Quarterly Report as of March 31, 2010

(Translation into English from the original version in Italian)

Aeroporti di Roma Società per Azioni
Registered office in Fiumicino (Rome) - Via dell'Aeroporto di Fiumicino, 320
Fully paid-in share capital € 62,309,801
A company managed and coordinated by Gemina S.p.A.

www.adr.it

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CORPORATE OFFICERS

Aeroporti di Roma S.p.A.

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

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

Board of Statutory Auditors ***(2007-2009)***
(after the General Meeting of April 16, 2007)

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

General Manager	Franco Candido Giudice

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

Aeroporti di Roma S.p.A.

after the General Meeting and Board meeting of April 15, 2010

Board of Directors *(2010-2012)*

Chairman	Fabrizio Palenzona
Deputy Chairman	Massimo Pini
Managing Director	Giulio Maleci
Directors	Guido Angiolini Valerio Bellamoli Stefano Cao Beng Huat Ho Enzo Mei Aldo Minucci Piergiorgio Peluso Clemente Rebecchini Paolo Roverato Marco Troncone
Secretary	Antonio Abbate

Board of Statutory Auditors *(2010-2012)*

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

General Manager	Franco Candido Giudice

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

HIGHLIGHTS

The following table summarizes main traffic data for the Roman airport system for the first quarter of 2010, showing changes with respect to the same period of 2009.

TRAFFIC PERFORMANCE

Traffic component	Q1 2010	
	SYSTEM (°)	% change (*)
Movements (no.)	87,164	(1.2%)
Aircraft tonnage	6,739,247	+2.1%
Total passengers (no.)	8,343,265	+7.5%
Total cargo (kg)	38,779,099	+31.7%

(°) Fiumicino + Ciampino
(*) compared with the same period of 2009

The following table shows the ADR Group's financial and operational highlights for the first quarter of 2010.

ADR GROUP

Financial and operational highlights (€000)	*Q1 2010*		*Q1 2009*
Revenues	129,251		118,689
EBITDA	55,277		44,871
EBIT	25,540		12,594
Net income/(loss) for the period:			
minority interest	(353)		(1,350)
Group share	1,446		(22,230)
Investments (€000)	25,326		11,648
	March 31, 2010	*Dec 31, 2009*	*March 31, 2009*
Invested capital	2,034,416	2,048,992	2,043,013
Shareholders' equity (including minority interest)	729,870	728,777	700,765
Group shareholders' equity	729,407	727,961	700,567
Net debt	1,304,546	1,320,215	1,342,248
Headcount at end of the period	2,553	2,541	2,527
Ratios	*Q1 2010*		*Q1 2009*
Revenues/Average headcount (€000)	58		52
No. of passengers/ Average headcount	3,745		3,390

ADR GROUP: CONSOLIDATED ACCOUNTS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€000)

2009		First Quarter 2010		First Quarter 2009		Change	%
561,814	A.- REVENUES	129,251	100.0%	118,689	100.0%	10,562	8.9%
5,508	Capitalized costs and expenses	1,434		1,103		331	30.0%
567,322	B.- REVENUES FROM ORDINARY ACTIVITIES	130,685		119,792		10,893	9.1%
(191,024)	Cost of materials and external services	(45,974)	(35.6%)	(44,898)	(37.8%)	(1,076)	2.4%
376,298	C.- GROSS MARGIN	84,711	65.5%	74,894	63.1%	9,817	13.1%
(121,901)	Payroll costs	(29,434)	(22.8%)	(30,023)	(25.3%)	589	(2.0%)
254,397	D.- GROSS OPERATING INCOME	55,277	42.8%	44,871	37.8%	10,406	23.2%
(107,858)	Amortization and depreciation	(26,928)		(26,833)		(95)	0.4%
(5,935)	Other provisions	(23)		(2,560)		2,537	(99.1%)
(6,924)	Provisions for risks and charges	(1,814)		(2,382)		568	(23.8%)
(62)	Other income (expense), net	(972)		(502)		(470)	93.6%
133,618	E.- OPERATING INCOME	25,540	19.8%	12,594	10.6%	12,946	102.8%
(68,660)	Financial income (expense), net	(17,857)	(13.8%)	(18,843)	(15.9%)	986	(5.2%)
(43)	Adjustments to financial assests	(4)		0		(4)	ns
64,915	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	7,679		(6,249)		13,928	(222.9%)
(31,841)	Extraordinary income (expense), net	(143)		(20,896)		20,753	(99.3%)
33,074	G.- INCOME BEFORE TAXES	7,536		(27,145)		34,681	(127.8%)
(32,826)	Income taxes for the period	(6,992)		(4,001)		(2,991)	74.8%
4,185	Deferred tax assets	549		7,566		(7,017)	(92.7%)
4,433	H.- NET INCOME FOR THE PERIOD	1,093		(23,580)		24,673	(104.6%)
	including:						
(731)	- Minority interest	(353)		(1,350)		997	(73.9%)
5,164	**- Group interest**	**1,446**		**(22,230)**		**23,676**	**(106.5%)**

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€000)

03-31-2009		03-31-2010	12-31-2009	Change
	A. - NET FIXED ASSETS			
1,976,849	Intangible fixed assets *	1,936,815	1,948,422	(11,607)
168,865	Tangible fixed assets	174,581	168,907	5,674
3,414	Non - current financial assets	3,416	3,419	(3)
2,149,128		2,114,812	2,120,748	(5,936)
	B. - WORKING CAPITAL			
21,939	Inventory	24,776	21,464	3,312
169,092	Trade receivables	194,593	203,143	(8,550)
43,523	Other assets	50,374	48,179	2,195
(140,818)	Trade payables	(146,332)	(140,437)	(5,895)
(49,610)	Allowances for risks and charges	(54,771)	(54,763)	(8)
(113,652)	Other liabilities	(120,601)	(120,819)	218
(69,526)		(51,961)	(43,233)	(8,728)
2,079,602	C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,062,851	2,077,515	(14,664)
36,589	D. - EMPLOYEE SEVERANCE INDEMNITIES	28,435	28,523	(88)
2,043,013	**E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)**	**2,034,416**	**2,048,992**	**(14,576)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
700,567	- Group interest	729,407	727,961	1,446
198	- Minority interest	463	816	(353)
700,765		729,870	728,777	1,093
1,490,611	G. - MEDIUM/LONG-TERM BORROWING	1,477,861	1,482,111	(4,250)
	H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
22,591	.Short-term borrowing	30,331	25,458	4,873
(170,954)	.Cash and current receivables	(203,646)	(187,354)	(16,292)
(148,363)		(173,315)	(161,896)	(11,419)
1,342,248	(G+H)	1,304,546	1,320,215	(15,669)
2,043,013	**I. - TOTALE AS IN "E" (F+G+H)**	**2,034,416**	**2,048,992**	**(14,576)**
1,737,248	*(*) including the value of the concession totaling*	*1,687,964*	*1,700,285*	*(12,321)*

MANAGEMENT REPORT FOR THE FIRST QUARTER OF 2010

OPERATING REVIEW

Operating environment

Strong traffic growth, with passenger numbers up 7.5%, was reported in the first quarter of the year, also taking into account that the first quarter of 2009 was penalized by the effects of the start-up of the new Alitalia. This result has particular relevance for the future as it was achieved in a context of ongoing instability in the industrialized economies.

The improvement in revenue was matched similar growth of the business. Revenues, amounting to 129.3 million euros, is up 8.9% thanks to equal contributions from the main aviation and non-aviation activities, with the exception of advertising.

Thanks to cost savings, which kept costs in line with the first quarter of 2009, profit margins have improved. EBITDA, amounting to 55.3 million euros, is up 23.2%, whilst EBIT is 25.6 million euros, compared with the 12.6 million euros registered in the first quarter of 2009.

The Parent Company, ADR S.p.A., has resolutely played its part in the difficult negotiations with the authorities, aimed at speeding up application of the temporary advanced fee payment regime introduced by the 2010 Finance Act and achieving early implementation of the definitive fee regime.

To this end, on March 9, 2010 a first draft of the "Special Planning Agreement" was submitted to the Civil Aviation Authority. This document was drawn up taking advantage of the options granted to airports with more than 10 million passengers under Law no. 102/09, regarding both fee-setting criteria and the approval procedure.

Even though the above-mentioned temporary fee payment regime has yet to be implemented, the ADR Group continued to carry out its investment program, which amounted to 25.3 million euros in the first quarter of the year compared with the 11.6 million euros registered in the first three months of 2009. Nevertheless, net debt has fallen by 15.7 million euros to stand at 1,304.5 million euros.

This decrease in net debt, coupled with low interest rates, resulted in a 5.2% reduction in net financial expense. This also helped the Group to post a pre-tax profit of 1.4 million euros for the period, a result that bears no comparison with the same quarter of 2009, which was negatively impacted by recognition in the income statement of all the charges relating to the restructuring plan.

Group operating review

A review of operations during the first quarter of 2010 in the various areas of business in which the Group is involved is provided below.

Aviation activities

An analysis of traffic figures for the Roman airport system for the first quarter of 2010, compared with the same period of 2009, revealed the following performance, broken down by airport – Ciampino and Fiumicino – and segment – domestic and international:

Data as of March 31, 2010

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	87.164	74.274	12.890	37.358	49.806
D% vs PY	-1,2%	-1,6%	+1,0%	-7,4%	+3,9%
Mtow	6.739.247	6.081.073	658.174	2.344.472	4.394.775
D% vs PY	+2,1%	+2,1%	+1,8%	-4,6%	+6,1%
Total Pax	8.343.265	7.279.973	1.063.292	2.953.901	5.389.364
D% vs PY	+7,5%	+8,5%	+1,0%	+0,2%	+11,9%
Freight (Kg)	38.779.099	34.585.022	4.194.077	1.309.831	37.469.268
D% vs PY	+31,7%	+36,1%	+3,9%	-9,1%	+33,8%
Mail (Kg)	2.874.758	2.874.758	0	1.764.122	1.110.636
D% vs PY	-11,2%	-11,2%	#DIV/0	-3,0%	-21,8%

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

	International	Intl' EU	Intl' Extra EU
Movements	49.806	33.625	16.181
D% vs PY	+3,9%	+2,5%	+6,9%
Mtow	4.394.775	2.347.254	2.047.521
D% vs PY	+6,1%	+4,1%	+8,4%
Total Pax	5.389.364	3.434.510	1.954.854
D% vs PY	+11,9%	+8,2%	+19,1%
Freight (Kg)	37.469.268	7.280.024	30.189.244
D% vs PY	+33,8%	+5,8%	+42,9%
Mail (Kg)	1.110.636	538.503	572.133
D% vs PY	-21,8%	-28,8%	-13,9%

There was an increase in the number of passengers compared with the same period of 2009 (up 7.5%), together with a slight fall in movements (down 1.2%) and a rise in aircraft tonnage (up 2.1%), resulting in an increase in the load factor, which stood at 62.6% (up 3.8% on the same period of 2009).

Similarly, Fiumicino airport registered increases in the number of passengers (up 8.5%) and aircraft tonnage (up 2.1%), whilst movements were down 1.6%.

This upturn at Fiumicino airport also compares well with the first quarter of 2009, which included the start-up of the new Alitalia in January 2009.

During the first quarter of 2010 new flights to and from Fiumicino were added to the network already operated at the airport, including services to Düsseldorf, Nice and Malta operated by EasyJet, new flights to Vilnius operated by Air Baltic and the increased frequencies of flights to Dubai operated by Emirates and to Doha operated by Qatar Airways.

Ciampino registered 1.0% growth in passenger traffic, together with an increase in capacity (movements up 1.0% and aircraft tonnage up 1.8%), despite the transfer of some flights to Fiumicino airport.

In the first three months of 2010 revenues from airport fees amounted to 36.8 million euros, representing an increase of 8.2% with respect to the same period in 2009.

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

- landing and take-off fees: the 2.7% increase compared with the first quarter of 2009 is due to a 1.2% reduction in the number of movements, offset by the operation of aircraft with higher average capacity/tonnage and the fee adjustment applied on January 21, 2010 in line with the target inflation rate (up 1.5%);
- passenger boarding fees: total revenues rose by 10.3% due to a rise in the number of passengers boarded (up 7.5%), and in this case too the above-mentioned 1.5% increase in fees.

The management of centralized infrastructures, which is carried out directly by the Parent Company, ADR S.p.A., reported revenues of 7.8 million euros, representing an increase of 2.6% on the first quarter of 2009.

This performance was due essentially to two factors:

- a 1.5% decrease in loading bridge revenues, primarily due to the permanent closure of two aprons served by loading bridges (numbers 622 and 623), a reduction in aircraft movements and the closure of certain facilities for work to take place (an average of one apron closed per day);
- an 8.4% increase in revenues from the baggage handling system on the back of a higher number of inbound and outbound passengers, as well as the introduction of a portion of transit baggage into the baggage handling system.

During the first quarter of 2010, the security activities carried out by the Parent Company, ADR S.p.A. (security checks on passengers and carry-on baggage, 100% screening of checked baggage, explosive detection checks, other security checks requested and surveillance of the airport system) generated revenues of 14.0 million euros, an increase of 13.2% on the same period of 2009. This rise derives from increases in the number of passengers and checked baggage, as well as significant growth in revenues from other security services requested at Fiumicino airport.

Services regarding assistance to passengers with reduced mobility (PRM), provided via the subsidiary undertaking, ADR Assistance S.r.l., generated revenues of 2.6 million euros in the first quarter of 2010. These revenues, which are passed on in full to the service provider, ADR Assistance, are up 34.4% on the previous first quarter, due to the higher number of passengers, and a difference in the fees applied during the two quarters under comparison.

Within the Roman airport system operational safety was carried out according to procedure (ISO 9001/2000 certificate), responding to the increase in traffic and the rising number of infrastructures and construction sites to be checked. In addition, the monitoring of compliance with the requirements of Civil Aviation Authority certification and the correct use of airside infrastructure by handlers continued, including notification of any infringements and actions aimed at helping to modify and improve procedures for runway use.

Real estate management

Revenues from retail sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amount to 10.6 million euros, registering an increase of 7.7% compared with the first three months of 2009. This increase is largely due to the effect of the availability of units under sub-concession agreements at Office Tower 2, which were delivered at various times during the first quarter of 2009, and new contractual conditions defined with Alitalia AZ-CAI, regarding sub-concession of the group of assets in the so-called Technical Area until December 31, 2010.

Revenues from other fees charged to third parties at Fiumicino and Ciampino amount to 3.3 million euros, an increase of 12.6% compared with the same period of the previous year. This performance is largely due to the revision of fees charged to the oil companies that supply jet fuel for aircraft, in compliance with the Civil Aviation Authority's memorandum no. 27438 of April 24, 2009. This provision, which made adjustments to amounts payable and receivable, modified the revenues generated by airport operators based on the different volumes of fuel supplied, thereby ensuring compliance with the need to link charges to the costs incurred.

Non-aviation activities

Revenues from direct sales in the first quarter of 2010, amounting to 16.3 million euros, are up 5.8% on the first quarter of 2009. However, this increase was less than the 7.6% growth in outgoing traffic, with a consequent slight fall in the average passenger spend compared with the previous first quarter (down 1.7%).
Fiumicino registered higher turnover than in the first quarter of 2009 (up 7.4%), with a decrease in average passenger spend of 1.3%. This performance was achieved despite the drop in the average spend for flights to US dollar, sterling, yuan and yen destinations.
The best revenue growth performances were registered by the “Spirits” (up 9.6%), “Tobacco products” (up 11.3%) and “Fragrances” (up 9.2%) segments.
Ciampino airport reported decreases in revenues (down 12.3%) and average passenger spend (down 12.7%) compared with the first quarter of 2009. This performance primarily reflects the decrease in the average passenger spend on UK flights due to the above-mentioned strengthening of the euro against sterling.

In the first quarter of 2010 revenues from outlets managed by sub-concessionaires totaled 11.0 million euros, an increase of 8.8% (up 0.9 million euros) compared with the same period in 2009. This rise was partly thanks to a 1.1% increase in average passenger spend, due to such factors as the restructuring and relaunch of "Food & Beverage" services, renegotiation of contracts and a rally in consumption.
Revenues from outlets managed by sub-concessionaires at Fiumicino rose 9.9% (up 1.1% in terms of average passenger spend) with a significant increase in the “Luxury products” segment (up 13.5% in absolute terms, and up 4.3% in terms of average passenger spend), accounting for 30% of total Specialist Retail revenue.
Since the beginning of the year some poorly performing businesses have been replaced with the following new retail outlets: Gentilini in the “Fine Food” segment; Quore in the “Children's Clothing” segment; and Discover in the “Souvenirs” segment. Two new foreign exchange desks (Travelex and Maccorp) were also opened, and extension of the Feltrinelli Village in the Terminal 1 departures area was completed.
The excellent result posted by the "Food & Beverage" segment (revenues up 16.9%, or 0.5 million euros) is essentially due to the relaunch of services and restructuring of the former Cisim refreshment outlets, which has almost been completed (also including the opening of a new McDonald's in the Terminal T3 departure area and an Autogrill “Sky” lounge on the T1 mezzanine floor).
"Other royalties" posted revenues of 1.0 million euros, down 6.2% on the same period of 2009, primarily due to expiry of the terms of the access fee, which the foreign exchange sub-concessionaire, Travelex, paid until May 2009.
Revenues from sub-concessions at Ciampino airport are down 9.8% (0.5 million euros), compared with an increase of 0.5% in outgoing traffic, with a consequent 10.3% reduction in average revenues per passenger.

Regarding marketing and support for ADR's retail brands at the Rome Airport Shopping Gallery, projects were launched to encourage passengers to follow the “Shopping Way”. These initiatives were designed to create strong brand awareness at terminals and identify the retail areas in order to help customers keep their bearings amid the wide range of shops. Other activities undertaken include renovation of the entrance doors to the T1 and T3 retail areas, interactive use of the DISAR information system in the Satellite and the insertion of advertising messages in the Flight Information Display System and on the monitors at closed check-in desks. The project designed to restyle and standardize the graphics at Good Buy Roma shops, in order to help identify the food, spirits and wine, perfume and jewelry areas, is nearing completion. Communication initiatives relating to the periodic promotion of products in terminals continued. The Shop & Fly customer loyalty program was relaunched with push activities at airports and new advantages for loyalty program subscribers (discounts at GBR and Rocco Giocattoli shops). The related communications and graphics were simplified.

Management of parking systems registered revenues of 7.1 million euros, up 13.2% on the same period of the previous year. The rise is greater than the increase in the potential market represented by outgoing passengers (up 6.8%).
This result was achieved partly due to a new policy regarding charges, which, as of early January, brought the prices charged at Fiumicino's multi-story car parks into line with market rates, including an overall simplification of the pricing structure and a reduction in charges for leisure parking. Ongoing development of distribution channels is also managing to keep competitors at bay and tackle the overall slowdown in usage.
In terms of marketing, promotional and communication activities, the graphics for the online booking system (BOL) for Easy Parking were revamped, and initiatives are underway to improve the user friendliness of the system, as well as the communication of products and services. Web marketing initiatives focusing on search engine optimization (SEO) and social media optimization (SMO), as well as regular online advertising, continued. A project is underway to renovate vehicle rental signage within multi-story car parks to bring it into line with the new signage installed inside terminals.

Revenues from advertising in the first quarter of 2010, amounting to 5.3 million euros, are down 8.6% compared with the same period of 2009, due to the reduction in earnings of the subsidiary undertaking, ADR Advertising S.p.A.. This is the result of the economic slowdown that continues to affect the entire advertising sector.

Technical and IT services

During the first quarter of 2010 activities aimed at upgrading and ensuring the reliability of company application systems and ICT infrastructures were completed, continued and launched.

In particular, works completed during the first quarter of 2010 include the following:

- Re-engineering of GTI-CAD: the technical upgrade of the GTI-CAD system was completed, and training courses were launched for around 120 users;
- Restyling of graphics of online car park booking system: the graphics and user friendliness of the online car park booking system were revisited.

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

- review of ICT “operations”: an "operations" transformation program is in progress which saw the launch of incident management procedures supported by the new outsourced front end department, and the launch of request fulfillment procedures supported by the ICT back end department. Implementation will be gradually rolled out over the next few years;
- makeover of the intranet site: a makeover of the Group’s intranet site, based on new and modern corporate communication and cooperation tools, is underway;

- migration to RE-FX: migration of the SAP Real Estate Classic system to the new SAP RE-FX version is underway;
- integrated HRO reporting: the in-depth analysis phase has been completed and the implementation phase begun;
- upgrading of the SAP R/3 billing system to deal with the new VAT regulations: the analysis phase has been completed and the implementation phase is underway;
- optimization of the management of infrastructure breakdown reporting: the in-depth analysis phase has been launched;
- management of air-side vehicle permits: implementation is in progress;
- management of TPM staff: the analysis phase has been launched;
- new airport badge system: the analysis phase has been launched;
- baggage tracking: the IT infrastructure (network, equipment and tag readers) for the new baggage tracking system for the entire airport (BRS-ADR) is being prepared;
- Oracle upgrade: a project to upgrade the Oracle release of the Company's database was launched.

Environmental protection

During the period under consideration the following initiatives were launched:

- study of CO_2 (carbon dioxide) emissions at Leonardo da Vinci airport;
- preparation of ADR's Environmental Report;
- maintenance of ISO 14001 Environmental Management Systems at Fiumicino and Ciampino;
- air quality monitoring;
- measurement of electromagnetic fields at Fiumicino and Ciampino airports.

Maintenance and development of the Environmental Management System (EMS) at Fiumicino and Ciampino continued according to plan. Data gathering for ADR's Environmental Report for 2009 began in March.

The program at Fiumicino airport regarding development of the sorting of recyclable waste – with collection areas set up near terminals, company canteens and ADR's administrative offices – proceeded.

Quality

During the first quarter of 2010, monitoring of the level of service provided at Fiumicino and Ciampino airports was ensured, in accordance with the 2010 Quality Plan, by means of approximately 15,000 objective controls, based on daily monitoring of the level of quality provided for the main passenger services (baggage claim, check-in, carry-on baggage security checks, punctuality of outgoing flights).

An analysis of quality trends at Fiumicino shows that:

- 94% of passengers waited no more than 12 minutes for carry-on baggage security checks, 4 percentage points above the service standard published in the Service Charter (90% of passengers);
- the percentage of flights with baggage reclaim times within the set limits was 83% for the first and 89% for the last piece of baggage (the standard is 90%);
- the percentage of outgoing flights with delays of more than 15 minutes was 25%, in line with standard of 25%, whilst the percentage of outgoing flights with delays caused by the airport operator was 0.1%, compared with the set standard of 0.3%;
- 93% of passengers traveling on domestic flights and 96% of passengers traveling on international flights completed check-in operations within the times set by the Service Charter (10 minutes and 20 minutes, respectively).

An analysis of quality trends at Ciampino shows that:

- 90% of passengers waited less than 15 minutes for carry-on baggage security checks, in line with the set standard of 90% published in the Service Charter;
- the percentage of outgoing flights with delays of more than 15 minutes was 22%, whilst the percentage of incoming flights with delays of more than 15 minutes was 20%. The airport did not respect the defined standard as regards both delays for outgoing flights (17%) and recovery of airport transit times (1%);
- the percentage of flights with baggage reclaim times within the set limits was 95% for the first piece of baggage and 96% for the last piece of baggage (the standard is 90%);
- 62% of passengers completed check-in operations within 20 minutes (the standard is 90%).

Group investment

In line with the above, in the first quarter of 2010 the ADR Group carried out investment totaling 25,326 thousand euros (11,648 thousand euros in the same period of 2009).

(in millions of euros)	
Boarding Area F (ex New Pier C)	7.1
Baggage HBS transiting AZ	5.2
Interventions on runways and aprons	2.0
Maintenance works and optimization of terminals	1.8
Fiumicino - Maintenance works on plant electromechanical	1.7
Fiumicino - Maintenance works on electrical network and air conditioning	1.5
Acquisition of Plant and machinary	1.0
Interventions on baggage and RX equipments	1.0
Upgrade of "Satellite" for A380	0.7
HBS/BHS ex Cargo Alitalia	0.7
Fiumicino: Maintenance works on civil works	0.5
Urbanized area west / Aprons "W" 1st phase	0.4
Fiumicino - Maintenance works on water supply and drainage	0.3
Ciampino: infrastructural works	0.1
Works on airport road	0.1
Maintenance works on building in subconcession	0.1
Others	1.1
Total investments First Quarter 2010	**25.3**
including:	
- autofinancing	*22.0*
- state-funded	*3.3*

Terminals

Works continued at departure area F (Pier C) with work carried out on the foundations; paving of the aircraft aprons is nearing completion.

At Terminal 3 the fast track lane for domestic flights was completed, and work continued on the fast track lane for first class and business class passengers; work continued in Terminal 3 on renovation of false ceilings in the transit galleries and upgrade of the equipment they house.

As part of efforts to improve the image and functionality of terminals, installation of a new group of rest rooms in the arrivals hall at Terminal 1 is nearing completion. In the departure area, once the new group of offices for airline companies has been completed, work on upgrading false ceilings and the equipment they house will be carried out in 2010.

In 2010 a new air traffic coordination and control room will be built in departure area D.

Upgrade works are in progress on the BHS system at Terminal 3, with completion expected by October 2010.

Preliminary works are underway on apron 703 in departure area G to accommodate A380 aircraft; activities are expected to start in early September 2010.

Infrastructures and buildings

Restructuring works began on the postal building in the NET ramp services area with a view to installing a new handling and security control system for transit baggage, which is expected to enter service in July 2010, ahead of the roll-out of the new BHS in the former Alitalia cargo warehouse.

Regarding the above-mentioned automated baggage handling system at Terminal 1, restructuring works continued at the former Alitalia cargo warehouse.

Installation of solar panels at the long-stay car park, carried out by Acea, is underway. A second installation will also be carried out on the workshop roof by the end of 2010.

Work is in progress on a new control room for firefighters at Fiumicino.

The new handlers' premises under the Satellite are nearing completion.

The car valet service was relocated to the ground level car park previously called PR8.

At Ciampino the new airport perimeter fence on Via Mameli was completed, including repositioning of the new customs entrance.

Runways and aprons

At Fiumicino airport resurfacing of the underpass for runway 07/25, and upgrading of the related road network, was completed. Work on upgrading taxiway and aircraft apron signs in line with Civil Aviation Authority regulations was completed.

Structural upgrading of the Hotel taxiway where it meets the NE taxiway and of a part of the Charlie-Foxtrot taxiway has been carried out.
Localized upgrading of runway 2, the Bravo taxiway between the BA and BB connecting runways and part of the Delta taxiway has been completed.
Structural upgrading of the aircraft aprons in sector “300” and part of sector “400”, including replacement of steel storm drain grates with spheroidal cast iron ones, is nearing completion. In particular, upgrade works on aprons 311-314 in accordance with the new “open grade” technology, on aprons 301-312 and the NE and NH taxiways have been completed. Works are expected to be completed by August 2010.
Work on the second phase of renovating aircraft apron pavements, which are expected to be completed by September 2010, was contracted out.
At Ciampino airport extraordinary maintenance work began on the Alfa taxiway. This is expected to be completed by November 2010. A radical upgrade of the SB taxiway also began, which is expected to be completed by October 2010. Extraordinary maintenance on runway 15/33, and the upgrade of road signs for aircraft aprons in the area in front of the hangar, in accordance with Civil Aviation Authority directives, were completed.

Airport Development Plan

The Civil Aviation Authority inquiry into the Fiumicino Airport Development Plan continued. ADR is preparing supplementary information in reply to requests for further information submitted by the Civil Aviation Authority in February.

Group personnel

Group headcount at March 31, 2010

The headcount as of December 31, 2009, compared with March 31, 2010, is broken down in the table below. The breakdown does not include staff covered by redundancy schemes, but does include suspended staff who benefit from the Special Income Support Fund (CIGS).

headcount	03.31.2010 (**)	12.31.2009 (*)	Δ
Managers	44	47	(3)
Supervisors	186	180	6
White-collar	1,750	1,716	34
Blue-collar	573	598	(25)
Total Group	**2,553**	**2,541**	**12**
including:			
on permanent contracts	1,915	1,891	24
on temporary contracts	638	650	(12)

(*) including CIGS: n° 87 for ADR SpA - n° 1 for ADR Engineering

(**) including CIGS: n° 91 for ADR SpA - n° 2 for ADR Engineering - n° 1 for ADR Tel

and broken down by company as follows:

Company	03.31.2010 (**)			12.31.2009 (*)			Δ 2010 / 2009		
	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total
Adr SpA	1,680	588	2,268	1,658	571	2,229	22	17	39
Adr Engineering SpA	34	1	35	33	1	34	1		1
Adr Tel SpA	15	3	18	14	2	16	1	1	2
Adr Advertising SpA	7	2	9	6	2	8	1		1
Adr Assistance SpA	179	44	223	180	74	254	(1)	(30)	(31)
Total Group	**1,915**	**638**	**2,553**	**1,891**	**650**	**2,541**	**24**	**(12)**	**12**

(*) including CIGS: n° 87 for ADR SpA - n° 1 for ADR Engineering

(**) including CIGS: n° 91 for ADR SpA - n° 2 for ADR Engineering - n° 1 for ADR Tel

The Group's headcount rose by 12 whilst ADR S.p.A.'s headcount rose by 39 compared with December 31, 2009.

The rise of 39 in ADR S.p.A.'s headcount includes 4 staff who mere made redundant on January 1, 2010. These people have been re-hired in relation to the implementation of new budgeted programs and projects, such as the new Airport Security services for Terminal 2.
The difference between fixed-term and permanent contracts at ADR S.p.A. is due to the granting of permanent contracts to graduates who were hired under placement contracts and as interns in operational departments, in accordance with the related legislation.

The reduction in the employment of staff on fixed-term contracts at ADR Assistance S.r.l. is a direct consequence of the decrease in assistance activities carried out during the quarter under review.

Average Group headcount from December 31, 2009 to March 31, 2010

The average headcount between December 31, 2009 and March 31, 2010 is 2,227.7 full-time equivalents, broken down by category and type of contract as follows:

average Group headcount	First Quarter 2010	First Quarter 2009	Δ
Managers	44.0	58.7	(14.7)
Supervisors	161.6	213.9	(52.3)
White-collar	1,507.4	1,488.3	19.1
Blue-collar	514.6	529.3	(14.7)
Total Group	**2,227.7**	**2,290.2**	**(62.5)**
including:			
on permanent contracts	1,682.0	1,817.7	(135.8)
on temporary contracts	545.7	472.5	73.2

and broken down by company as follows:

	First Quarter 2010			First Quarter 2009			Δ 2010 / 2009		
	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total
Adr S.p.A.	1,458.9	506.0	1,964.9	1,595.6	431.6	2,027.2	(136.7)	74.4	(62.3)
Adr Engineering S.p.A.	31.4	0.6	32.0	43.5	2.4	45.9	(12.1)	(1.8)	(13.9)
Adr Tel S.p.A.	13.8	2.1	15.9	17.2	0.9	18.1	(3.5)	1.2	(2.3)
Adr Advertising S.p.A.	6.2	1.8	8.0	9.8	0.5	10.3	(3.6)	1.3	(2.3)
Adr Assistance S.r.l.	171.7	35.2	206.9	151.6	37.1	188.7	20.1	(1.9)	18.2
Total Group	**1,682.0**	**545.7**	**2,227.7**	**1,817.7**	**472.5**	**2,290.2**	**(135.8)**	**73.2**	**(62.5)**

For the Group, the average headcount fell by 62.5 full-time equivalents.

At ADR S.p.A. the average headcount fell by 62.3 full-time equivalents. This result derives, on the one hand, from a reduction in the number of staff on permanent contracts (down 136.7 full-time equivalents), and on the other an increase in the number of staff employed on fixed-term contracts (up 74.4) in support of projects planned for the current year.
The reduction in the average headcount on permanent contracts during the quarter derives from two opposing factors: the conversion of temporary into permanent contracts in application of labor union agreements, and redundancies arising from the restructuring plan.

At ADR Assistance the increase in the number of staff on permanent contracts (20.1 full-time equivalents) derives from application of the second phase of the agreement of June 5, 2008, which provided for the absorption of staff previously employed by handlers in the provision of PRM assistance.

Organizational aspects

In terms of organization, the position of Deputy CEO was abolished, and a working group was set up to bring the procedural framework into line with legal requirements regarding savings protection legislation (pursuant to Law no. 262/05) and administrative liability (pursuant to Legislative Decree no. 231/01).

Industrial relations

On January 26, 2010, at Assaeroporti's headquarters, negotiations with the labor unions regarding renewal of the airport operators' National Collective Labor Contract, which expired on December 31, 2007, were completed.
Signature of the new contract concluded a smooth process of dialog which began in 2008 and then slowed as a result of the delicate situation faced by the entire air transport industry. Negotiations resumed in the second half of 2009, with both sides determined to reach agreement.

This legislative framework includes and replaces all previous agreements, and thereby comprises a definitive version of the contract document.
Consequently, the elimination of long-standing overlaps between various agreements and amendments and additions to the last National Collective Labor Contract has resulted in more straightforward employment terms and conditions, as well as providing a clearer interpretation of the related laws for all parties.

The financial effects of the agreement amount to a 6.5% increase in payroll costs.

The changes to pay and regulatory aspects introduced by the agreement were implemented in February 2010.

Training and refresher courses

In the first quarter of 2010 refresher courses were provided to 385 ADR S.p.A. staff, including 60 courses totaling 819 hours. The courses partly fall within the training funded by Fondimpresa, and are partly connected to operating requirements, with specific courses on runway equipment.
Training primarily concerned operating departments, and specifically blue-collar, white-collar and supervisory staff.
Regarding Group companies (ADR Assistance and ADR Engineering), refresher courses were provided to 149 staff, including 23 courses totaling 301 hours. This training was also funded by Fondimpresa and involved blue-collar, white-collar and supervisory staff.

In the first quarter of 2010 two training modules (3rd and 4th actions) regarding activities in 2009-10 on the theme of “Customer Care” were completed. They involved blue- and white-collar staff from operating departments at Fiumicino and Ciampino.
The reasons that led to implementation of this initiative included boosting the care and attention paid to internal and external customers, in order to achieve higher levels of awareness and rationalization regarding top quality service provision.
Other ongoing training highlights included one-to-one English courses for senior management provided by Linguarama, and staff enrolments on intercompany, technical and professional refresher courses.
In addition, the funded “Leonardo da Vinci” program, in which ADR participated and which led to the Company winning the European Union competition to join the industry program, VETPRO, came to an end and was reported on.
The project included a meeting between two delegations, each consisting of 10 representatives from the operator of Munich airport, Flughafen Munchen GmbH, and ADR S.p.A., respectively, who are engaged in the same areas of business.
The objective was to acquire and share know-how, through dialog with a competitor considered to be one of the best airports in Europe.
Also noteworthy is the planning of a training program, which saw the involvement of certain professionals in the teaching of a level II master's degree in civil aviation management, sponsored by ADR, together with the engineering faculty of Rome's La Sapienza university.

Recruitment initiatives

During the first three months of the year recruitment initiatives aimed at expanding the pool of staff on fixed-term contracts were primarily focused on recruiting security staff, resulting in the recruitment of 144 applicants. Regarding other job profiles in the pool, 30 applicants were recruited for white- and blue-collar positions.

The recruitment of administrative staff focused on procedures primarily regarding applicants for internships who had recently graduated from high school or university.

Based on the airport development plan, recruitment procedures were also launched to identify suitable professionals for the Infrastructure Department, which is currently being expanded.

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

Risk assessment inspections were carried out at all of Fiumicino's workplaces in order to update the relative document (Fiumicino RAD).

The training course regarding preparation of the "*Document assessing interference risks"* (art. 26 of Legislative Decree no.81/08) for contract managers was completed.
A training course for supervisors was also completed.

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

Participation in the Factor IV project *"Study of the psycho-social risk prevention and protection factors in private companies in order to promote organizational well-being"* was promoted in collaboration with La Sapienza university. This led to an initial phase entailing the administration of 210 questionnaires to assess the risk of work-related stress for ADR S.p.A.'s administrative staff.

The monitoring and control of all third parties operating in various capacities at Fiumicino and Ciampino was further implemented. Specific reference was made to the provisions of art. 26 of Legislative Decree no. 81/08 regarding technical and professional compliance with health and safety at the workplace regulations.

Emergency management saw a reorganization leading to the update of fire prevention plans and teams.

"Staff training" involved provision of 3,982 hours of training to 1,007 staff, with an average of 4 hours per person.

Regarding the OHSAS 18001 certification that was awarded in December 2009, a plan was launched to implement corrective measures following recommendations made by the external organization, Bureau Veritas, and ahead of the first maintenance check scheduled for June 2010.

Other significant events during the quarter

<u>Legal and regulatory context</u>

- Revised airport fees

On February 27, 2010, Law no. 25 of February 26, 2010, converting with amendments Legislative Decree no. 194 of December 30, 2009 (the so-called "Thousand-Extensions Decree"), was published in the Official Gazette. No changes were made to the regulations regarding the revision of airport fees (paragraphs 6 and 7 of article 5), thereby confirming extension of the Ministry of Infrastructure and Transport's power to intervene in the revision of airport fees to bring them into line with the target inflation rate until December 31, 2010.

- Advanced payment of airport fees

On January 15, 2010, ADR submitted an application to the Civil Aviation Authority in order to benefit from the advanced fee payment regime pursuant to paragraphs 200 and 201 of article 2 of the 2010 Finance Act, which provides for advance payment of passenger boarding fees, up to a maximum of 3 euros per outbound passenger, to airport operators as of 2010. This advance payment is conditional on the self-financing of urgent infrastructure investment projects subject to validation by the Civil Aviation Authority.
On March 5, 2010 the Civil Aviation Authority notified ADR S.p.A. of its acceptance of advanced fee payment for the urgent and high-priority works listed by the Company in the above-mentioned application, and also reported that it had submitted the relevant advanced fee payment proposal to the Ministry of Infrastructure and Transport.

- Special planning agreement

On March 9, 2010 ADR S.p.A. formally submitted a first draft of the "special planning agreement" to the Civil Aviation Authority pursuant to article 17, paragraph 34 *bis*, of Legislative Decree no. 78 of July 1, 2009, converted into Law no. 102 of August 3, 2009. This legal instrument (Law no. 102 of August 3, 2009), which was recently introduced for the benefit of the Civil Aviation Authority and major Italian airports with more than 10 million passengers per annum, waives the current legislative framework and outlines a new model for long-term fee regulation.
This single act governs legal and administrative aspects regarding the operation of Rome's airports, as well as regulatory aspects relating to fees, thereby defining ADR S.p.A.'s obligations in this regard.
A planning agreement along these lines significantly simplifies the regulatory framework introduced by CIPE Resolution and the Civil Aviation Authority's implementing guidelines, and sets out a clear and specific framework of reference until expiry of ADR's operating concession on June 30, 2044. At the same time it enables a close correlation to be maintained between investment planning and the related financing, by regulating the drawing up of the airport development plan and the financial and business plan.

- Redundancy schemes at Aeroporti di Roma S.p.A., ADR Tel S.p.A. and ADR Engineering S.p.A.

The Ministerial Decrees of January 12, 2010 regarding redundancy schemes in effect from December 1, 2009 until May 31, 2010, concerning 99 staff at ADR S.p.A., 2 at ADR Tel S.p.A. and 2 at ADR Engineering S.p.A., were published in the Official Gazette on February 3 and 4, 2010.

- Data Protection Code – Security Planning Document

On March 31, 2010 the Security Planning Document was updated pursuant to Legislative Decree no. 196/2003.

Litigation

- Launch of an Antitrust Authority investigation regarding access to the centralized infrastructure market

On March 23, 2010 the Antitrust Authority notified ADR S.p.A. that it was launching an investigation to ascertain whether the Company had abused its dominant position regarding access to the centralized infrastructure market.
The launch of this investigation, which the Authority is bound to carry out, follows the partial acceptance by the Lazio Regional Administrative Court of an appeal lodged by Air One against the ruling which ordered ADR S.p.A. to pay a fine, excluding, however, this abuse of dominant position. Indeed, the Regional Administrative Court deemed invalid the Antitrust Authority's ruling that allegations of abusive behavior by ADR in setting fees for gaining access to centralized infrastructures were unfounded, on the grounds that they were illogical and insufficiently proven.
In this respect it should be borne in mind that ADR S.p.A. lodged an appeal before the Council of State against the above-mentioned sentence of the Regional Administrative Court, and on March 31, 2010 filed a petition requesting prompt arrangement of a hearing to deal with the case. Indeed, if the Council of State were to accept the Parent Company's appeal, the favorable outcome would render null and void the new investigation launched by the Antitrust Authority, thereby reinstating the Authority's ruling that did not consider that the Company had abused its dominant position with regard to centralized infrastructures.

- Revised airport fees for 2009

On February 17, 2010, ADR lodged an appeal with the Lazio Regional Administrative Court against the decree of the Ministry of Infrastructure and Transport regarding “Revised airport fees for 2009” published on December 22, 2009. This decree raised airport fees in line with the target inflation rate for 2009 which, in the Economic and Financial Planning Document, is projected to be 1.5%. This appeal to the Lazio Regional Administrative Court is similar, in terms of reasoning and arguments, to the one in which ADR appealed against the previous decree that revised airport fees for 2008 in line with inflation.
In February 2010, ADR S.p.A., as nominal opponent, was notified of separate appeals lodged before Lazio Regional Administrative Court by Codacons and the Air, Sea and Rail Transport Users' Association and other carriers aimed at obtaining cancellation, with prior suspension, of the Ministerial Decree of December 8, 2009 regarding “Revised airport fees for 2009". The principle grounds for appeal are: investigative shortcomings, including lack of correlation between airport operators' costs and revenues as a prerequisite for the increase, infringement and misapplication of Law no. 241/1990 and violation of the principle of due process. At a hearing on March 25, 2010 to discuss the suspension, the case was adjourned at the plaintiffs' request.

- Customs litigation

At a meeting on February 17, 2010, the Regional Tax Commission for Rome examined ADR S.p.A.'s appeal against the tax assessment by the Customs Office that is being collected in installments through May 3, 2012, with a total amount of 25 million euros.
At the date of approval of this quarterly report by the Board of Directors of ADR S.p.A., the decisions taken by the Regional Tax Commission for Rome are unknown.
It should be borne in mind that, whilst still firmly maintaining its belief that the allegation has no grounds, in case a total or partially negative outcome were to occur, the Company deemed it prudent to recognize a charge of 12.1 million euros in the income statement for 2009.

Update on financial risk

Due to continuation of the trigger event condition, on February 24, 2010 the Parent Company, ADR S.p.A., submitted a new waiver request, which breaks down as follows:

a) non-application of the cash sweep at the application dates of March 2010 and September 2010 (included);
b) authorization to refinance the bank loan of 170 million euros until the application date of September 2011 (included);
c) until the application date of September 2010, none of the restrictions arising from the trigger event will apply, except for the following: payment of dividends, independent auditing and financial reporting obligations.

The authorization was subject to a commitment by ADR S.p.A., at the application date of September 2010, to make available whichever is the higher sum – 45 million euros or 80% of surplus cash available on the date of repayment of the bank loan (25%) – and collateralize Romulus Tranche A1 (75%).

On March 16, 2010 ADR S.p.A. received notification that the waiver had been granted in accordance with the terms requested.

It should be borne in mind that since December 2009, given the growing – although not actual – risk of Ambac's default, ADR S.p.A., with the support of Mediobanca S.p.A. and Royal Bank of Scotland, has initiated a procedure to identify a financial institution that could replace Ambac Financial Services ("AFS") as a counterparty for Romulus in the Cross Currency Swap regarding Tranche A4 of the bonds denominated in sterling.

At the end of the second phase of the process, which was completed on February 8, 2010, Unicredit MCC had made the most suitable offer. On February 12, 2010, AFS formally notified ADR S.p.A. of its acceptance of the financial proposal made by Unicredit Mediocredito Centrale S.p.A. for replacement.

On March 18, 2010 agreements were signed regarding the replacement of AFS by the new swap counterparties, Unicredit Mediocredito Centrale S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A., based on the improved market conditions offered, amounting to 75% and 25%, respectively, of the risk connected with the transaction.

ADR S.p.A. and Romulus Finance S.r.l. are guaranteed replacement under the same terms and conditions as those contained in the previous contract.

GROUP FINANCIAL REVIEW

Reclassified income statement

(€000)

2009		First Quarter 2010		First Quarter 2009		Change	%
561,814	A.- REVENUES	129,251	100.0%	118,689	100.0%	10,562	8.9%
5,508	Capitalized costs and expenses	1,434		1,103		331	30.0%
567,322	B.- REVENUES FROM ORDINARY ACTIVITIES	130,685		119,792		10,893	9.1%
(191,024)	Cost of materials and external services	(45,974)	(35.6%)	(44,898)	(37.8%)	(1,076)	2.4%
376,298	C.- GROSS MARGIN	84,711	65.5%	74,894	63.1%	9,817	13.1%
(121,901)	Payroll costs	(29,434)	(22.8%)	(30,023)	(25.3%)	589	(2.0%)
254,397	D.- GROSS OPERATING INCOME	55,277	42.8%	44,871	37.8%	10,406	23.2%
(107,858)	Amortization and depreciation	(26,928)		(26,833)		(95)	0.4%
(5,935)	Other provisions	(23)		(2,560)		2,537	(99.1%)
(6,924)	Provisions for risks and charges	(1,814)		(2,382)		568	(23.8%)
(62)	Other income (expense), net	(972)		(502)		(470)	93.6%
133,618	E.- OPERATING INCOME	25,540	19.8%	12,594	10.6%	12,946	102.8%
(68,660)	Financial income (expense), net	(17,857)	(13.8%)	(18,843)	(15.9%)	986	(5.2%)
(43)	Adjustments to financial assests	(4)		0		(4)	ns
64,915	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	7,679		(6,249)		13,928	(222.9%)
(31,841)	Extraordinary income (expense), net	(143)		(20,896)		20,753	(99.3%)
33,074	G.- INCOME BEFORE TAXES	7,536		(27,145)		34,681	(127.8%)
(32,826)	Income taxes for the period	(6,992)		(4,001)		(2,991)	74.8%
4,185	Deferred tax assets	549		7,566		(7,017)	(92.7%)
4,433	H.- NET INCOME FOR THE PERIOD	1,093		(23,580)		24,673	(104.6%)
	including:						
(731)	- Minority interest	(353)		(1,350)		997	(73.9%)
5,164	**- Group interest**	**1,446**		**(22,230)**		**23,676**	**(106.5%)**

The first quarter of 2010 saw confirmation of the upturn in traffic at the Roman airport system registered at the end of the 2009.

Good traffic performance, together with the effects of cost-cutting measures launched in 2009, had a positive impact on the first-quarter results.
These results appear even more rosy if compared with the first quarter of 2009 which, in addition to the economic downturn, was affected by the launch of the new Alitalia with cut the number of flights operated. Given this situation, the ADR Group launched a restructuring program entailing recognition of extraordinary expense of approximately 20 million euros in the income statement.

Group revenues in the first quarter of 2010, amounting to 129.3 million euros, are up 8.9% on the same period of 2009, reflecting a 9.1% increase in aviation revenues and an 8.7% rise in non-aviation revenues.

Aviation revenues, which are directly linked to traffic trends, performed well across all components. Revenues from airport fees grew by 8.2%, partly due to being brought into line with inflation, whilst security service revenues were up 13.2%.

Non-aviation revenues, which are up 8.7%, were boosted by an additional grant of 2.5 million euros for state-funded works compared with the first quarter of 2009. Without this component, non-aviation revenues are up 7.0%, primarily due to the rise in direct sales (up 5.8%), albeit at a lower rate than traffic growth, and an increase in income from sub-concessions and utilities driven by the relaunch of the "Food & Beverage" segment and higher real estate rentals (the new office building and the Alitalia technical area). Management of parking systems also registered a good performance (up 13.2%), thanks to traffic growth and a new pricing policy. However, advertising revenue continued to fall (down 8.6%), as the crisis affecting this sector continued.

The cost of materials and external services increased by a total of 2.4%, which is reduced by 3.2% if "costs relating to financed works" regarding the portion of state-funded works at departure area F are stripped out. This performance is primarily due to lower costs for marketing initiatives, utilities and maintenance, partly offset by higher costs relating to the purchase of goods for resale.

Payroll costs decreased by 2%, due to a reduction in the average headcount (down 62.5) arising from the current restructuring plan.

The increase in operating costs, amounting to 0.7% compared with the 9.1% rise in revenues, thus results in a 23.2% increase in EBITDA, which totals 55.3 million euros.

Thanks to lower provisions for doubtful accounts and for risks and charges, totaling 3.1 million euros, EBIT is up 12.9 million euros on the same period of 2009 to 25.5 million euros.

Pre-tax income was boosted by a 5.2% reduction (down 1.0 million euros) in net financial expense, which benefited from the effects of lower interest rates compared with the first quarter of 2009.

Extraordinary expense of 0.1 million euros, compared with the net expense of 20.9 million euros registered in the first quarter of 2009, is essentially due to expenses connected with the restructuring plan.

As a result of the above performance, the ADR Group reports net income of 1.4 million euros for the first quarter of 2010, compared with a net loss of 22.2 million euros for the same period of the previous year.

Reclassified balance sheet
(€000)

03-31-2009		03-31-2010	12-31-2009	Change
	A. - NET FIXED ASSETS			
1,976,849	Intangible fixed assets *	1,936,815	1,948,422	(11,607)
168,865	Tangible fixed assets	174,581	168,907	5,674
3,414	Non - current financial assets	3,416	3,419	(3)
2,149,128		2,114,812	2,120,748	(5,936)
	B. - WORKING CAPITAL			
21,939	Inventory	24,776	21,464	3,312
169,092	Trade receivables	194,593	203,143	(8,550)
43,523	Other assets	50,374	48,179	2,195
(140,818)	Trade payables	(146,332)	(140,437)	(5,895)
(49,610)	Allowances for risks and charges	(54,771)	(54,763)	(8)
(113,652)	Other liabilities	(120,601)	(120,819)	218
(69,526)		(51,961)	(43,233)	(8,728)
	C. - INVESTED CAPITAL, minus			
2,079,602	short-term liabilities (A+B)	2,062,851	2,077,515	(14,664)
36,589	D. - EMPLOYEE SEVERANCE INDEMNITIES	28,435	28,523	(88)
2,043,013	**E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)**	**2,034,416**	**2,048,992**	**(14,576)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
700,567	- Group interest	729,407	727,961	1,446
198	- Minority interest	463	816	(353)
700,765		729,870	728,777	1,093
1,490,611	G. - MEDIUM/LONG-TERM BORROWING	1,477,861	1,482,111	(4,250)
	H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
22,591	.Short-term borrowing	30,331	25,458	4,873
(170,954)	.Cash and current receivables	(203,646)	(187,354)	(16,292)
(148,363)		(173,315)	(161,896)	(11,419)
1,342,248	(G+H)	1,304,546	1,320,215	(15,669)
2,043,013	**I. - TOTALE AS IN "E" (F+G+H)**	**2,034,416**	**2,048,992**	**(14,576)**
1,737,248	*(*) including the value of the concession totaling*	*1,687,964*	*1,700,285*	*(12,321)*

As of March 31, 2009 the Group's invested capital amounts to 2,034.4 million euros, representing a decrease of 14.6 million euros compared with the end of the previous year. This primarily reflects a reduction in working capital, and to a lesser extent in net fixed assets (down 5.9 million euros), with amortization and depreciation for the period outstripping investment.

The trend of trade receivables and payables had a positive effect on the working capital that was down 8.7 million euros in working capital compared with December 31, 2009.

Despite the typical low-season effects, trade receivables fell 8.6 million euros, due to improved collection times, although no payments were received from Alitalia under special administration, which has outstanding payables due to the Group amounting to around 27 million euros.
Trade payables were up 5.9 million euros, due to the extension of credit terms by suppliers.

On the other hand, working capital was influenced by a 3.3 million euro increase in inventories, due to the greater volume of works in progress in connection with the state-funded portion of works in departure area F and inventories of goods for resale, primarily deriving from increased sales.
"Other assets" are also up 2.2 million euros, primarily due to higher tax credits deriving from payment of installments during the quarter of the tax assessment relating to the current litigation with the Customs Office.

In terms of funding, the reduction in invested capital was reflected by a 15.7 million euro decrease in net debt, which stands at 1,304.5 million euros at the end of the period, whilst shareholders' equity is up 1.1 million euros, in connection with net income for the period.

Consolidated net debt
(€000)

03-31-2009		03-31-2010	12-31-2009	Change
(2,758)	Titles - Bonds	(2,758)	(2,758)	0
293,350	Due to banks	280,600	284,850	(4,250)
1,200,019	Due to other financial institutions:	1,200,019	1,200,019	0
1,490,611	**A- MEDIUM/LONG -TERM BORROWING**	**1,477,861**	**1,482,111**	**(4,250)**
2,826	Due to banks	10,273	11,541	(1,268)
19,765	Due to other financial institutions	20,058	13,917	6,141
22,591	**Short-Term Borrowing**	**30,331**	**25,458**	**4,873**
(51,822)	Receivables due from others	(56,334)	(51,616)	(4,718)
(119,132)	Cash on hand and in banks	(147,312)	(135,738)	(11,574)
(170,954)	**Cash and current receivables**	**(203,646)**	**(187,354)**	**(16,292)**
(148,363)	**B- NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)**	**(173,315)**	**(161,896)**	**(11,419)**
1,342,248	**NET DEBT (A+B)**	**1,304,546**	**1,320,215**	**(15,669)**

A reduction in the medium/long-term component of net debt was reported, deriving from the reclassification to short-term debt of the 4.3 million euro portion of the Banca BIIS loan falling due in March 2011.

The short-term component of debt has fallen 11.4 million euros overall, as a result of:

- a 1.3 million euro reduction in amounts due to banks, essentially due to the lesser short-term exposure of the subsidiary undertaking, ADR Advertising S.p.A.. The reclassification of the 4.3 million euro portion of the Banca BIIS loan falling due in March 2011 was offset by payment of a portion of the BIIS loan, of an equal amount, falling due in March 2010;
- a 16.3 million euro increase in cash and current receivables.

These increases were partly offset by greater amounts due to other financial institutions, regarding accrued interest for the period payable in the short-term.

Statement of cash flows
(€000)

2009		First Quarter 2010	First Quarter 2009
171,423	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**161,896**	**171,423**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
4,433	Net income (loss) for the period	1,093	(23,580)
107,858	Amortization and depreciation	26,928	26,833
(23)	(Gains) losses on disposal of fixed assets	0	0
(3)	(Revaluations) write-downs of fixed assets	0	0
(38,230)	Net change in working capital	8,728	(11,937)
(8,869)	Net change in employee severance indemnities	(88)	(803)
65,166		36,661	(9,487)
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(45,534)	.intagible	(10,629)	(7,529)
(18,563)	.tangible	(11,443)	(3,373)
(2,764)	.financial	(2)	(2,758)
675	Proceeds from disposal, or redemption value of fixed assets	1,082	93
(66,186)		(20,992)	(13,567)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
0	New loans	0	0
0	Repayments of loans	0	0
(8,500)	Buy-back of shares	(4,250)	0
(8,500)		(4,250)	0
(7)	E.- DIVIDENDS PAID	0	(6)
(9,527)	G.- CASH FLOW FOR THE PERIOD (B+C+D+E+F)	11,419	(23,060)
161,896	**H.- NET CASH AND CASH EQUIVALENTS - closing balance (A+G)**	**173,315**	**148,363**

The Group's operating cash flow amounted to 36.7 million euros in the first quarter of 2010, after the servicing of debt falling due.
These internally generated resources enabled full coverage of the net cost of self-financed investments during the period, totaling 21.0 million euros, which was nevertheless up on the first quarter of 2009.

Adjusted for the portion of medium-/long-term loans falling due in the short term, the Group recorded a net cash inflow of 11.4 million euros, raising net cash and cash equivalents to 173.3 million euros at March 31, 2010.

Analysis of net debt
(€000)

2009		First Qurter 2010	First Quarter 2009
(1,320,215)	**A.- NET FINANCIAL BORROWING - opening balance**	**(1,320,215)**	**(1,321,946)**
254,397	EBITDA	55,277	44,871
(5,935)	Net change in operating working capital	11,110	(35,119)
(8,869)	Net change in employee severance indemnities	(88)	(803)
(85)	Other income (exp.), net (*)	(972)	(502)
(23,719)	Extraordinary income (exp.), net (**)	8,455	(20,896)
(40,201)	Current taxes paid	(6)	(240)
(3,195)	Other assets/liabilities (included allowances for risks and charges)	(20,773)	20,709
172,393	**B.- OPERATING CASH-FLOW**	**53,004**	**8,020**
(64,103)	Capex (tangibles, intangibles and financial)	(22,074)	(10,902)
675	Proceeds from disposal, or redemption value of fixed asset	1,082	93
108,965	**C.- FREE CASH-FLOW**	**32,012**	**(2,788)**
(68,997)	Financial income (exp.), net	(16,343)	(17,507)
(7)	Dividends paid	0	(6)
39,961	**D.- NET CASH-FLOW**	**15,669**	**(20,302)**
0	Exchange rate effect on reserves	0	0
39,961	**E.- NET CASH-FLOW OF THE PERIOD**	**15,669**	**(20,302)**
(1,280,254)	**F.- NET BORROWING - closing balance (A+E)**	**(1,304,546)**	**(1,342,248)**

(*) Net, of the losses on credits

(**) Net, of provisions restructuring costs

EVENTS AFTER MARCH 31, 2010

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

Data as of April 30, 2010 and changes with respect to the same period of 2009[1]

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	117.370	100.354	17.016	49.519	67.851
D% vs PY	-2,5%	-2,7%	-1,3%	-8,8%	+2,7%
Mtow	9.107.981	8.261.160	846.821	3.094.734	6.013.247
D% vs PY	+0,8%	+1,2%	-2,6%	-6,5%	+5,0%
Total Pax	11.569.129	10.192.562	1.376.567	4.005.883	7.563.246
D% vs PY	+3,7%	+5,1%	-5,3%	-3,3%	+7,9%
Freight (Kg)	52.974.214	47.483.122	5.491.092	1.833.019	51.141.195
D% vs PY	+29,8%	+34,1%	+1,4%	-7,0%	+31,7%

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

	International	Intl' EU	Intl' Extra EU
Movements	67.851	45.356	22.495
D% vs PY	+2,7%	+0,4%	+7,6%
Mtow	6.013.247	3.166.311	2.846.936
D% vs PY	+5,0%	+1,8%	+8,8%
Total Pax	7.563.246	4.765.350	2.797.896
D% vs PY	+7,9%	+2,8%	+17,7%
Freight (Kg)	51.141.195	9.494.624	41.646.571
D% vs PY	+31,7%	+2,4%	+40,9%

Despite the negative result registered in April (down 4.9%, due to the volcanic eruption that took place in Iceland), in the first four months of the year the Roman airport system continued to report traffic growth (passengers up 3.7%). The increase was driven by the international segment (up 7.9%, with the EU segment up 2.8% and the non-EU segment up 17.7%), compared with a 3.3% reduction in the domestic segment.

The negative impact of the eruption of the Icelandic volcano, Eyjafjallajoekull, in April 2010 was a direct consequence of the closure of a majority of European air space.

Even though Fiumicino and Ciampino airports were never actually "closed", the effects during the period 15-21 April were particularly significant, with the cancellation of more than 2,000 flights and an estimated loss of more than 230,000 passengers.

[1] Provisional data.

Compared with the same period of 2009, passenger traffic at Fiumicino airport is down 5.1% in the first four months of 2010, with capacity registering a 1.2% rise in aircraft tonnage and a 2.7% fall in movements.
At Fiumicino, in terms of network development, with the start of the summer season and increases in the frequency of flights to certain existing destinations (including extra flights to Sao Paolo in Brazil, Tel Aviv, Tripoli and Algiers by Alitalia; to Zagreb by Croatia Airlines; to Copenhagen by Cimber Sterling; to Mahe by Air Seychelles; to Manchester by Jet2; and to Warsaw by Wizz Air), a number of new flights to and from various cities have been added and new airlines have arrived. These include flights to Paris, Nantes and Toulouse by XL Airways France, the resumption of flights to Malaga and Vienna by Alitalia, and flights to Gothenburg by City Airlines, to Palma de Majorca by Air Europa, Bergen by Norwegian and Hannover by Germanwings.

Compared with the same period of the previous year Ciampino registered a 5.3% drop in passengers and a reduction in capacity (movements down 1.3% and aircraft tonnage down 2.6%).

On April 10, 2009 Standard & Poor's confirmed its BB rating of ADR S.p.A., whilst lifting the "CreditWatch with negative implications" imposed on the Company on October 1, 2009. This followed on from a risk assessment relating to the replacement, which has now been concluded, of Ambac Financial Services as the counterparty for the Cross Currency Swap for Romulus Finance S.r.l.. According to the rating agency, the "negative" outlook reflects the pressures created by the procedure involved in signature of the planning agreement, together with the need for ADR S.p.A. to bring forward refinancing of the 170 million euro bank loan falling due in February 2012.

OUTLOOK

The good performance reported in the first quarter of 2010 may not continue during the rest of the year. Traffic growth may slow compared with the first quarter, leading to a reduction in revenues.

THE BOARD OF DIRECTORS