial institutions	1,214,161,886	(154,280)	1,214,007,606
Advances:			
a) from the Ministry of Transport	3,111,461	(238,805)	2,872,656
b) from clients	5,658,505	(279,464)	5,379,041
Due to suppliers	115,261,788	(24,740,744)	90,521,044
Due to subsidiary undertakings	17,426,781	13,383,462	30,810,243
Due to associated undertakings	968,680	0	968,680
Due to parent companies	17,165,031	(16,811,818)	353,213
Taxes due	46,498,097	(5,632,158)	40,865,939
Due to social security agencies	6,417,490	(2,493,010)	3,924,480
Other payables: sundry creditors	69,598,405	3,314,586	72,912,991
	1,668,942,032	**(108,062,008)**	**1,560,880,024**

"Due to banks" totaling 98,264 thousand euros, includes:

- 97,850 thousand euros representing the principal on long-term lines of credit granted to ADR denominated BOPI Facility (17,850 thousand euros) and EIB Term Loan (80,000 thousand euros);
- 414 thousand euros of amounts due from ADR for interest and commissions accrued during the period but not yet settled.

The decrease of 74,410 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 8,500 thousand euros of the Intesa Sanpaolo (formerly BIIS) loan in connection with payment of installments, falling due in March and September 2012;
- a reduction of 388 thousand euros in the amounts due for interest and commissions accrued during the period but not yet settled.

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

INSTITUTION	NAME	AMOUNT (MIL OF EUROS)		INTEREST	REPAYMENT	DURATION	EXPIRY
		RESIDUES AS AT 12.31.2012	USED AS AT 12.31.2012				
Syndicate of banks	Term Loan (*)	236.0	0.0	variable index-linked to the Euribor + margin	expiring in	2 years	Feb. 2015
	Revolving Facility	100.0	0.0	variable index-linked to the Euribor + margin	revolving	2.8 years	Feb. 2015
		336.0	**0.0**				
Banca BIIS	BOPI Facility	17.9	17.9	variable index-linked to the Euribor + margin	after 5 years in six-month installments	12 years	Mar. 2015
EIB	EIB Term Loan	80.0	80.0	variable index-linked to the Euribor + margin	expiring in	10 years	Feb. 2018
	Total	**433.9**	**97.9**				

(*) 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 ADR for a total of 100 million euros, falling due in February 20, 2013. The syndicate of banks comprises Banca Nazionale del Lavoro SpA, Barclays Bank Plc, Crédit Agricole Corporate & Invest Bank, Mediobanca – Banca di Credito Finanziario SpA (Mediobanca), Natixis S.A., The Royal Bank of Scotland N.V. and UniCredit SpA.

On May 31, 2012, with the stipulation of a new loan agreement granted by the same syndicate 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 lines will expire in February 2015. Following the two partial cancellations requested by ADR in October and December 2012, the Term Loan line reduced by 164 million euros, for which the residual amount as at 12/31/2012 equals 236 million euros. In 2013, only 156 million euros were used of this amount and 50 million euros were converted to increase the Revolving Facility, which therefore rose, from February 2013, to 150 million euros; the residual amount of 30 million euros was canceled.

The line of credit denominated the BOPI Facility was granted on February 19, 2003 by Intesa Sanpaolo (formerly 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 17,850 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 payment of installments falling due in 2010-2012.

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 Intesa Sanpaolo (formerly 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 1,214,008 thousand euros. The item includes the principal of 1,200,019 thousand euros due from ADR to Romulus Finance and 13,989 thousand euros consisting of interest accrued on the above-mentioned loans and not yet paid.

The decrease of 154 thousand euros compared to December 31, 2011 is exclusively attributable to the interest component.

It should be recalled that the loan granted by Romulus Finance in February 2003 arose from the transfer without recourse to Romulus Finance 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:

INSTITUTION	NAME	AMOUNT (MIL OF EUROS)	INTEREST	REPAYMENT	DURATION	EXPIRY
Romulus Finance Srl	**A1**	500.0	fixed	expiring in	10 years	Feb. 2013
	A2	200.0	variable index-linked to the Euribor + margin	expiring in	12 years	Feb. 2015
	A3	175.0	variable index-linked to the Euribor + margin	expiring in	12 years	Feb. 2015
	A4	325.0	variable index-linked to the Euribor + margin until 12/20/09 and then fixed	expiring in	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 48.3 million euros in the account denominated “loan collateral", which was added to the amounts collateralized during the same year, for a total of 100.5 million euros as of December 31, 2012.

The **hedging policy**, an integral part of the loan agreements entered into by ADR, requires that at least 50% of all debt be hedged against fluctuations in interest rates.

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.

At December 31, 2012, 63.6% of ADR's lines of credit have fixed interest rates (at December 31, 2011: 60.1%) and hedging agreements are not active.

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 ADR's and ADR Mobility's inventory, as well as any receivables deriving from the sale of these assets;

- a lien on all receivables by ADR, ADR Tel, ADR Advertising, ADR Assistance, ADR Mobility and ADR Security and contracts with clients and the insurance policies.
- a lien on ADR's, ADR Mobility's and ADR Security's bank current accounts;
- a lien on ADR's shareholdings in ADR Tel, ADR Advertising and ADR Assistance, 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 covenants 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 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);
- an embargo on the payment of dividends and prohibition of the use such funds to carry out authorized investments;
- 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 timeframes 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;
- prohibition of the acquisition of financial assets and of taking out new loans, even if they are designed to repay existing borrowings; and
- 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.

“Due to suppliers”, equaling 90,521 thousand euros, dropped by 24,471 thousand euros due to the decreased volume of capital investment during the period and due to the break-up of the directly managed retail outlets, with the consequent absence of the payables relating to the purchase of goods for resale.

“Due to subsidiary undertakings” increased by 13,383 thousand euros in relation to the higher trade payables mainly relating to the subsidiary undertaking ADR Security, which were contracted airport security activities, following the transfer of the “security” company branch. A breakdown of the amounts due to subsidiary undertakings shows that 28,911 thousand euros derives from trading relations (16,572 thousand euros as at December 31, 2011) and 1,899 thousand euros from financial relations (855 thousand euros as at December 31, 2011).

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

The item “Due to parent companies” totaled 353 thousand euros and it is entirely made of trade payables; the decrease of 16,812 thousand euros compared to the end of the previous year substantially derives from the elimination of payables to Gemina for tax consolidation; the advances in the year, together with the withholding tax on interest, exceed the estimated IRES tax burden for the year, highlighting a receivable from the consolidating company reported in the appropriate asset item.

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 40,866 thousand euros, were down 5,632 thousand euros on the previous year, essentially due to the combined effect of:

- elimination of IRAP payables, equal to 1.5 million euros at the end of last year;
- lower amounts due to the tax authorities for the municipal surtax on passenger fees for 3.2 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 38,887 thousand euros as of December 31, 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.

"Due to social security agencies" reduced by 2,493 thousand euros, of which 0.9 million euros refer to the contributions and the remaining to the lower payable relating to December, settled in January 2013, in relation to the reduction of the workforce employed by the Company.

"Other payables: sundry creditors" increased overall by 3,315 thousand euros mainly due to the greater debt entered for the cost of the fire prevention fund of 2012 equal to 8.3 million euros. The amounts due recorded in the financial statements regarding the years from 2007 to 2012 total 51.1 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; This increase was partially compensated by the reduction in amounts payable to staff for 3.1 million euros in relation to the divestiture of company branches.

Briefly, as of December 31, 2012 total payables of 1,560,880 thousand euros include 1,314,171 thousand euros of a financial nature, 129,006 thousand euros of trade payables and 117,703 thousand euros of sundry items.

A breakdown of the Company's trade payables by geographical area is not provided as it is not significant given the limited amount due to overseas creditors (1.2 million euros out of a total of 90.5 million euros). Foreign currency payables exposed to exchange rate risk total 28 thousand euros and refer to services supplied.

Payables secured by collateral on the Group's assets amount to 1,312,272 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.

Accrued expenses and deferred income

	12-31-2011	CONTRIBUTIONS	CHANGES DURING THE PERIOD	12-31-2012
Deferred income				
Sub-concessions and license fees	478,209		(74,342)	403,867
Other	2,003,808	(616,117)	166,418	1,554,109
	2,482,017	**(616,117)**	**92,076**	**1,957,976**

The sub-item "Other", totaling 1,554 thousand euros as of December 31, 2012, includes 358 thousand euros for the advance billing of miscellaneous services, and 1,196 thousand euros regarding grants collected but not accruing during the period. The reduction compared to the end of the previous year is attributable to the deferred income for the advance billing of advertising and car parks channeled to the "direct sales" and "car parks" company branches.

Notes to the memorandum accounts

General guarantees

	12-31-2012	12-31-2011
Sureties:		
in the interest of third parties	110,522	110,522
Other:		
in the interest of subsidiary undertakings	507,841	715,841
	618,363	**826,363**

Commitments on purchases and sales

	12-31-2012	12-31-2011
Commitments on purchases		
Investments:		
due from subsidiary undertakings	7,872,279	7,602,428
electronic equipment	83,753	361,353
maintenance and services	3,002,538	1,650,789
self-financed works	70,440,367	73,593,440
	81,398,937	**83,208,010**
Commitments on sales	**0**	**0**
Total commitments on purchases and sales	**81,398,937**	**83,208,010**

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 38.6 million euros. This figure relates to extension activities only, and does not include maintenance. The figure may be calculated with more certainty depending on the interpretation which will be given pursuant to current legislation and once the specific projects have been carried out on the types of interventions to be done. 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 years 2006-2012 for about 4.5 million euros under extraordinary items with a contra-entry in allowances for risks and charges (3.2 million euros as at December 31, 2012). The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years.

Other memorandum accounts

	12-31-2012	12-31-2011
General guarantees received		
Sureties	164,671,342	150,953,297
	164,671,342	**150,953,297**
Third party assets on free loan deposited in custody, leased or similar		
leased assets	11,063	11,063
CAA - plant and equipment at Fiumicino	119,811,701	119,811,701
CAA - plant and equipment at Ciampino	29,293,608	29,293,608
Work carried out on behalf of the State	692,022,535	689,369,115
	841,138,907	**838,485,487**
Other cases		
assets leased to subsidiary undertakings	93,223	93,223
	93,223	**93,223**
Total other memorandum accounts	**1,005,903,472**	**989,532,007**

“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 2012.

The item "Assets leased to subsidiary undertakings" includes the value of the intangible and tangible fixed assets (93 thousand euros) that form part of the advertising business unit leased by ADR to the subsidiary undertaking, ADR Advertising SpA, as reported in the unit's balance sheet prepared on February 28, 2003. The above unit also includes net payables due to personnel (severance indemnities, vacation pay, etc.) and social security agencies (294 thousand euros), which were settled by the parties in cash.

Notes to the income statement

Total revenues

Revenues

	2012	2011	CHANGE
Revenues from sales:			
"*Non-aeronautical*" activities:			
Duty Free and *Duty Paid*	17,717,365	89,363,926	(71,646,561)
Other	3,960,832	3,166,493	794,339
	21,678,197	**92,530,419**	**(70,852,222)**
Revenues from services:			
"Aeronautical" activities:			
Fees	178,963,764	181,608,044	(2,644,280)
Security	68,327,537	70,349,984	(2,022,447)
Centralized infrastructures	41,622,263	40,493,331	1,128,932
Other	32,762,095	31,019,552	1,742,543
	321,675,659	**323,470,911**	**(1,795,252)**
"Non-aeronautical" activities:			
Sub-concessions and utilities	166,022,668	130,121,645	35,901,023
Car parks	10,523,928	31,712,296	(21,188,368)
Advertising	738,140	2,821,134	(2,082,994)
Refreshments	4,614,367	7,639,357	(3,024,990)
Other	23,566,156	21,482,030	2,084,126
	205,465,259	**193,776,462**	**11,688,797**
	527,140,918	**517,247,373**	**9,893,545**
Revenues from contract work	**2,653,419**	**9,059,909**	**(6,406,490)**
TOTAL REVENUES FROM SALES AND SERVICES	**551,472,534**	**618,837,701**	**(67,365,167)**
Changes in contract work in progress	**1,090,044**	**(3,668,453)**	**4,758,497**
Grants and subsidies	184,020	446,371	(262,351)
TOTAL REVENUES	**552,746,598**	**615,615,619**	**(62,869,021)**

Revenues total 552,747 thousand euros. Of these, 58.2% derived from aeronautical activities and 41.8% from non aeronautical activities (52.5% and 47.5% in 2011 respectively). The configuration of the company's revenues was deeply influenced by the spin-off transactions concluded in the first portion of the year.

“Revenues from sales”, equal to 21,678 thousand euros, decreased by 76.6% compared to 2011, due to the transfer to the subsidiary undertaking ADR Retail of the company branch relating to the direct sales business effective from April 2, 2012.

“Revenues from services” totaled 527,141 thousand euros, up by a total of 1.9% on 2011. Against an increase of the sub-concessions and utilities of 27.6% mainly deriving from royalties provided by the sub-concession of the car parks to ADR Mobility and the outlets dedicated to the sale of core categories to ADR Retail, a reduction was recorded of the revenues relating to car parks (down 66.8%) and advertising (down 73%). Also the canteen management activities entrusted to third parties since July 1, 2012 dropped by 39.6%.

"Revenues from contract work", amounting to 2,653 thousand euros, 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. "Changes in contract work in progress" equaling 1,090 thousand euros, includes the works carried out in the year, but not recharged yet.

For additional analysis reference should be made to the paragraph "ADR SpA's results for the period" of the Management Report on Operations.

Segment information

The type of activity carried out by the Company does not permit a breakdown of the various areas of activity into fully independent segments in relation to markets and customers. The "traffic" element currently affects all the 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 three 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/or duty paid[2] outlets.

Finally, the category, "Other activities", includes the sale of advertising[3] space, the management of car parks[4] and refreshment[5] facilities, security, left luggage, 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 ASSETS	TOTAL
			SUB-CONCESSIONS	DIRECT SALES		
2012	178,964	41,622	166,023	21,678	144,460	**552,747**
2011	181,608	40,493	130,122	92,530	170,863	**615,616**
Change	(2,644)	1,129	35,901	(70,852)	(26,403)	**(62,869)**
% change	(1.5%)	2.8%	27.6%	(76.6%)	(15.5%)	**(10.2%)**

Total revenues can be broken down into two macro-areas:

[2] carried out by ADR until April 2, 2012, the effective date of the transfer of the "direct sales" company branch to ADR Retail

[3] advertising inside the outlets, carried out by ADR until April 2, 2012 (please see previous note)

[4] carried out by ADR until May 3, 2012, the effective date of the transfer of the "car park" company branch to ADR Mobility; ADR, in its capacity as owner of the concession, continues to carry out the activities to manage the parking of taxis, public and private buses, the management of the parking of hired vehicles with driver and the service vehicles and the vehicles of the employees of Administrations, public security, public authorities and government bodies.

[5] until June 30, 2012

- "Aeronautical" (including fees, handling, management of centralized infrastructure, security services, left luggage, assistance to passengers with reduced mobility, etc.) amounting to 321,676 thousand euros, compared with 323,471 thousand euros in 2011;
- "Non-aeronautical" (including sub-concessions and utilities, direct sales, the management of advertising space and car parks, refreshments, design and contract work on behalf of the state) amounting to 231,071 thousand euros, compared with 292,145 thousand euros in 2011.

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

Other income and revenues

	2012	2011
Grants and subsidies	**184,020**	**446,371**
Gains on disposals	**7,283**	**1,940**
Other:		
Releases:		
Release from allowance for overdue interest	12,773	15,916
Release from allowances for risks and charges	6,240,000	2,519
Damages and compensation from third parties	1,206,800	6,799,259
Expense recoveries	4,046,700	1,497,583
Recovery of personnel expenses	112,012	154,806
Revaluations of prior years	7,447,283	5,902,230
Other income	2,075,889	1,634,283
	21,141,457	**16,006,596**
	21,332,760	**16,454,907**

"Grants and subsidies" include grants relating to management training programs, mainly funded by Fondimpresa.

As part of "other" revenues, the following is to be noted:

- "Release from allowances for risks and charges" relates in 2012 to the re-absorption of the provisions for fixed assets to be handed over mentioned in the notes to the Allowances for risks and charges;
- "Damages and compensation from third parties" equal 1,207 thousand euros compared to 6,799 thousand euros of 2011, which included the compensation deriving from the positive outcome of the dispute on 100% of the checked baggage;
- "Expense recoveries", equal to 4,096 thousand euros, include expense recoveries from subsidiary companies relating to various services and the local property taxes charged to the sub-concessionaire; this latter component is mostly accountable for the increase of 2.5 million euros recorded in comparison with the previous year;
- "Revaluations of prior years", amounting to 7,447 thousand euros, primarily derives from the definition of costs and revenues, formerly estimated at the end of the previous year.

Operating costs

Amortization, depreciation and write-downs

Amortization and depreciation during the period amounted to 118,413 thousand euros (115,743 thousand euros in 2011), of which 98,188 thousand euros relating to intangible fixed assets and 20,225 thousand euros relating to tangible fixed assets (94,713 thousand euros and 21,030 thousand euros in the previous year respectively). Amortization of intangible fixed assets includes the charge for the amortization of the concession, amounting to 50,096 thousand euros.

Further details are provided in the note to fixed assets.

Provisions for doubtful accounts totaled 20,057 thousand euros (6,643 thousand euros in 2011) and reflect an updated assessment of the recoverability of the ADR's receivables against the greater risks on the financial difficulties faced by several customers and the disputes regarding some fees deriving from the uncertain regulatory framework.

Provisions for risks and other charges

	2012	2011
Current and potential disputes	2,094,201	20,261,659
Insurance deductibles	17,116	169,782
	2,111,317	**20,431,441**

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 Company is exposed.

Other operating costs

	2012	2011
Losses on disposals	326	0
Concession fees	35,720	13,904
Other costs	10,492,374	8,869,495
	10,528,420	**8,883,399**

The item "Other", amounting to 10,492 thousand euros, primarily comprises:

- 973 thousand euros for membership fees (1,003 thousand euros in 2011);
- indirect taxes and duties for 5,015 thousand euros (3,707 thousand euros in 2011), including 4,531 thousand euros for local property taxes compared to the local property taxes recorded in 2011 for 2,442 thousand euros;
- 3,084 thousand euros for updated valuations of costs and revenues recognized in the 2011 financial statements (2,441 thousand euros in the previous year).

Finance income (costs), net

Income from equity investments

	2012	2011
Dividends from subsidiary undertakings	5,920,000	0
	5,920,000	**0**

“Dividends from subsidiary undertakings” refers to dividends posted on an accruals basis, relating to the 2012 profit of the subsidiary undertakings:

- ADR Mobility for 5,400 thousand euros as per the proposed profit allocation, approved by the company's Board of Directors on February 12, 2013;
- ADR Security for 520 thousand euros as per the proposed profit allocation, approved by the company's Board of Directors on February 15, 2013;

Other finance income

	2012	2011
Finance income on securities recorded in non-current financial assets that do not qualify as equity investments	**395,035**	**379,821**
Other		
Interest on overdue current receivables:		
Clients	52,573	244,343
Interest and commissions received from other companies:		
Interest from subsidiary undertakings	21,325	46,575
Interest from banks	2,016,778	2,713,999
Other	97,340	47,006
	2,583,051	**3,431,744**

“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, which ADR purchased on February 13, 2009.

"Interest from banks", totaling 2,017 thousand euros, fell by 697 thousand euros compared with 2011, despite the increase in average liquidity held during the year, due to the reduction in interest rates.

Interest expense and other financial charges

	2012	2011
Interest paid to subsidiary undertakings	21,577	6,431
Interest and commissions due to others and sundry charges:		
Interest and commissions paid to banks	7,375,695	5,197,523
Interest and commissions paid to other financial institutions	61,771,939	63,755,230
Provisions for overdue interest on doubtful accounts	0	94,902
Other	1,181,710	5,938,138
	70,350,921	**74,992,224**

“Interest and commissions paid to banks” increase by 2,178 thousand euros despite the lower average exposure deriving from reimbursements of the Term Loan Facility, due to the increase of the commissions of failed use acknowledged on the Revolving Facility and the commissions acknowledged on the new Term Loan line, as mentioned in the notes on the Payables, usable in February 2013.

Instead “interest and commissions paid to other financial institutions” are down by 1,983 thousand euros compared to the previous year due to the reduction of the interest paid on Tranches A2 and A3 with a floating rate.

“Other” basically consisted of the differential, negative for both the comparison periods, matured on the interest rate collars. The impact is lower in 2012 since the funding expired in February 2012.

Foreign exchange gains/(losses)

	2012	2011
Foreign exchange gains	9,927	40,532
Foreign exchange losses	3,435	7,511
	6,492	**33,021**

The conversion of receivables and payables denominated in non-EU currencies at closing exchange rates resulted in a net income of 469 euros.

Adjustments to financial assets

Write-downs

“Write-downs of equity investments” equal 10 thousand euros and refer to the investment in the Consorzio E.T.L. in liquidation.

Extraordinary income and expense

Income

	2012	2011
Gains on disposals	**227,682,000**	**0**
Other		
Income and recovery of expenses relating to previous years deriving from:		
Operating costs	0	23,108
Other operating costs	24,815	0
Reversal of liabilities	108,291	1,785,606
Taxes relating to previous years	7,081,339	16,747
Other extraordinary income	737,500	7,060
	7,951,945	**1,832,521**
	235,633,945	**1,832,521**

“Gains on disposals” consists of the gain of 227.7 million euros from the sale of the investment (100%) in the subsidiary undertaking ADR Retail to Aelia S.A.S. Against a carrying amount of the investment of 0.5 million euros, the consideration for the transfer was 228.2 million euros, equal to the offered price of 229.4 million euros, net of the adjustment of 1.2 million euros made on the basis of the contractual agreements in relation to the company's financial position on the effective date of the transfer (September 30, 2012). It should be noted that “extraordinary expense” includes the costs incurred for the transfer.

“Taxes relating to previous years” include the allocation of the amount which will be requested to repay for the tax periods 2007-2011, with the methods and terms set by the Tax Office, in relation to the lower IRES due for the analytical deduction of IRAP paid on payroll costs. Art. 2 of Law Decree 201/2011 introduced, starting from 2012, deductibility for income tax purposes of IRAP relating to the taxable amount of the expenses for payroll costs. With the amendment made by Law Decree 16/2012, the same deduction is applied also in relation to the taxation periods prior to 2012.

In 2012 the item “Other extraordinary income” consists of the insurance claim received for the theft that took place at the central warehouse in 2010.

Expense

	2012	2011
Taxes relating to previous years	**27,207**	**0**
Other		
Extraordinary expense deriving from:		
Operating costs	64,213	151,566
Payroll costs	96,210	0
Exceptional asset write-downs	1,569,662	1,224,004
	1,730,085	**1,375,570**
Other extraordinary expense:		
Payments due for lost cargo	127,775	39,180
Fines	190,245	67,068
Damages and compensation paid to third parties	0	7,795
Other extraordinary expense	390,264	0
Costs relating to extraordinary operations	13,524,066	249,000
	14,232,350	**363,043**
	15,962,435	**1,738,613**
	15,989,642	**1,738,613**

In 2012 “Exceptional asset write-downs” include, for 1.1 million euros, the allocation in the income statement of the costs incurred in previous years, and suspended in the fixed assets, in relation to the project of the new Viterbo airport, which will no longer be created as established in the new Planning Agreement.

“Costs relating to extraordinary operations”, equal to 13.5 million euros, includes 10.9 million euros for the costs incurred for the transfer of ADR Retail and 2.6 million euros of costs incurred for the spin-off transactions and the procedures for the sale of ADR Mobility, subsequently withdrawn.

Income taxes

	2012	2011
Current taxes		
Income from tax consolidation	(278,582)	(355,058)
Expenses from tax consolidation	31,520,300	35,379,194
	31,241,718	**35,024,136**
IRAP	13,071,169	15,595,745
	44,312,887	**50,619,881**
Deferred tax (assets) liabilities		
Deferred tax assets	(9,776,000)	(8,166,000)
Deferred tax liabilities	4,896,000	(6,000)
	(4,880,000)	**(8,172,000)**
	39,432,887	**42,447,881**

It should be remembered that, having met the related prerequisites, ADR and the other Group companies (ADR Engineering SpA, ADR Tel SpA, ADR Assistance Srl and ADR Sviluppo Srl) 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, it was decided to continue posting the assets and allowances that generated temporary differences in the individual companies' financial statements.

Pursuant to the above tax legislation, against the taxable income transferred by ADR to the consolidating company, Gemina, "expenses from tax consolidation" of 31,520 thousand euros (regarding IRES) has been recorded. Income from tax consolidation of 279 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.

The calculation of IRES, included in the expenses from tax consolidation, benefited from the introduction of ACE (economic growth assistance) pursuant to Law Decree 201/2011, which led to the exclusion from the taxable base of an amount of 1.8 million euros corresponding to the notional return (equal to 3% for 2011), referable to the profits reinvested in the company.

IRES[6] accounts for 10.6% of the pre-tax result compared to the expected rate of 27.5%. Reconciliation of the statutory and effective rates is provided in the table below.

	2012	2011
Pre-tax income (loss)	298,606	82,134
Statutory rate (IRES)	*27.5%*	*27.5%*
Taxation at statutory rate	82,117	22,587
Effect of increases (decreases) in the ordinary rate:		
Non-deductible costs	9,782	6,177
Other income (gains on disposals)	(59,482)	0
Other permanent differences	(5,689)	(647)
Temporary differences (increases)	9,824	11,671
Temporary differences (decreases)	(5,032)	(4,409)
Expenses from tax consolidation	**31,520**	**35,379**
Effective rate	*10.6%*	*43.1%*

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 1,565 thousand euros 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 December 24, 2010, respectively.

[6] For the purposes of calculating the tax rate for IRES, IRES expense was added to the income and expenses from tax consolidation.

Other information

Headcount

The following table shows the average number of employees of ADR by category:

AVERAGE HEADCOUNT	2012	2011	CHANGE
Managers	37.3	38.2	(0.9)
Administrative staff	162.3	163.8	(1.5)
White-collar	906.7	1,536.4	(629.7)
Blue-collar	270.1	342.0	(71.9)
Total	**1,376.4**	**2,080.4**	**(704.0)**

Remuneration of Directors and Statutory Auditors

In accordance with art. 2427 of the Italian Civil Code, the remuneration of Directors and Statutory Auditors is shown in the table below (cumulatively for each category in euros) (€000):

	CATEGORY	REMUNERATION	OTHER REMUNERATION (D)	TOTAL
Directors	(a)	110	18	128
Executive Directors	(b)	80	11	91
Statutory Auditors	(c)	228	4	232
Total		**418**	**33**	**451**

(a) remuneration determined pursuant to art. 2389, paragraph I, of the Italian Civil Code, approved by the General Meeting of April 15, 2010 and June 8, 2011;
(b) see resolutions of Board of Directors' meetings of April 15, 2010 and May 13, 2010, pursuant to art. 2389, paragraph III, of the Italian Civil Code; on June 11, 2010 a specific agreement was signed between Gemina and ADR regarding remuneration of the Chairman;
(c) see resolution of the General Meeting of Shareholders of April 15, 2010;
(d) social security charges incurred by the Company (14 thousand euros for Directors and 2 thousand euros for Statutory Auditors) and the reimbursement of expenses.

The General Meeting of June 8, 2011 re-determined the number of the members of the Board of Directors (from 14 to 11), with a consequent reduction in the annual global gross remuneration to be attributed to the Board of Directors for 2011 and 2012, to the tune of 110 thousand euros.

At a meeting on July 2, 2010 the Board of Directors approved payment of annual global gross remuneration of 75 thousand euros to the members of the Supervisory Board pursuant to Legislative Decree no. 231/2001. In the meeting of May 9, 2011 the Board, at the same time as appointing the internal member, specified the remuneration of 10 thousand euros due to him/her, to be intended as include in the remuneration, as "Internal Audit".

Remuneration of independent auditors

In accordance with art. 149-12 of the Issuers' Regulations, which apply to ADR as it is a company controlled by a listed company (Gemina), a breakdown of the fees paid to the ADR Group's principal independent auditors is shown in the table below (€000):

TYPE OF SERVICE	SERVICE PROVIDER	RECIPIENT	REMUNERATION 2012
Auditing	Deloitte & Touche SpA	ADR	196
Certification services	Deloitte & Touche SpA	ADR	70
Other Services (*)	Deloitte Financial Advisory Services SpA	ADR	295
Other Services (*)	Deloitte ERS Srl	ADR	35
TOTAL			**596**

(*) Vendor Due Diligence activities relating to the sale procedures of ADR Retail and ADR Mobility
(**) methodological support to the Company to check the suitability of existing company procedures

Shareholdings of Directors and Statutory Auditors

None of the Directors or Statutory Auditors hold shares in the Company.

Number of shares

The share capital of 62,224,743 euros is represented by 62,224,743 shares with a par value of 1 euro each. As at December 31, 2012 the interest of the majority shareholder, Gemina, amounts to 95.90% (59,674,225 shares).

Condensed financial statements of Gemina SpA for the year ended December 31, 2011

From August 2, 2007, ADR qualifies as a company "managed and coordinated" by Gemina, which wholly owned Leonardo Srl, subsequently merged into Gemina. Key data from the financial statements of Gemina as at December 31, 2011, the latest available financial statements approved by the company's General Meeting of Shareholders on April 19, 2012, are shown in the table below (in euros):

Financial statements of Gemina SpA for the year ended December 31, 2011

BALANCE SHEET (€000)

ASSETS		12-31-2011
Non-current assets		
Tangible assets	2	
Investments in subsidiary undertakings	1,843,283	
Other investments	32	
Deferred tax assets	125	
Other non-current financial assets	221	
Total non-current assets		**1,843,663**
Current assets		
Trade receivables	432	
Other receivables	19,645	
Other current financial assets	3,346	
Cash and cash equivalents	5,340	
Total current assets		**28,763**
Total assets		**1,872,426**
SHAREHOLDERS' EQUITY AND LIABILITIES		12-31-2011
Shareholders' equity		
Share Capital	1,472,960	
Capital reserves	199,707	
Hedging reserve	(130)	
Other reserves	83,106	
Retained earnings (losses) relating to previous years	55,593	
Income (loss) for the year	(6,616)	
Total shareholders' equity		**1,804,620**
Non-current liabilities		
Employee benefits	107	
Allowances for risks and charges	9,100	
Debt net of the current portion	41,295	
Total non-current liabilities		**50,502**
Current liabilities		
Trade payables	1,799	
Current financial liabilities	605	
Allowances for risks and charges	2,037	
Financial instruments - derivatives	174	
Liabilities for current taxes	10,929	
Other current liabilities	1,760	
Total current liabilities		**17,304**
Total shareholders' equity and liabilities		**1,872,426**

INCOME STATEMENT (€000)

		2011
Income (expense) from equity investments		**30**
Net financial income (expense)		**(2,843)**
Payroll costs	(2,159)	
Other operating costs	(4,413)	
Net provisions	(112)	
Amortization and depreciation	(12)	
Revenues	1,004	
Total net operating costs		**(5,692)**
Pre-tax net income (loss)		**(8,505)**
Tax income (expense)		1,889
Income (loss) for the year		**(6,616)**

Information concerning disputes

Administrative, civil and labor litigation is followed by the company through its internal legal department which has provided, for the preparation of the accounts, a complete and exhaustive breakdown of the different civil, administrative and arbitration proceedings outstanding as of that date. As regards litigation as a whole, the company carried out a valuation of the risk of negative outcomes leading to the creation of a specific allowance under “Allowances for risks and charges” to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions in accordance with the principles and procedures governing the preparation of financial statements. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

Tax litigation

Significant disputes involving ADR are summarized below:

- Following an audit carried out on ADR, in 2006 the Tax Office of Rome (UTF) issued demands for payment of a total of 5.9 million euros (including interests, expenses and sanctions), regarding failure to pay the tax on electricity consumption and the related surtax for the period 2002-2006 in addition to notifications of administrative irregularities. 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”. ADR appealed the demands in question before the Provincial Tax Commission, defined with a favorable outcome for the company. In the appeals against the sentences presented by the Customs Office, the Lazio Regional Tax Commission confirmed the outcome in first instance. The Attorney General's Office contested the sentences issued by the Regional Tax Commission and ADR took formal legal action.
- Similarly with the audit undertaken, for the years 2002-2006, by the former Rome Tax Office, in 2011, the Customs Office audited ADR on its taxation of the consumption, excise tax and surcharge on electricity in the period 2007-2010. Following this audit, the Customs Office notified the company, in October 2012, of a demand for payment and the imposition of administrative sanctions totaling 5.2 million euros. The company, given the favorable outcome of the dispute concerning the period 2002 – 2006, appealed to the Provincial Tax Commission, with a request to suspend the collection. The Tax Office notified the company of the tax assessment for the VAT due on the challenged taxation of the consumption for 2007. An appeal has been filed for this too.

- In 2007, the Rome Customs District Office notified ADR of reported irregularities in the sales carried out at its duty free shops in the period 1/1/1993 – 1/31/1998 to passengers traveling within the EU that exceeded duty free allowances in terms of amount and value, ordering payment regarding VAT, excise duties and tobacco duties, as a result of the findings set out for a total of 22.3 million euros. ADR appealed before the Provincial Tax Commission, which was rejected with a ruling of the Commission in April 2009. Therefore the Custom Office activated the procedure to collect the sum due, equal to 26.1 million euros (including interest and expenses), which ADR paid by installment. ADR lodged an appeal against the sentence submitted in first instance, rejected with sentence of May 2010 of the Provincial Tax Commission for Rome. 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. Therefore, in preparing the financial statements for 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. On March 5, 2013 the hearing was held to discuss the appeal to the Supreme Court; downstream of the debate, the Company is waiting for the sentence to be filed.

Administrative, civil and labor litigation

Significant disputes involving ADR are summarized below.

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 Economy, in which the right is denied to include any component of the purchase cost of the airport management concession for Fiumicino and Ciampino 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 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”), there are the disputes proposed in February 2006:
  - before the civil court of Rome against the Ministry of Infrastructure and Transport, to obtain compensation 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. With sentence of 2010 the court rejected ADR's claims. An appeal was proposed; the case is adjourned until June 25, 2014 to pronounce the final judgment;
  - before the Lazio Administrative Court with a view to revoking the guidelines issued by the Ministry of Infrastructure and Transport on December 30, 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 2006, fixing the level of temporary airport fees. With sentence of 2007 the Lazio Administrative Court rejected ADR's claims. ADR lodged an appeal against sentence; the hearing is adjourned until June 18, 2013.

- In November 2007, ADR lodged an appeal with the Lazio Regional Administrative Court to obtain cancelation of CIPE Resolution no. 38/07 and the "Directive regarding tariff regulation of airport services offered on an exclusive basis". Subsequently, ADR appealed against the Guidelines issued by the Civil Aviation Authority in implementation of this Directive.
- In 2009-2012 ADR presented an appeal to the Lazio Regional Administrative Court against the Decrees of the Ministry of Infrastructure and Transport published from time to time and containing the adjustment of the airport fees in line with the target inflation rate for 2008-2011.

These active disputes (under the four points above) will be withdrawn by ADR to fulfill the provisions of the recently approved Planning Agreement.

- 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 before the Lazio Regional Administrative Court. These notifications stipulate that EU fees should be applied to 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 of June 2012, the Lazio Administrative Court declared the appeal inadmissible "having to exclude that the notes being appealed against express orders taken", excluding 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 11 million euros plus interest (as of December 2012). Obviously, the fees claimed by carriers would in turn be verified in a court of law.

  On this subject, in July 2011, Swiss International Airlines Ltd ("Swiss") summoned ADR to return the sum of 5.2 million euros (including interest, subsequently reduced to 1.6 million euros, due to a material error made in the initial quantification) equal to the amount paid in excess by Swiss from 2002 to 2009 for landing and take-off fees. In August 2011, ADR was notified a similar deed, again by Swiss, with a request equal to 3.5 million euros (including interest) concerning the passenger boarding fees.

  Darwin Airline SA and Sirina SA (formerly Flybaboo) notified similar injections in 2012, claiming 0.4 million euros for 2004-2011 and 0.3 million euros for 2007-2010 for landing and take-off fees and passenger boarding fees paid in excess, respectively.
- In July 2011 ADR was notified, in its capacity as involved party, the appeal lodged before the Lazio Regional Administrative Court by IBAR and ten airlines for the cancelation of the letter of May 11, 2011 with which ENAC 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 numerous airlines, at the end of 2011 ADR filed the relevant appeals for injunctions to recover its expired credit regarding fees until September 2011 for 3.8 million euros, of which 3.6 million euros from Alitalia. In June 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 euros 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. On November 6, 2012 ADR filed a third injunction against Alitalia for 1.9 million euros regarding the invoices issued until September 2012, net of the payments made by Alitalia for a value of 0.38 euro per passenger. On November 27, 2012 the Judge rejected the injunction and ADR is now assessing the alternative of protecting the receivable of that injunction, by ordinary civil action with summons.

Airport Fuel Supply Fees

- In 2006 ADR appealed to the Lazio Administrative Court against the Civil Aviation Authority's memorandum of February 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, and checked by CAA, of the incurred cost data for the offer of the service to the oil companies. An announcement of the date of a hearing to discuss the matter is awaited. Also this active dispute will be withdrawn by ADR to fulfill the provisions of the recently approved Planning Agreement.
- IBAR (Italian Board Airlines Representatives) and 6 carriers lodged an appeal with the Lazio Administrative Court, against the Civil Aviation Authority's memorandum of September 15, 2006, 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". 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 in order to ascertain the obligation to pay oil companies the amounts that the company owes to airport operators and to order the carriers to pay ENI the amounts accrued to this effect since October 2005. In the same claim, ENI has also brought a secondary claim against airport operators, including ADR, 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, ENI requests that the Company be ordered to pay an amount corresponding to the sum paid since October 2005, totaling 0.2 million euros, and that it be determined that ENI does not owe ADR the amount of 1.1 million euros (as determined for the period up to May 2006), which is as yet unpaid. The issue of the sentence is awaited.
- AirOne has taken out legal proceedings at the Civil Tribunal of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators including ADR 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 – be ordered to repay the sum paid by Airone since 2003, amounting to 2.9 million euros. With no definitive sentence in 2012, the Judge provided an expert to examine the case which is set to be heard on September 25, 2013.

Concession fees

- In May 1999, ADR appealed Ministry of Finance Decree of March 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 ended with the sentence of 2004 which upheld ADR SpA's position.
- In 2003 ADR lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 which established the new methods for calculating annual fees due from the full-service airport operators. In a parallel civil court judgment, with sentence of 2007 the Court of Rome, accepting ADR's request, declared that any amounts greater than the concession fees due for the years 2003-2005 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 appealed before the Lazio Administrative Court, without suspensive relief, the Civil Aviation Authority directive of July 2009 which included a table indicating the amounts of the contributions due from each operator for the fire prevention fund. In 2010 additional grounds were provided against the subsequent Civil Aviation Authority directive of December 2009, which reiterated the request to operators to make the related payments as soon as possible. An announcement of the date of the relevant hearing is awaited.

  With a sentence in 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 fire prevention fund contribution "given that such contributions, as demonstrated, are to be allocated for purposes other than those laid down by law". With sentence 2011 the Regional Tax Commission (2nd instance), accepting the appeal of the authorities, reformed the abovementioned 1st instance sentence.

  In September 2012, the Ministers of Interior and Economy and Finance notified ADR an injunction, demanding the payment of 34.3 million euros plus interest concerning the years 2007-2010 to the so-called fire prevention fund. ADR, like the other operators who were notified with injunctions, refused. At the first hearing of the parties on March 7, 2013, the Judge took it under advisement on the provisional execution demand of the injunction, put forward by the Attorney's Office.

Antitrust authority

- In a resolution of September 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. Against this part of the sentence, ADR appealed before the Lazio Administrative Court. On October 12, 2012 the notice of filing the decision decree of the Regional Administrative Court of abatement of judgment was notified.

- In April 2012, the Antitrust Authority started an investigation to verify whether the requests made by ADR towards Hertz Italia ("Hertz") may result in the abuse of a dominating position in the car rental without driver services in Fiumicino airport. Hertz, despite having stipulated an agreement with ADR for the sub-concession at the airport of car rental activities without driver, 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. In light of this activity, ADR requested Hertz to comply with the contractual commitments assumed, as well as pay an equal amount for the profitable activity carried out (shuttle inside the grounds). With sentence assumed by the Authority on February 7, 2013, the proposal of commitment put forward by ADR was accepted and the investigation was closed without ascertaining any infraction of the regulations and thus no fine was applied.

Noise abatement measures

- In relation to Ministerial Decree of November 29, 2000 regarding the criteria to draw up noise reduction and abatement plans and to make provisions in line with forecast penalties if such limits should be exceeded, all the airport operators filed appeals before the Council of State to obtain an annulment of Lazio Regional Administrative Court's sentence of 2002.

  With sentence of 2004, the appeals were partially rejected. In particular the Council of State deemed that the reduction obligation arises on the occurrence of two conditions: i) identification of the boundaries of the areas concerned; ii) verification, according to a precise schedule, of instances when noise pollution limits are exceeded outside the areas covered by the regulations 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 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"). 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 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"; 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 Ciampino airport, 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 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. With Ordinance of 2007 the Council of State upheld Ryanair's appeal (and therefore the original application for suspensive relief submitted by the airline). In 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 of 2008 the Council of State rejected Ryanair's demands.

Building plan

- In March 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 ("Quadrante Ovest" and "Fiumicino Nord"). With this decision, ADR's interest was recognized, together with its active authorization to safeguard the suitable and necessary conditions of the territory for air traffic development.

  The owners of the land concerned and the municipal office of Fiumicino appealed to the Council of State. With sentence of February 22, 2013, the Council of State accepted the appeals substantially on procedural grounds.

Bankruptcy proceedings involving clients

- A series of sentences passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia SpA under special administration, Volare SpA under special administration, Alitalia Express SpA under special administration, Alitalia Servizi SpA under special administration, Alitalia Airport SpA under special 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 under special administration and Alitalia Airport under special administration.
- In 2009 Volare Airlines SpA under special administration and Air Europe SpA in special 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 and an order requiring ADR to pay back a sum of 6.7 million euros and 1.8 million euros. With sentence of June 2011, the Court ordered ADR to pay the requested amounts; the company lodged an appeal. Regarding the ruling for Volare Airlines in special administration, with sentence filed on July 2012, the Appeal Court of Milan rejected ADR's appeal. In order to avoid the enforceable proceeding, ADR paid 7.4 million euros (including interests and expenses). The hearing for Air Europe is adjourned until March 6, 2014 to pronounce the final judgment.
- In 2011 Livingston SpA under special 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, requiring the company to pay back a sum of 1.0 million euros. The issue of the sentence is awaited.

- In August 2011 the companies of the Alitalia group under special administration entered into civil proceedings before the Court of Rome 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 issue of a sentence in the Alitalia revocation action is awaited; for the other disputes, the hearings for final judgment were scheduled during 2013.

Labor disputes

- A group of 16 parties summoned 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 around 9.8 million euros. The dispute was settled in favor of ADR by a sentence in June 2010. 14 parties have appealed and ADR has taken formal legal action. A further hearing has been fixed for December 2, 2014.

Tenders

- ATI Alpine Bau, which was awarded the contract for works relating to the upgrading of runway 3 at Fiumicino airport, appealed sentence of 2006 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. The appeal reiterates the claims for damages made in first instance (66 million euros, plus legal interest accrued from the time of the claim). With partial judgment of July 2012, the Court of Appeal arranged an expert, still in charge, adjoining the case until January 28, 2014.
- 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 restructuring and extension works at the “old” domestic terminal at Fiumicino airport (1988). With partial judgment of 2008 the Court of Rome rejected the claims of the plaintiff, whilst accepting the claim for interest for alleged late payments subsequently estimated by the expert at 0.2 million euros. A hearing has been scheduled for March 20, 2014 for final judgment.
- In 2005 Fondedile Costruzioni Srl lodged an appeal against sentence of 2004 of the Civil Court of Rome. This appeal reiterates the claim submitted in first instance for 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. Due to the replacement of the reporting judge, the proceedings were adjourned and a new hearing was set to pronounce the final judgment for December 13, 2013.
- In January 2012 the ATI Salini – Ircop appealed to the Lazio Administrative Court against ADR for the cancellation, with prior suspension, of the rulings to exclude the ATI, due to an anomaly in the economic bid, from the procedure to entrust the upgrading works of runway 2 at Fiumicino airport, as well as for the acknowledgement of the damages deriving from the failed awarding. With sentence of December 14, 2012, the Regional Administrative Court rejected the claim of the ATI.
- With ruling filed on March 15, 2012, the Appeal Court of Rome fully rejected the appeal of Consorzio Aerest relating to the compensation of the damage, quantified at 2.2 million euros, which the same asserted to have incurred during the contract for the extension and restructuring of the international terminal at Rome’s Fiumicino airport and related works (90s).

- ATI NECSO Entrecanales – Lamaro Appalti has appealed to the Supreme Court against the sentence of the Court of Appeal, which in 2011 fully rejected the claim for damages for 9.8 million euros, plus interest, revaluation and costs, in relation to claims posted in the contract accounts relating to the contract for work on the extension and restructuring of Satellite Ovest (Satellite West) at Fiumicino airport. A hearing to discuss the case has not been scheduled yet.
- With reference to the evolution of the negotiations with ATI Cimolai, which was awarded with the construction works at departure area F (formerly Pier C), it is noted that, with the signature of the Planning Agreement, the main assumption is met to entirely restart all the works previously slowed down in connection with the failed finalization of the tariff agreement. However it is still necessary to define the methods to restart the works as an assumption for the definitive waiving of the claims by the ATI.

Claims for damages

- In 2011 ADR received a claim for damages for 27 million dollars for direct damages (the indirect ones are still being defined) from AXA Assicurazioni, who insures Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to a bird strike taking place on November 10, 2008 at Ciampino airport. ADR declines any responsibility for the event.

  Should the survey being conducted by the competent authorities reveal ADR's clear responsibility, the compensation would be covered by the third-party liability insurance policy of the Airport Operator.

In the company's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

* * *

In conclusion, we declare that these financial statements present a true and fair view of the Company's financial position and results of operations for the period.

THE BOARD OF DIRECTORS

Annexes

List of significant equity investments

ADR ENGINEERING SPA UNIPERSONALE

Date of incorporation	February 21, 1997
Tax Code and Companies' Register	Rome 05256281006
R.E.A.	Rome 867594
Registered office	00054 Fiumicino - Via Lago di Traiano, 100
Share capital	774,690 euros represented by 1,500 shares with a par value of 516.46 euros each

Holding: 1,500 shares with voting rights at ordinary general meeting, amounting to 100%

ADR ASSISTANCE SRL UNIPERSONALE

Date of incorporation	June 23, 2008
Tax Code and Companies' Register	Rome 10062661003
R.E.A.	Rome 1206621
Registered office	00054 Fiumicino – Via dell'Aeroporto di Fiumicino 320
Share capital	6,000,000.00 euros

100% of voting rights at ordinary general meeting

ADR TEL SPA

Date of incorporation	July 31, 2002
Tax Code and Companies' Register	Rome 07169231003
R.E.A.	Rome 1014944
Registered office	00054 Fiumicino - Via dell'Aeroporto di Fiumicino, 320
Share capital	600,000 euros represented by 600,000 shares with a par value of 1 euros each

Holding: 600,000 shares with voting rights at ordinary general meeting, amounting to 100% (including 1% held via ADR Sviluppo Srl)

ADR ADVERTISING SPA

Date of incorporation	January 10, 2003
Tax Code and Companies' Register	Rome 07336861005
R.E.A.	Rome 1027780
Registered office	00054 Fiumicino – Office Tower, Leonardo da Vinci Airport
Share capital	1,000,000 euros represented by 500,000 ordinary shares and 500,000 preference shares both with a par value of 1 euro each

Holding: 255,000 ordinary shares with voting rights at ordinary general meeting, amounting to 51% of the share capital

ADR MOBILITY SRL

Date of incorporation	May 3, 2012
Tax Code and Companies' Register	Rome 11910191003
R.E.A.	Rome 1336321
Registered office	00054 Fiumicino – Via dell'Aeroporto di Fiumicino, 320
Share capital	1,500,000 euros

100% of voting rights at ordinary general meeting

ADR SECURITY SRL

Date of incorporation	May 2, 2012
Tax Code and Companies' Register	Rome 11908061002
R.E.A.	Rome 1336192
Registered office	00054 Fiumicino – Via dell'Aeroporto di Fiumicino, 320
Share capital	400,000 euros

100% of voting rights at ordinary general meeting

ADR SVILUPPO SRL UNIPERSONALE	
Date of incorporation	July 27, 2001
Tax Code and Companies' Register	Rome 06708221004
R.E.A.	Rome 984688
Registered office	00054 Fiumicino - Via dell'Aeroporto di Fiumicino, 320
Share capital	100,000 euros

100% of voting rights at ordinary general meeting

CONSORZIO E.T.L. – EUROPEAN TRANSPORT LAW (IN LIQUIDATION)	
Date of incorporation	June 24, 1999
Tax Code and VAT Number	Rome 05813501003
R.E.A.	Rome 924720
Registered office	c/o Studio Commercialista Rag. Roberto Pratesi, Circ.ne Nomentana 256 – 00162 Rome
Consortium fund	82,633.11 euros

25% of voting rights at Management Board meetings

LIGABUE GATE GOURMET ROMA SPA (INSOLVENT)	
Date of incorporation	November 20, 1997
Tax Code and Companies' Register	Venice 03016170270
Registered office	30030 Tessera (VE) – Marco Polo Airport
Share capital	103,200 euros represented by 20,000 shares with a par value of 5.16 euros each

Holding: 4,000 shares with voting rights at ordinary general meeting, amounting to 20%

SOCIETA AEROPORTUALE CALABRESE - S.A.CAL. SPA	
Date of incorporation	February 23, 1990
Tax Code and Companies' Register	Catanzaro 01764970792
Registered office	Lamezia Terme (CZ) Lamezia Terme International Civil Airport
Share capital	7,755,000 euros represented by 15,000 shares with a par value of 517 euros each

Holding: 2,485 shares with voting rights at ordinary general meeting, amounting to 16.57%

AEROPORTO DI GENOVA SPA	
Date of incorporation	July 12, 1985
Tax Code and Companies' Register	Genoa 02701420107
Registered office	Genova Sestri – Passenger Terminal
Share capital	7,746,900.00 euros represented by 15,000 shares with a par value of 516.46 euros each

Holding: 2,250 shares with voting rights at ordinary general meeting, amounting to 15%

Financial and operational highlights of subsidiary and associated undertakings

ADR Engineering SpA

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012	12-31-2011
Intangible fixed assets	34	92
Tangible fixed assets	4	13
Non-current financial assets	3	0
A. – Fixed assets	**41**	**105**
Inventory	4,652	4,409
Trade receivables	2,051	4,265
Other assets	568	353
Trade payables	(2,659)	(3,665)
Allowances for risks and charges	(548)	(532)
Other liabilities	(897)	(1,335)
B. – Working capital	**3,167**	**3,495**
C. – Invested capital, minus short-term liabilities (A+B)	**3,208**	**3,600**
D. – Employee severance indemnities	**855**	**744**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**2,353**	**2,856**
financed by:		
Share capital	775	775
Reserves and retained earnings	1,593	1,009
Net income (loss) for the year	581	584
F. – Shareholders' equity	**2,949**	**2,368**
G. – Short-term net borrowing		
short-term borrowing	0	516
cash and current receivables	(596)	(28)
(G)	**(596)**	**488**
I. – Total as in "E" (F+G)	**2,353**	**2,856**

RECLASSIFIED INCOME STATEMENT (€000)	2012	2011
A.- Revenues	**5,430**	**6,283**
B.- Revenues from ordinary activities	**5,430**	**6,283**
Cost of materials and external services	(2,087)	(2,706)
C.- Gross margin	**3,343**	**3,577**
Payroll costs	(2,451)	(2,469)
D.- GROSS OPERATING INCOME	**892**	**1,108**
Amortization and depreciation	(67)	(96)
Allowances for risks and charges	(24)	(29)
Other income (expense), net	11	45
E.- OPERATING INCOME	**812**	**1,028**
Finance income (costs), net	(3)	(24)
F.- Income before extraordinary items and taxes	**809**	**1,004**
Extraordinary income (expense), net	116	3
G.- Income before taxes	**925**	**1,007**
Current taxes for the year	(349)	(335)
Deferred tax assets (liabilities) for the year	5	(88)
H.- Net income (loss) for the year	**581**	**584**

ADR Assistance Srl

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012	12-31-2011
Intangible fixed assets	1,113	1,294
Tangible fixed assets	1,137	1,193
A. – Fixed assets	**2,250**	**2,487**
Trade receivables	4,540	4,038
Other assets	705	237
Trade payables	(920)	(612)
Allowances for risks and charges	(241)	(1)
Other liabilities	(1,826)	(1,434)
B. – Working capital	**2,258**	**2,229**
C. – Invested capital, minus short-term liabilities (A+B)	**4,508**	**4,716**
D. – Employee severance indemnities	**4**	**7**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**4,504**	**4,709**
financed by:		
Share capital	6,000	6,000
Reserves and retained earnings	204	103
Net income (loss) for the year	815	101
F. – Shareholders' equity	**7,019**	**6,204**
G. – Medium/long-term borrowing	**0**	**0**
H. – Short-term net borrowing (net cash and cash equivalents)		
short-term borrowing	0	0
cash and current receivables	(2,515)	(1,495)
(G+H)	**(2,515)**	**(1,495)**
I. – Total as in "E" (F+G+H)	**4,504**	**4,709**

RECLASSIFIED INCOME STATEMENT (€000)	2012	2011
A.- Revenues	**16,433**	**14,767**
B.- Revenues from ordinary activities	**16,433**	**14,767**
Cost of materials and external services	(2,796)	(2,498)
C.- Gross margin	**13,637**	**12,269**
Payroll costs	(11,713)	(10,948)
D.- GROSS OPERATING INCOME	**1,924**	**1,321**
Amortization and depreciation	(669)	(636)
Allowances for risks and charges	(240)	(1)
Other income (expense), net	181	193
E.- OPERATING INCOME	**1,196**	**877**
Finance income (costs), net	2	5
F.- Income before extraordinary items and taxes	**1,198**	**882**
Extraordinary income (expense), net	437	1
G.- Income before taxes	**1,635**	**883**
Current taxes for the year	(902)	(779)
Deferred tax assets (liabilities) for the year	82	(3)
	(820)	**(782)**
H.- Net income (loss) for the year	**815**	**101**

ADR Tel SpA

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012	12-31-2011
Intangible fixed assets	3,443	4,112
Tangible fixed assets	115	174
A. – Fixed assets	**3,558**	**4,286**
Inventory	134	0
Trade receivables	4,743	4,973
Other assets	239	301
Trade payables	(4,260)	(4,545)
Allowances for risks and charges	(64)	(54)
Other liabilities	(677)	(487)
B. – Working capital	**115**	**188**
C. – Invested capital, minus short-term liabilities (A+B)	**3,673**	**4,474**
D. – Employee severance indemnities	**420**	**402**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**3,254**	**4,072**
financed by:		
Share capital	600	600
Reserves and retained earnings	3,327	2,558
Net income (loss) for the year	1,253	769
F. – Shareholders' equity	**5,181**	**3,927**
G. – Medium/long-term borrowing	**0**	**0**
H. – Short-term net borrowing (net cash and cash equivalents)		
short-term borrowing	0	478
cash and current receivables	(1,927)	(333)
(G+H)	**(1,927)**	**145**
I. – Total as in "E" (F+G+H)	**3,254**	**4,072**

RECLASSIFIED INCOME STATEMENT (€000)	2012	2011
A.- Revenues	**10,702**	**11,072**
Capitalized costs and expenses	15	0
B.- Revenues from ordinary activities	**10,718**	**11,072**
Cost of materials and external services	(6,247)	(7,135)
C.- Gross margin	**4,471**	**3,937**
Payroll costs	(1,156)	(1,122)
D.- GROSS OPERATING INCOME	**3,314**	**2,815**
Amortization and depreciation	(1,499)	(1,808)
Other provisions	(59)	(56)
Allowances for risks and charges	(10)	(50)
Other income (expense), net	52	398
E.- OPERATING INCOME	**1,798**	**1,299**
Finance income (costs), net	(4)	(23)
F.- Income before extraordinary items and taxes	**1,794**	**1,276**
Extraordinary income (expense), net	71	(39)
G.- Income before taxes	**1,865**	**1,237**
Current taxes for the year	(621)	(435)
Deferred tax assets (liabilities) for the year	9	(32)
	(612)	**(467)**
H.- Net income (loss) for the year	**1,253**	**769**

ADR Advertising SpA

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012	12-31-2011
Intangible fixed assets	0	0
Tangible fixed assets	772	1,033
A. – Fixed assets	**772**	**1,033**
Trade receivables	8,096	7,186
Other assets	1,777	1,687
Trade payables	(8,095)	(7,680)
Allowances for risks and charges	(93)	(93)
Other liabilities	(235)	(721)
B. – Working capital	**1,450**	**377**
C. – Invested capital, minus short-term liabilities (A+B)	**2,222**	**1,411**
D. – Employee severance indemnities	**185**	**177**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**2,037**	**1,234**
financed by:		
Share capital	1,000	1,000
Reserves and retained earnings	(243)	(802)
Net income (loss) for the year	284	559
F. – Shareholders' equity	**1,041**	**757**
G. – Medium/long-term borrowing	**0**	**0**
H. – Short-term net borrowing (net cash and cash equivalents)		
short-term borrowing	996	498
cash and current receivables	0	(20)
(G+H)	**996**	**477**
I. – Total as in "E" (F+G+H)	**2,037**	**1,234**

RECLASSIFIED INCOME STATEMENT (€000)	2012	2011
A.- Revenues	**16,371**	**17,613**
B.- Revenues from ordinary activities	**16,371**	**17,613**
Cost of materials and external services	(14,058)	(15,041)
C.- Gross margin	**2,314**	**2,572**
Payroll costs	(635)	(611)
D.- GROSS OPERATING INCOME	**1,678**	**1,962**
Amortization and depreciation	(350)	(413)
Other provisions	(506)	(668)
Allowances for risks and charges	0	0
Other income (expense), net	(179)	(184)
E.- OPERATING INCOME	**644**	**696**
Finance income (costs), net	(38)	(9)
F.- Income before extraordinary items and taxes	**606**	**687**
Extraordinary income (expense), net	36	0
G.- Income before taxes	**642**	**687**
Current taxes for the year	(358)	(458)
Deferred tax assets (liabilities) for the year	0	330
	(358)	**(128)**
H.- Net income (loss) for the year	**284**	**559**

ADR Mobility Srl

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012
Intangible fixed assets	748
Tangible fixed assets	1,309
A. – Fixed assets	**2,057**
Trade receivables	3,182
Other assets	418
Trade payables	(1,970)
Allowances for risks and charges	(31)
Other liabilities	(3,901)
B. – Working capital	**(2,302)**
C. – Invested capital, minus short-term liabilities (A+B)	**(245)**
D. – Employee severance indemnities	**741**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**(986)**
financed by:	
Share capital	1,500
Reserves and retained earnings	200
Net income (loss) for the year	5,742
F. – Shareholders' equity	**7,442**
G. – Medium/long-term borrowing	**0**
H. – Short-term net borrowing (net cash and cash equivalents)	
short-term borrowing	0
cash and current receivables	(8,428)
(G+H)	**(8,428)**
I. – Total as in "E" (F+G+H)	**(986)**

RECLASSIFIED INCOME STATEMENT (€000)	MAY-DEC. 2012
A.- Revenues	**27,314**
B.- Revenues from ordinary activities	**27,314**
Cost of materials and external services	(15,343)
C.- Gross margin	**11,971**
Payroll costs	(1,858)
D.- GROSS OPERATING INCOME	**10,113**
Amortization and depreciation	(379)
Other provisions	(283)
Allowances for risks and charges	(18)
Other income (expense), net	(818)
E.- OPERATING INCOME	**8,615**
Finance income (costs), net	6
F.- Income before extraordinary items and taxes	**8,621**
Extraordinary income (expense), net	(21)
G.- Income before taxes	**8,600**
Current taxes for the year	(2,935)
Deferred tax assets (liabilities) for the year	77
H.- Net income (loss) for the year	**5,742**

ADR Security Srl

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012
Intangible fixed assets	37
Tangible fixed assets	1
A. – Fixed assets	**38**
Trade receivables	13,852
Other assets	722
Trade payables	(2,273)
Allowances for risks and charges	(393)
Other liabilities	(6,841)
B. – Working capital	**5,067**
C. – Invested capital, minus short-term liabilities (A+B)	**5,105**
D. – Employee severance indemnities	**4,344**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**761**
financed by:	
Share capital	400
Reserves and retained earnings	100
Net income (loss) for the year	595
F. – Shareholders' equity	**1,095**
G. – Medium/long-term borrowing	**0**
H. – Short-term net borrowing (net cash and cash equivalents)	
short-term borrowing	0
cash and current receivables	(334)
(G+H)	**(334)**
I. – Total as in "E" (F+G+H)	**761**

RECLASSIFIED INCOME STATEMENT (€000)	MAY-DEC. 2012
A.- Revenues	**25,424**
B.- Revenues from ordinary activities	**25,424**
Cost of materials and external services	(4,161)
C.- Gross margin	**21,263**
Payroll costs	(19,205)
D.- GROSS OPERATING INCOME	**2,058**
Amortization and depreciation	(6)
Other provisions	0
Allowances for risks and charges	(206)
Other income (expense), net	47
E.- OPERATING INCOME	**1,893**
Finance income (costs), net	4
F.- Income before extraordinary items and taxes	**1,897**
Extraordinary income (expense), net	(10)
G.- Income before taxes	**1,887**
Current taxes for the year	(1,331)
Deferred tax assets (liabilities) for the year	39
H.- Net income (loss) for the year	**595**

ADR Retail Srl

RECLASSIFIED BALANCE SHEET (€000)	09-30-2012[7]	
Intangible fixed assets	519	
Tangible fixed assets	234	
A. – Fixed assets	**753**	
Inventories	10,684	
Trade receivables	1,046	
Other assets	4,264	
Trade payables	(14,889)	
Allowances for risks and charges	(119)	
Other liabilities	(4,133)	
B. – Working capital	(3,147)	
C. – Invested capital, minus short-term liabilities (A+B)	(2,394)	
D. – Employee severance indemnities	1,398	
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**(3,792)**	
financed by:		
Share capital	480	
Reserves and retained earnings	0	
Net income (loss) for the period	3,531	
F. – Shareholders' equity	**4,011**	
G. – Medium/long-term borrowing	**0**	
H. – Short-term net borrowing (net cash and cash equivalents)		
short-term borrowing	0	
cash and current receivables	(7,803)	
(G+H)	**(7,803)**	
I. – Total as in "E" (F+G+H)	**(3,792)**	

RECLASSIFIED INCOME STATEMENT (€000)	03-04/09-30-2012	
A.- Revenues	**52,838**	
B.- Revenues from ordinary activities	**52,838**	
Cost of materials and external services	(42,052)	
C.- Gross margin	**10,786**	
Payroll costs	(4,269)	
D.- GROSS OPERATING INCOME	**6,517**	
Amortization and depreciation	(177)	
Allowances for risks and charges	(77)	
Other income (expense), net	(612)	
E.- OPERATING INCOME	**5,651**	
Finance income (costs), net	55	
F.- Income before extraordinary items and taxes	**5,706**	
Extraordinary income (expense), net	(303)	
G.- Income before taxes	**5,403**	
Current taxes for the year	(2,054)	
Deferred tax assets (liabilities) for the year	182	
	(1,872)	
H.- Net income (loss) for the year	**3,531**	

[7] Financial and operational position of the company as at September 30, 2012, effective date of the transfer of the investment held by ADR to third parties.

ADR Sviluppo Srl Unipersonale

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012	12-31-2011
Intangible fixed assets	4	4
Non-current financial assets	6	6
A. – Fixed assets	**10**	**10**
Trade receivables		
Other assets	2	2
B. – Working capital	**2**	**2**
C. – Invested capital, minus short-term liabilities (A+B)	**12**	**12**
D. – Employee severance indemnities	**0**	**0**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**12**	**12**
financed by:		
Share capital	100	100
Reserves and retained earnings	7	9
Net income (loss) for the year	(3)	(1)
F. – Shareholders' equity	**104**	**108**
G. – Medium/long-term borrowing	**0**	**0**
H. – Short-term net borrowing (net cash and cash equivalents)		
short-term borrowing	0	0
cash and current receivables	(92)	(96)
(G+H)	**(92)**	**(96)**
I. – Total as in "E" (F+G+H)	**12**	**12**

RECLASSIFIED INCOME STATEMENT (€000)	2012	2011
A.- Revenues	**0**	**0**
B.- Revenues from ordinary activities	**0**	**0**
Cost of materials and external services	(3)	(1)
C.- Gross margin	**(3)**	**(1)**
Payroll costs	0	0
D.- GROSS OPERATING INCOME	**(3)**	**(1)**
Amortization and depreciation	0	0
Other provisions	0	0
Allowances for risks and charges	0	0
Other income (expense), net	(1)	(1)
E.- OPERATING INCOME	**(4)**	**(2)**
Finance income (costs), net	0	1
F.- Income before extraordinary items and taxes	**(4)**	**(1)**
Extraordinary income (expense), net	0	0
G.- Income before taxes	**(4)**	**(1)**
Current taxes for the year	1	0
Deferred tax assets (liabilities) for the year	0	0
	1	**0**
H.- Net income (loss) for the year	**(3)**	**(1)**

Consorzio E.T.L. (in liquidation)

RECLASSIFIED BALANCE SHEET (€000)	12-31-2012	12-31-2011
Intangible fixed assets	0	0
Tangible fixed assets	0	0
Non-current financial assets	0	0
A. – Fixed assets	**0**	**0**
Trade receivables		
Other assets	83	85
Trade payables	(198)	(200)
Allowances for risks and charges	0	0
Other liabilities	(1)	0
B. – Working capital	**(116)**	**(115)**
C. – Invested capital, minus short-term liabilities (A+B)	**(116)**	**(115)**
D. – Employee severance indemnities	**0**	**0**
E. – Invested capital, minus (C-D) short-term liabilities and ESI	**(116)**	**(115)**
financed by:		
Share capital	83	83
Reserves and retained earnings	(124)	(76)
Net income (loss) for the year	(17)	(48)
F. – Shareholders' equity	**(58)**	**(41)**
G. – Medium/long-term borrowing	**0**	**0**
H. – Short-term net borrowing (net cash and cash equivalents)	**(58)**	**(74)**
short-term borrowing		
cash and current receivables	(58)	(74)
(G+H)	**(58)**	**(74)**
I. – Total as in "E" (F+G+H)	**(116)**	**(115)**

RECLASSIFIED INCOME STATEMENT (€000)	2012	2011
A.- Revenues	**0**	**0**
B.- Revenues from ordinary activities		
Cost of materials and external services	(17)	(32)
C.- Gross margin		
Payroll costs	0	0
D.- GROSS OPERATING INCOME		
Amortization and depreciation	0	0
Other provisions	0	0
Allowances for risks and charges	0	0
Other income (expense), net	(1)	(2)
E.- OPERATING INCOME	**(18)**	**(34)**
Finance income (costs), net	0	0
F.- Income before extraordinary items and taxes	**(18)**	**(34)**
Extraordinary income (expense), net	1	(14)
G.- Income before taxes	**(17)**	**(48)**
Current taxes for the year	0	0
Deferred tax assets (liabilities) for the year	0	0
	(17)	**(48)**
I. – Total as in "E" (F+G+H)	**(17)**	**(48)**

Report of the Independent Auditors

Deloitte.

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AUDITORS' REPORT PURSUANT TO
ART. 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND TO ART. 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

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

1. We have audited the financial statements of Aeroporti di Roma S.p.A. (the "Company") as of December 31, 2012. These financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on March 19, 2012.

3. In our opinion, the financial statements give a true and fair view of the financial position of Aeroporti di Roma S.p.A. as of December 31, 2012, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. As described in the Management Report on Operations and in the Notes to the Financial Statements, the financial statements reflect the effects of the transfer by contribution in kind, occurred during 2012, of the business units "direct retail", "security", and "parking" into certain fully consolidated subsidiaries. Moreover, the Income Statement includes among "Extraordinary income (expense)" the gain realized from the disposal of the subsidiary ADR Retail S.r.l., in addition to the related costs.

5. The Company's Directors are responsible for the preparation of the Management Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Management Report on Operations is consistent with the financial statements of Aeroporti di Roma S.p.A as of December 31, 2012.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
March 18, 2013

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

Report of the Board of Statutory Auditors

Report of the Board of Statutory Auditors to the Ordinary General Meeting of the Shareholders of Aeroporti Di Roma SpA, pursuant to art. 2429 of the Italian Civil Code

Dear Shareholders,

During the year ended December 31, 2012 the Board of Statutory Auditors verified compliance with the law, the articles of association and the principles of good governance, applying the recommendations laid down in the regulations for statutory auditors established by the Italian Accounting Profession.

With the exception of cases of absence with leave, we attended all the general meetings and Board of Directors' meetings held during the year, which were conducted in compliance with the related statutory requirements, laws and regulations.

In the course of meetings with the Board of Directors, we obtained information on the Company's activities and on transactions with a material impact on the results of operations and financial position carried out by the Company and its subsidiary undertakings. Based on the information in our possession, we can provide reasonable assurances that both the resolutions passed and the actions implemented complied with the law and the articles of association, and that they were not manifestly imprudent or risky, and did not compromise the value of the Company's assets.

Our discussions with the auditors engaged to carry out the Company's accounting controls did not reveal significant aspects or information to be included in this Report.

In compliance with the requirements of Legislative Decree no. 231/01, during 2012 the Company updated the Organizational model both to reorganize some operating processes and as a consequence of the redefinition of the corporate perimeter following the outsourcing some company branches.

The Company's Supervisory Board has reported on its activities during 2012, without noting any aspects of concern.

In the course of our checks, we also examined certain company procedures, noting that the Company has complied with the guidelines therein.

We assessed the adequacy and reliability of the organizational structure and our ability to ensure a fair presentation of operating activities, in part by obtaining information from the heads of the various departments and the auditors.

We have not received any complaints pursuant to art. 2408 of the Italian Civil Code.

In view of the fact that we are not required to audit the financial statements, we have examined the financial statements for the year ended December 31, 2012 in order to verify the general presentation and overall compliance with the laws relating to form and content. We have no particular observations to make in this regard.

We have also checked that the Management Report on Operations has been prepared in accordance with the related requirements.

As far as we are aware, in preparing the financial statements the Directors did not apply the exemptions permitted by art. 2423, paragraph four of the Italian Civil Code.
We have verified that the financial statements are consistent with the disclosures and information communicated to us in the course of carrying out our duties, and we have no observations to make in this regard.
The consolidated financial statements of Aeroporti di Roma SpA and its subsidiary undertakings for the year ended December 31, 2012 have been prepared in compliance with the provisions of Legislative Decree no. 127 of April 9, 1991. The Management Report on Operations has been prepared in accordance with the provisions of art. 2428 of the Italian Civil Code and art. 40 of the above Legislative Decree no. 127/1991.
We highlight that Prime Ministerial Decree of December 21, 2012 approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, following which it will be possible to start the set investment plan while the new tariff plan will come into force in the first half of 2013. In addition during 2012 extraordinary disposal operations were finalized, which led to significant gains, as reported in the financial statements.

Dear Shareholders,

The independent auditors, Deloitte & Touche SpA, have issued clean reports on the separate and consolidated financial statements, including assurance that the Management Report on Operations is consistent with the financial statements. In view of the above, we invite you to approve the financial statements for the year ended December 31, 2012 and the Board of Directors' proposal for the appropriation of net income for the year.

Fiumicino, Italy, March 18, 2013

Board of Statutory Auditors
Maria Laura Prislei - Chairwoman
Luca Aurelio Guarna - Statutory Auditor
Silvano Montaldo - Statutory Auditor
Enrico Proia - Statutory Auditor
Mario Tonucci - Statutory Auditor

CONTACTS

Aeroporti di Roma S.p.A.

Share capital 62,224,743,00 euro fully paid-in
"Company subject to management and coordination by Gemina S.p.A."

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