Company Report and Financial Statements 2004

Contents

Highlights

The following table summarizes main traffic data for the year for Rome's airport system and shows changes with respect to 2003.

Traffic component	System (°)	% Change
Movements (no.)	353,921	+4.7%
Aircraft tonnage (tons)	24,957,173	+3.3%
Total passengers (no.)	30,675,613	+9.2%
Total freight (tons)	153,746	+4.2%

(°) Fiumicino + Ciampino

The following table summarizes key economic, financial and operational data for 2004.

Key economic, financial and operational data (in thousands of euros)	2004	2003	2002	2001 [1]
Revenues	486,777	463,979	456,061	446,717
EBITDA	236,085	208,320	205,085	182,503
EBIT	126,627	105,245	113,158	85,952
Net income	12,244	1,069	4,063	23,490

	12.31.2004	12.31.2003	12.31.2002	12.31.2001
Invested capital	2,358,392	2,392,980	2,360,265	2,402,521
Shareholders' equity	758,053	745,809	777,097	773,034
Net debt	1,600,339	1,647,171	1,583,168	1,629,487
Short-term cash and cash equivalents	144,680	97,848	68,170	75,513
Medium-/long-term debt	1,745,019	1,745,019	1,651,338	1,705,000

Ratios				
Revenues/Average headcount (€/000)	221	205	201	185
No. of passengers/Average headcount	13,899	12,435	11,591	10,911

Other information				
Headcount	2,314	2,256	2,327	2,318
Investment (€/000)	51,643	49,238	53,275	42,821

(1) As a result of the reclassification of certain Income Statement items with effect from 2002, EBITDA for 2001 is not comparable with the figures for subsequent years.

OPERATIONS

(Translation from the original issued in Italian)

Dear Shareholders,

The Company reported net income of 12.2 million euros in 2004, compared with net income of 1.1 million euros in 2003.
In 2004 the number of airport passengers amounted to 30.7 million, a significant increase (up 9.2%) compared with 2003. This positive passenger traffic performance was not matched by earnings growth, which rose by 6.2% with respect to 2003 (net of the State-financed works component whose programs are coming to an end). Total revenues amounted to 485.7 million euros.
The aviation sector reported total revenues of 272.8 million euros and a rise of 7.2% in airport fees. Obviously, if compared with passenger traffic, this increase does not match growth in the volume of business and, moreover, since airport fees have been frozen at early-2001 levels, is not enough to even keep up with inflation over the last three years.
Non-aviation earnings, amounting to 214.0 million euros, rose overall by 5.0%, primarily due to the contribution made by car park management and sub-concessions. Retail activities, which saw limited growth (earnings from directly managed outlets rose by 4.4%), were penalized by the lower average passenger spend. This is linked to the trend towards low-cost traffic and has also been noted at other major European airports.
EBITDA, amounting to 236.1 million euros, improved on the previous year both in absolute terms (up 13.3%) and in terms of the EBITDA margin (up 3 percentage points), thanks to continued efforts to curb operating costs, which rose at a lower rate than business volumes.
Net financial expense fell by 2.1 million euros, due to increased dividends from subsidiary undertakings and the better balance, achieved in late 2004, between the fixed and floating interest rate components of debt.
Net extraordinary income of 1.9 million euros reflects the reversal of tax-related entries, made necessary by the recent company law reform.
Thanks to the improvement in profit margins, net income rose from 1.1 million euros in 2003 to 12.2 million euros, after estimated tax expense of 24.1 million euros.
During 2004 the Company's net debt fell from 1,647.2 million euros at the end of 2003 to 1,600.3 million euros at the end of 2004, a decrease of 46.9 million euros. This result was achieved – despite the fallout from the crisis affecting the above-mentioned domestic carrier – due to prudent cash flow management, and solid guarantees of ADR S.p.A.'s ability to meet its current financial commitments and maintain those connected to the substantial investment program underway.
This was confirmed in 2004 by completion of one of the principal programs included in the Company's investment plan. Freight activities were launched at the new Cargo City facility. These works, costing over 100 million euros, have put Fiumicino airport at the cutting edge in terms of freight handling infrastructure and technology. The new infrastructure will finally eradicate the limitations imposed by the previous facility and clear the way for future development of this vital area of business.

INVESTMENT

During 2004, the Company continued the development of infrastructure and facilities at Fiumicino and Ciampino airports, carrying out works totaling 51,643 thousand euros (49,238 thousand euros in 2003). Further details on the main works can be found in the Group's Management Report on Operations.

RESEARCH AND DEVELOPMENT

ADR S.p.A. did not carry out any research and development activities during 2004.

PERSONNEL

The headcount as of December 31, 2004, including staff on temporary contracts, was 2,314, broken down as follows:

Year-end total	12.31.2004	12.31.2003	Change
Managers	43	49	(6)
Supervisors	197	191	6
Office staff	1,469	1,410	59
Ground staff and other	605	606	(1)
Total	**2,314**	**2,256**	**58**
including:			
on permanent contracts	*1,934*	*1,945*	*(11)*
on temporary contracts	*380*	*311*	*69*

Compared with December 31, 2003, personnel increased by a total of 58. Staff on permanent contracts decreased by 11, while those on temporary contracts rose by 69.
The decrease in permanent employees primarily reflects the greater number of people who left the Company (-82), having taken redundancy packages, resigned or reached retirement age, with respect to recruitment (+71), which essentially regarded the conversion of long-term seasonal contracts into permanent ones.

In addition to the 9.2% increase in air traffic, the increase in temporary personnel (up 69) is, on the other hand, linked to the start-up of new activities (the newly opened Cargo City, new security checkpoints, the extension and opening of new shops).
The productivity of personnel (passengers/average headcount) rose 11.8% compared with 2003.
Overtime as a percentage of workable hours fell from 6.3% in 2003 to 5.4% in 2004. Once again in 2004 the Company focused on the uptake of vacation days for 2004 and the use of rest days, which amounted to 100% and 60%, respectively.

On the organizational front, design and implementation of the new operating models for the Security Operations and Cargo Operations sections of the Aviation Business Unit took place in 2004. Above all, with regard to the first project, an operating model designed to strengthen and improve the planning and management of shift work was introduced, involving the adoption of a support information system (UFIS). The new model in the Cargo Operations section enabled better integration of physical and information system processes and the strengthening of operating controls via the introduction of process supervisors.
A total of 63,788 hours of training were carried out, representing 7,973 days and involving 1,009 participants.
The sale of training initiatives to other airports continued, with the provision of 69 courses at Catania, Palermo, Lamezia Terme, Genoa and Ancona, involving 562 participants.

FINANCIAL POSITION AND OPERATING RESULTS

Given that ADR S.p.A.'s results have a substantial influence on those of the Group, the following commentary focuses primarily on a summary of the Parent Company's performance. For a better understanding reference should be made to the section dealing with the Group's financial position and operating results.

Reclassified Income Statement

RECLASSIFIED INCOME STATEMENT (in thousands of euros)	2004	2003	Change
Revenues from sales and services	485,703	457,483	28,220
Contract work in progress	1,074	6,496	(5,422)
A. – REVENUES FROM ORDINARY ACTIVITIES	**486,777**	**463,979**	**22,798**
Cost of materials and external services	(149,720)	(150,979)	1,259
B. – GROSS MARGIN	**337,057**	**313,000**	**24,057**
Payroll costs	(100,972)	(104,680)	3,708
C. – GROSS OPERATING INCOME	**236,085**	**208,320**	**27,765**
Amortization and depreciation	(92,554)	(93,244)	690
Other provisions	(11,469)	(2,593)	(8,876)
Provisions for risks and charges	(5,285)	(77)	(5,208)
Other income (expense), net	(150)	(7,161)	7,011
D. – OPERATING INCOME	**126,627**	**105,245**	**21,382**
Financial income (expense), net	(92,187)	(94,307)	2,120
Adjustments to financial assests	0	0	0
E. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**34,440**	**10,938**	**23,502**
Extraordinary income (expense), net	1,878	3,214	(1,336)
F. – INCOME BEFORE TAXES	**36,318**	**14,152**	**22,166**
Income taxes for the year:			
– current taxes	(23,032)	(15,468)	(7,564)
– deferred tax assets (liabilities)	(1,042)	2,385	(3,427)
	(24,074)	**(13,083)**	**(10,991)**
G. – NET INCOME (LOSS) FOR THE YEAR	**12,244**	**1,069**	**11,175**

The Company's revenues (excluding State-financed works nearing completion) totaled 485.7 million euros, up 6.2% compared with the previous year.
However, analysis of the various earnings components reveals that performance does not always reflect the upturn in traffic (passengers up 9.2%).

In particular, the "Aviation" sector brought additional revenues of 12.6 million euros (up 4.8%), despite the 11.6 million euro decline in handling revenues due to the transfer of handling activities at Ciampino to ADR Handling S.p.A. as of December 31, 2003.

The positive performance of this segment benefited from the substantial contribution from security activities (up 26.2%, reflecting the negative effects on 2003 of delayed remuneration for the service that, although activated by ADR S.p.A. in February, was only chargeable as of June), airport fees (up 7.2%), and centralized infrastructures (boarding bridges, baggage handling system, etc.), which rose by 3.7%.

"Non-aviation activities" posted a rise of 5.0%, thanks to the development of sub-concessions (retail and non-retail) and utilities (up 13.2%), and car park management (up 19.1%). The reduction in revenues from the sale of advertising space (down 7.1 million euros) derives from the lease of the relevant division to the subsidiary undertaking, ADR Advertising S.p.A.. This, however, is reflected in an increase in royalties classified among revenues from sub-concessions.
Compared with traffic growth, revenues from directly managed retail outlets (up 4.4%) were impacted by a downturn in the average passenger spend, which penalized the Roman airport system as well as other major European airports.

Group efforts devoted to efficiency-drive programs continued.
Despite this revenue growth, the "cost of materials and services" fell 0.8%, whilst, if the State works component is excluded, such costs rose 3.1%, a figure that is in any event lower than the increase in revenues.
"Payroll costs" also fell (down 3.5%), resulting in an improvement in the ratios regarding "revenues/average headcount" (up to 221 thousand euros from the 205 thousand euros of 2003) and "passengers/average headcount", which registered a figure of 13,899 compared with 12,435 in the previous year.

Consequently, "EBITDA", totaling 236.1 million euros, was up by 13.3%, an improvement of over three percentage points in terms of EBITDA margin.

"EBIT" (amounting to 126.6 million euros) rose by 20.3%, despite a substantial increase in adjustments and provisions for risks and charges.

"Net financial expense" fell by 2.1 million euros, due to increased dividends from subsidiary undertakings (up 1.1 million euros) and a decline in net interest expense (down 1.0 million euros) due to the better balance, achieved in late 2004, between the fixed and floating interest rate components of debt.

"Net extraordinary income" of 1.9 million euros reflects the reversal of tax-related entries, made necessary by the recent company law reform. This transaction eliminated the effect of the accelerated depreciation charged to the Income Statement in previous years, totaling 4.5 million euros, net of the related deferred taxes.

Thanks to improved profit margins, "net income" rose to 12.2 million euros from 1.1 million euros in 2003, after estimated tax expense of 24.1 million euros.

Reclassified Balance Sheet

RECLASSIFIED BALANCE SHEET (in thousands of euros)	12.31.2004	12.31.2003	Change
A. – NET FIXED ASSETS			
Intangible fixed assets (*)	2,173,547	2,224,059	(50,512)
Tangible fixed assets	105,724	90,712	15,012
Non-current financial assets	144,309	145,455	(1,146)
	2,423,580	**2,460,226**	**(36,646)**
B. – WORKING CAPITAL			
Inventory	20,530	20,244	286
Trade receivables	119,645	118,722	923
Other assets	24,987	30,600	(5,613)
Trade payables	(98,616)	(120,387)	21,771
Allowances for risks and charges	(26,720)	(27,056)	336
Other liabilities	(57,305)	(41,919)	(15,386)
	(17,479)	**(19,796)**	**2,317**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**2,406,101**	**2,440,430**	**(34,329)**
D. – EMPLOYEE SEVERANCE INDEMNITIES	**47,709**	**47,450**	**259**
E. – INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	**2,358,392**	**2,392,980**	**(34,588)**
financed by:			
F. – SHAREHOLDERS' EQUITY			
Paid-up share capital	62,310	62,225	85
Reserves and retained earnings (accumuled losses)	683,499	682,515	984
Net income (loss) for the year	12,244	1,069	11,175
	758,053	**745,809**	**12,244**
G. – MEDIUM/LONG-TERM BORROWING	**1,745,019**	**1,745,019**	**0**
H. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
– short-term debt	24,492	16,831	7,661
– cash and current receivables	(169,172)	(114,679)	(54,493)
	(144,680)	**(97,848)**	**(46,832)**
(G+H)	**1,600,339**	**1,647,171**	**(46,832)**
I. – TOTAL AS IN "E" (F+G+H)	**2,358,392**	**2,392,980**	**(34,588)**
* *including the value of the concession totaling*	*1,978,781*	*2,028,877*	*(50,096)*

The Company's "invested capital" amounted to 2,358.4 million euros as of December 31, 2004, a decrease of 34.6 million euros compared with the end of the previous year. This was due to lower fixed assets and, above all, the decrease in intangible fixed assets resulting from amortization of the airport concession.

"Working capital" was in line with the end of the previous year (up 0.3 million euros). The reduction in trade payables due to the progressive rebalancing of accounts with suppliers was offset

by the increase in other liabilities, primarily caused by a rise in taxes due. Trade receivables were only slightly (up 0.9 million euros) despite the revenue growth.
The Company's net debt reported a decrease of 46.8 million euros, while shareholders' equity increased by 12.2 million euros due to net income for the year.

Statement of Cash Flows

STATEMENT OF CASH FLOWS (in thousands of euros)	2004	2003	Change
A. – CASH AND CASH EQUIVALENTS - OPENING BALANCE	**97,848**	**68,170**	**29,678**
B. – CASH FLOWS FROM (FOR) OPERATING ACTIVITIES			
Net income (loss) for the year	12,244	1,069	11,175
Amortization and depreciation	92,554	93,244	(690)
(Gains) losses on disposal of fixed assets	(170)	(11,682)	11,512
(Revaluations) write-downs of fixed assets	(89)	(134)	45
Net change in working capital	(2,317)	(17,595)	15,278
Net change in employee severance indemnities	259	(3,350)	3,609
Other changes	(7,111)	0	(7,111)
	95,370	**61,552**	**33,818**
C. – CASH FLOWS FROM (FOR) INVESTING ACTIVITIES			
Investment in fixed assets:			
– intagible	(30,498)	(51,130)	20,632
– tangible	(20,071)	(8,035)	(12,036)
– financial	0	(48,081)	48,081
Proceeds from disposal, or redemption value of fixed assets	2,031	14,048	(12,017)
	(48,538)	**(93,198)**	**44,660**
D. – CASH FLOW FROM (FOR) FINANCING ACTIVITIES			
New loans	0	480,000	(480,000)
Shareholders' contributions	0	0	0
Capital grants	0	0	0
Repayments of loans	0	(386,319)	386,319
Buy-back of shares	0	0	0
	0	**93,681**	**(93,681)**
E. – DIVIDENDS PAID	**0**	**(32,357)**	**32,357**
F. – CASH FLOW FOR THE YEAR (B+C+D+E)	**46,832**	**29,678**	**17,154**
G. – CASH AND CASH EQUIVALENTS (NET BORROWING) - CLOSING BALANCE (A+F)	**144,680**	**97,848**	**46,832**

The Company's operating cash flow amounted to 95.4 million euros in 2004, after servicing of debt falling due.
A sum of 48.5 million euros was used to finance investment, with self-financed infrastructure investment totaling 50.5 million euros, net of gains on the sale of fixed assets of 2.0 million euros.

The remaining portion of operating cash flow, totaling 46.8 million euros, led to an increase in net cash and cash equivalents, which stood at 144.7 million euros at the end of 2004.

EQUITY INVESTMENTS

The characteristics and operating performances of the relevant companies during 2004 are outlined below.

EQUITY INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

ADR Handling S.p.A.

ADR S.p.A. holds a 99.29% interest in ADR Handling S.p.A., whilst the remaining 0.71% is owned by ADR Engineering S.p.A..
Founded on June 10, 1999, ADR Handling S.p.A. began providing ramp and passenger handling services on March 13, 2000 after taking over ADR S.p.A.'s handling operations at Fiumicino. The company also operates ground handling services at Ciampino airport following the transfer of the relevant division from ADR S.p.A.. This transfer took effect on December 31, 2003.
For information regarding the performance of the handling activities managed by the company during 2004, reference should be made to the section dealing with "Aviation activities" in the Group's Management Report on Operations.
Traffic growth registered at Fiumicino airport (movements rose 17%) and the effect of extending handling to Ciampino airport (adding a further 44,263 movements) resulted in a 13,783 thousand euro improvement in revenues compared with the previous year. This figure, together with ongoing attention to holding down operating costs and the overall stability of payroll costs, led to a significant improvement in EBITDA (up 4,263 thousand euros on 2003).
The bankruptcy of the Volare group (one of the company's main customers) resulted in write-offs of receivables totaling approximately 10 million euros. This led to a significant net loss of 7,307 thousand euros.
The headcount as of December 31, 2004, including staff on temporary contracts, stood at 1,338 (compared with 1,381 in 2003).
A summary of this Company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "ADR Handling S.p.A.: reclassified Balance Sheet and Income Statement".

Airport Invest B.V.

Airport Invest B.V., a Dutch registered Company wholly owned by ADR S.p.A., was established in 1999 in order to act as a holding company.
In December 1999, ADR S.p.A. thus transferred its 69% holding in ADR International Airports South Africa (Pty) Ltd (ADR IASA) to Airport Invest B.V. (see below). In December 2003 Airport Invest B.V. became the owner of the remaining 31% of the ordinary share capital of ADR IASA Ltd as a result of the purchase of the interest owned by JP Morgan, equal to 24.8% of the ordinary share capital, and ADR S.p.A.'s transfer of the remaining 6.2% of the ordinary share capital previously owned by Simest S.p.A..
Finally, on December 28, 2000, Airport Invest B.V. signed a "Put and Call Option Agreement" with the South African financial institution United Towers Ltd (the holder of ADR IASA Ltd's preference shares) regarding the shares held by United in the latter company. Both the put option granted to United Towers Ltd and the call option granted to Airport Invest B.V. may be exercised between December 29, 2000 and April 30, 2005.
On December 17, 2004, a General Meeting of the company's shareholders voted, on the basis of a

specially prepared balance sheet, to pay an interim dividend to ADR S.p.A. totaling 4,041 thousand euros.
The company closed 2004 with net income of 4,063 thousand euros, generated by dividends of 4,101 thousand euros received from the subsidiary undertaking, ADR IASA Ltd. As a result of the interim dividend paid during the year, the company's shareholders' equity, totaling 107,431 thousand euros as of December 31, 2004, includes residual retained earnings of 22 thousand euros.
As of December 31, 2004 the company had no employees.
A summary of this Company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "Airport Invest B.V.: reclassified Balance Sheet and Income Statement".

ADR International Airports South Africa (Pty) Ltd

ADR International Airports South Africa Ltd (ADR IASA) is a company established under South African legislation. Its corporate purpose is to manage the 20% shareholding in Airports Company South Africa Ltd (ACSA), the country's principal airport management company (see "Other equity investments – Equity investments in airports").
Moreover, ADR IASA Ltd holds an option to buy a further 10% of ACSA Ltd's share capital from the South African government. On November 8, 2004 the South African Transport Minister extended the exercise period from December 2004 to June 2005.
Airport Invest B.V. holds 100% of the company's ordinary share capital, representing 80.95% of the total share capital. The remaining share capital, equal to 19.05%, is owned by a local financial institution, United Towers Ltd (a member of the ABSA Bank Group) in the form of "preference shares".
ADR IASA Ltd is committed to buying the ADR IASA Ltd preference shares owned by United Towers Ltd on April 11, 2005 or prior to this date, on the occurrence of certain events. It has undertaken to pay the issue price of the shares (156 million rands, or 20.3 million euros) plus unpaid preference dividends accruing to such date.
The company closed 2004 with net income of 64,330 thousand rands (equal to 8,041 thousand euros at the average exchange rate for the year). This was essentially due to the revaluation of its stake in the associated undertaking, ACSA Ltd (valued according to the equity method).
During the year ADR IASA Ltd paid interim dividends for 2004 totaling 44,162 thousand rands (equal to 5,520 thousand euros at the average exchange rate for the year), including 11,562 thousand rands to the preference shareholder, United Towers Ltd (representing dividends for the period January - September 2004) and 32,600 thousand rands to Airport Invest B.V.. The preference shareholder also received preference dividends accruing to December 2003, totaling 1,715 thousand rands.
As of December 31, 2004 the company had no employees.
A summary of this company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "ADR International South Africa (Proprietary) Limited: reclassified Balance Sheet and Income Statement".

ADR Engineering S.p.A. - Unipersonale

The Company, which operates in the airport engineering sector, saw a decline in business volumes in 2004. Despite an increase in the number of contracts acquired during the year, the fall was due to a reduction in the value of the contracts assigned by ADR S.p.A. and by delays in projects to be undertaken for external clients.
Total revenues amounted to 6,166 thousand euros, including 2,989 thousand euros from works supervision and 3,177 thousand euros from design activities. This represents a reduction of

approximately 16% on the previous year.
The cost of raw materials and services (external engineering and consulting), marketing expenses (bids) and general overhead totaled 3,025 thousand euros, equal to approximately 49% of total revenues as opposed to 63% in 2003.
EBITDA rose 422 thousand euros to 969 thousand euros, whilst EBIT increased from the 395 thousand euros of 2003 to 911 thousand euros in 2004, representing a rise of 516 thousand euros (up 131%). This was in part due to the improvement in the balance of other income and expense.
Net income for the year, after taxation amounting to 439 thousand euros, totaled 457 thousand euros (up 171 thousand euros on 2003).
The headcount at year end stood at 29.
A summary of this company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "ADR Engineering S.p.A. - Unipersonale: reclassified Balance Sheet and Income Statement".

ADR Tel S.p.A.

The purpose of the company, which is 99% owned by ADR S.p.A. and 1% by ADR Sviluppo S.r.l., is to build, develop and install telecommunications and electronic communications networks and systems, as well as to provide telecommunications and electronic communications services.
ADR Tel S.p.A. reports net income of 752 thousand euros for 2004, a figure that cannot be compared with the same period of the previous year as the company only started operating on April 1, 2003.
The company, which consolidated its position as a provider of services to both the retail business market, represented by companies operating at the two airports, airlines, public bodies and all other non-aviation businesses present in the Roman airport system, and the wholesale market, represented by telecommunications companies operating at Rome's airports, earned revenues of 6,505 thousand euros from 300 customers.
Prudent management of operating costs, which amounted to 4,827 thousand euros, including 3,857 thousand euros for materials and external services and 970 thousand euros for labor costs, enabled the company to report EBITDA of 1,928 thousand euros and EBIT of 1,415 thousand euros.
Investment, which was substantially self-financed, was primarily aimed at developing and modernizing the telecommunications infrastructure used at Rome's two airports. Investment totaled 1,751 thousand euros.
The headcount as of December 31, 2004 stood at 17.
A summary of this company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "ADR Tel S.p.A.: reclassified Balance Sheet and Income Statement".

ADR Advertising S.p.A.

ADR Advertising S.p.A. was incorporated on January 10, 2003. The company has ordinary share capital of 500,000 euros, and is 51% owned by ADR S.p.A. and 49% owned by IGPDecaux S.p.A..
The preference shares, totaling 500,000 euros, were wholly subscribed by IGPDecaux S.p.A..
Under the terms of the agreement with ADR S.p.A. dated March 1, 2003, by which the Parent Company has leased its advertising division to the company, ADR Advertising S.p.A. manages advertising space at Rome's two airports.
This contract, which lasts until December 31, 2011, provides for monthly payments to ADR proportional to ADR Advertising's revenues, subject to a guaranteed minimum.
The figures for 2004 are not comparable with those of the previous year in that the company began

operating on March 1, 2003 after its had signed the above lease agreement with ADR S.p.A..
The company reports net income of 888 thousand euros for 2004, after estimated taxation of 642 thousand euros. Revenues amounted to 21,974 thousand euros, whilst EBITDA was 1,491 thousand euros, representing an EBITDA margin of approximately 6.8%.
According to Nielsen data, the market for billboard and poster advertising grew 2.7% in 2004 compared with 2003, whilst the company chalked up an increase of 6.8%, with substantial growth in the Domestic (up 18.5%) and European (up 20.7%) areas, and a decline in the International area (down 22.1%). The performance of external advertising and promotional-advertising initiatives was in line with 2003.
The company invested heavily in new advertising furniture for the Domestic Terminal at Pier A, with spending amounting to approximately 500 thousand euros. This investment program, which will be completed in early 2005, has been entirely self-financed from the significant operating cash flow generated in 2004.
The headcount as of December 31, 2004 stood at 11.
A summary of this company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "ADR Advertising S.p.A.: reclassified Balance Sheet and Income Statement".

ADR Sviluppo S.r.l. - Unipersonale

ADR Sviluppo S.r.l. - Unipersonale has share capital of 100,000 euros and was incorporated on July 27, 2001. The company is wholly owned by ADR S.p.A..
The company's purpose is to promote and develop real estate initiatives for Fiumicino and Ciampino airports, to be carried out directly or via third parties. To this end, the company may therefore carry out, or commission, real estate projects regarding the construction of hotels, parking lots, offices and other forms of property in general, where such projects have a role to play in the development of airport activities, and are designed to meet the demands of traffic growth at Fiumicino and Ciampino airports.
During 2004, ADR Sviluppo S.r.l. did not earn revenues, nor did it have employees, as it has yet to commence operations.
The company reported a net loss of 3,609 euros (compared with a loss of 995 euros in 2003). Shareholders' equity as of December 31, 2004 amounted to 91,175 euros.
A summary of this company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "ADR Sviluppo S.r.l.: reclassified Balance Sheet and Income Statement".

OTHER EQUITY INVESTMENTS

Equity investments in airports

– **ACSA - Airports Company South Africa Ltd**: the company manages South Africa's ten principal airports (nine of which it owns), including the international airports of Johannesburg, Cape Town and Durban. During the 2003/2004 financial year these airports reported outgoing passenger traffic of 11.9 million and around 213,000 air traffic movements, representing over 90% of the nation's air traffic.
  The South African government holds 74.60% of ACSA Ltd's share capital, whilst the ADR Group, via ADR IASA Ltd, owns 20%. The remaining shares are owned by a consortium of

local investors representing social groups (4.21%) and a fund managed by a group of managers and employees (1.19%). ADR IASA Ltd also holds an option to acquire a further 10% of the shares of ACSA Ltd.
The accounts for the year ended March 31, 2004 report revenues of 1,803.6 million rands (approximately 214 million euros at the average exchange rate for the year), an increase of 17.1% on the previous year. EBIT rose by 17.4% to 881.4 million rands (approximately 105 million euros), whilst net income was 455.7 million rands (approximately 54 million euros at the average exchange rate for the year), representing a fall of around 203 million rands (approximately 24 million euros). This significant reduction derives from the prudent recognition in ACSA Ltd's accounts of a sum of 127 million rands (approximately 15 million euros) before the related tax effect. This regards a reduction in fees posted by the company in the years ended March 31, 2002 and March 31, 2003, as provided for in a document issued by the "Regulating Committee", appointed by the South African government. Moreover, the result for the year ended March 31, 2003 benefited from a gain on the sale of land owned by the company at Durban airport (115 million rands or approximately 12 million euros).
ACSA Ltd's results for the first nine months of the 2004/2005 financial year show an improvement, with net income up 3.7% on the same period of the previous year to around 461 million rands (approximately 58 million euros).
During 2004 ACSA Ltd continued to implement its infrastructure development plan: the most important project completed during the period include the domestic terminal at Johannesburg International Airport and enlargement of the domestic departures area at Cape Town Airport.

– **Aeroporto di Genova S.p.A.**: Aeroporti di Roma S.p.A. holds a 15% holding in the company that manages Genoa airport. In 2003 (to which the latest approved financial statements refer), Genoa airport saw a rise in traffic volumes (passengers were up 1.65% to 1,057,625 and movements up 1%), including an above-average increase in cargo and postal traffic (up 23.61% and up 16.33%) with respect to other Italian airports. Revenues were up 15.3%, whilst EBITDA improved by over 19%. Despite the excellent operating performance, the company reported a net loss of 1,074 thousand euros (compared with net income of 507 thousand euros in 2002). This was due to the crisis at Minerva Airlines, which was declared bankrupt in February 2004, resulting in the prudent write-down of amounts due from the carrier. The company's shareholders' equity as of December 31, 2003 stood at 5,071 thousand euros.

– **S.A.CAL. - Società Aeroportuale Calabrese S.p.A.**: ADR S.p.A. owns a 16.57% stake in this company (equal to 1,657 shares with a nominal value of 517 euros). In 2003 (to which the latest approved financial statements refer), the company continued the positive performance of the previous year, reporting traffic growth at Lamezia Terme, the airport managed by the company. Passenger traffic was up 25.6% to 1,132,119, whilst movements rose 26.7%. Revenues amounted to 13,633 thousand euros, marking an increase of 35% on 2002 due to growth in both the aviation and non-aviation businesses. Improvements in productivity also helped to boost EBITDA to 2,636 thousand euros, compared with the 544 thousand euros of 2002 (a rise of 384%). The company closed 2003 with net income of 1,177 thousand euros compared with substantial break even in 2002 (net income of 47 thousand euros). Shareholders' equity as of December 31, 2003 stood at 6,478 thousand euros.

Equity investments in other companies

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

– **La Piazza di Spagna S.r.l.**: the company was incorporated on December 17, 2003 with share capital of 100,000 euros, which was 49% subscribed by ADR S.p.A. and 51% by Airport Elite S.r.l., a subsidiary of Save S.p.A.. The company, which is responsible for refreshment outlets and the sale of newspapers and items regulated by state monopoly legislation, is not yet operative. During its first financial year ended December 31, 2004, La Piazza di Spagna S.r.l. did not earn revenues, nor did it have employees, as it has yet to commence operations. The Financial Statements report a loss of 1,093 euros and shareholders' equity of 98,907 euros as of December 31, 2004.
  A summary of this company's key financial data for 2004 is provided in the Annexes to the Financial Statements under "La Piazza di Spagna S.r.l.: reclassified Balance Sheet and Income Statement".

– **Ligabue Gate Gourmet Roma S.p.A. (insolvent)**: the Court of Civitavecchia officially declared Ligabue Gate Gourmet Roma S.p.A. bankrupt on February 1, 2002. A sentence of October 10, 2002 ordered a partial distribution plan whereby 29.6% of preferential claims would be paid. No significant events took place during 2004. The second partial distribution plan is awaited. The equity investment in the company has been fully written down.

– **Edindustria - Centro per le Comunicazioni d'Impresa S.p.A.**: the company, of which ADR S.p.A. owns 9%, provides consultancy services and assistance in publishing and corporate image and communications. The latest approved Financial Statements for the year ended December 31, 2003 report a loss of 443 thousand euros (a loss of 87 thousand euros in 2002) due to a fall in revenues (down 36%) in the Events division (exhibition and fairs). Operating costs were reduced but not enough to offset the fall in revenues (the cost of raw materials and services was down 34% and labor costs up 2%), resulting in negative EBITDA of 117 thousand euros (a positive 384 thousand euros in 2002). Shareholders' equity as of December 31, 2003 stood at 1,036 thousand euros.

– **Alinsurance S.r.l.**: since 1991, ADR S.p.A. has held a 6% stake in this company which operates as an insurance broker. The latest approved Financial Statements for 2003 report a loss of 11 thousand euros compared with net income of 691 thousand euros in 2002. This result is primarily due to the 34% decline in commission income from Italy's leading carrier, whose insurance policies were no longer brokered by the company. Shareholders' equity as of December 31, 2003 stood at 1,105 thousand euros.

NOTICE REGARDING MANAGEMENT AND COORDINATION OF THE COMPANY

With reference to the company law reform introduced by article 2497 and subsequent articles of the Italian Civil Code, ADR S.p.A. is not subject to "management and coordination" by its shareholder Leonardo S.r.l., which, despite holding a controlling interest pursuant to art. 2359 of the Italian Civil Code, does not exercise influence over the subsidiary undertaking's management strategies and operations.

On the other hand, ADR S.p.A. exercises "management and coordination" of its subsidiary undertakings, ADR Handling S.p.A., ADR Engineering S.p.A. and ADR Tel S.p.A..

RELATIONS WITH PARENT COMPANIES AND OTHER RELATED PARTIES

The related party transactions carried out by ADR S.p.A. in 2004 primarily regarded the supply of goods, commercial services and centralized treasury management. All transactions were conducted on an arm's length basis.

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

Trading relations	Balances at 12.31.2004				2004						
					Revenues			Expenses			
	Receivables	Payables	Guarantees	Comm.	Goods	Services	Other	Goods	Services	Other	Investments
Subsidiary undertakings subject to management and coordination											
ADR Handling S.p.A.	8,602	1,487	0	0	1,741	20,179	145	0	1,375	27	0
ADR Engineering S.p.A. Unipersonale	174	4,908	250	11,414	0	203	0	0	401	0	4,480
ADR Tel S.p.A.	305	1,708	253	80	0	570	30	19	2,741	0	1,132
	9,081	**8,103**	**503**	**11,494**	**1,741**	**20,952**	**175**	**19**	**4,517**	**27**	**5,612**
Other subsidiary undertakings											
ADR Advertising S.p.A.	8,130	35	0	0	0	18,743	40	0	0	0	0
	8,130	**35**	**0**	**0**	**0**	**18,743**	**40**	**0**	**0**	**0**	**0**
Associated undertakings											
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	968	0	0							
	0	**968**	**0**	**0**							

ADR S.p.A. has significant trading relations with the subsidiary undertaking, ADR Handling S.p.A., which in March 2000 began providing handling services to carriers at Fiumicino who have not opted for self-handling and, from January 1, 2004, also supplies handling services at Ciampino.

During 2004, ADR S.p.A. earned revenues of 22,065 thousand euros (20,774 thousand euros in 2003) on transactions with ADR Handling S.p.A., involving the supply of consumable materials, vehicle maintenance, warehouse management, sub-concession fees, centralized infrastructures, administration, etc.. ADR Handling S.p.A. in turn, carried out some ancillary activities related to the services supplied by ADR S.p.A., registering turnover of 1,402 thousand euros (747 thousand euros in 2003).

The subsidiary undertaking, ADR Engineering S.p.A., was created in 1997 to provide design and works supervision services for works included in the airport development plan. Revenues from contract work carried out for ADR S.p.A. in 2004 amounted to 4,881 thousand euros (4,848 thousand euros in 2003). ADR S.p.A. charged the company 203 thousand euros (207 thousand euros in 2003) for sub-concession fees, utilities, administration, etc..

As of April 2003, the subsidiary undertaking, ADR Tel S.p.A., manages telecommunications services at Fiumicino and Ciampino airports. During 2004 the company earned revenues of 2,741 thousand euros (1,896 thousand euros in 2003) from services provided to ADR S.p.A. and carried out improvement work on the telephone network totaling 1,132 thousand euros (646 thousand euros in 2003). ADR S.p.A. charged the company 600 thousand euros (667 thousand euros in 2003) for sub-concession fees, the rental of telecommunications assets and real estate, utilities and staff services.

As of March 1, 2003, the subsidiary undertaking, ADR Advertising S.p.A., manages advertising at Fiumicino airport under an agreement with ADR S.p.A., which has leased its advertising division to the new company. This agreement, which expires on December 31, 2011, provides for monthly payments to ADR S.p.A. proportional to ADR Advertising S.p.A.'s revenues, subject to a guaranteed minimum. The royalties paid to ADR S.p.A. in 2004 amounted to 18,444 thousand euros subsidiary undertaking, ADR Advertising S.p.A. (14,620 thousand euros in 2003).
ADR S.p.A. charged the company a further 339 thousand euros subsidiary undertaking, ADR Advertising S.p.A. (232 thousand euros in 2003) for the rental of real estate, utilities and various services.

Financial relations	Balances at 12.31.2004			2004	
	Receivables	Payables	Guarantees	Revenues	Expenses
Subsidiary undertakings subject to management and coordination					
ADR Handling S.p.A.	0	7,932	0	0	72
ADR Engineering S.p.A. Unipersonale	0	1	0	9	0
ADR Tel S.p.A.	286	0	0	10	1
	286	**7,933**	**0**	**19**	**73**
Other subsidiary undertakings					
Airport Invest B.V.	1	0	21,124	0	0
	1	**0**	**21,124**	**0**	**0**

Financial relations with the subsidiary undertakings, ADR Handling S.p.A., ADR Engineering S.p.A., ADR Tel S.p.A. and Airport Invest B.V. regard a centralized treasury management system. Transactions are conducted on an arm's length basis. This system aims to optimize management of financial resources and improve settlement procedures for trading relations within the Group.

Other relations	Balances at 12.31.2004		2004		
				Tax consolidation	
	Receivables	Payables	Dividends	Revenues	Expenses
Subsidiary undertakings subject to management and coordination					
ADR Handling S.p.A.	0	842	0	0	837
ADR Engineering S.p.A. Unipersonale	545	0	375	171	0
ADR Tel S.p.A.	297	0	297	467	0
	842	**842**	**672**	**638**	**837**
Other subsidiary undertakings					
Airport Invest B.V.	0	0	4,042	0	0
ADR Advertising S.p.A.	191	0	191	0	0
	191	**0**	**4,233**	**0**	**0**
Associated undertakings					
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	530	0	0	0	0
La Piazza di Spagna S.r.l.	0	34	0	0	0
	530	**34**	**0**	**0**	**0**

Other relations include the impact on the results of operations and the financial position of adoption of the new form of domestic tax consolidation introduced by the so-called Tremonti reform. The new regulations have been applied to ADR S.p.A., as the Parent Company, and the subsidiary undertakings, ADR Handling S.p.A., ADR Engineering S.p.A. and ADR Tel S.p.A., as consolidated companies.

Taxable income transferred from the consolidated companies, ADR Engineering S.p.A. and ADR Tel S.p.A., resulted in proceeds from tax consolidation of 171 thousand euros and 467 thousand euros, respectively, resulting in a total of 638 thousand euros. Tax losses transferred from the consolidated company, ADR Handling S.p.A., resulted in tax expense from tax consolidation of 837 thousand euros.

In addition to the above taxable income and tax losses, the transfer of tax credits from consolidated companies to ADR S.p.A. led to the posting of a receivable due from ADR Engineering S.p.A. totaling 170 thousand euros and a payable of 841 thousand euros due to ADR Handling S.p.A..

Other relations also include dividends from subsidiary undertakings. These include an interim dividend of 4,042 thousand euros received from Airport Invest B.V. in 2004 and 863 thousand euros in accrued dividends posted on the basis of the dividend payout approved by the boards of directors of the subsidiary undertakings, ADR Engineering S.p.A., ADR Tel S.p.A. and ADR Advertising S.p.A..

Other related party transactions regard the following entities:

Trading and other relations	**Balances at 12.31.2004**		**2004**	
	Receivables	**Payables**	**Revenues**	**Expenses**
Other related parties				
Gemina S.p.A.	0	6	0	6
Falck S.p.A.	0	2	0	21
Impregilo S.p.A.	27	164	14	164
Sesto Siderservizi S.r.l. (Falck Group)	0	164	0	164
Macquarie Airport Luxemburg S.A.	0	36	0	36
Riesfactoring S.p.A. (Falck Group)	87	0	87	31
	114	**372**	**101**	**422**

The expenses paid to Gemina S.p.A., Falck S.p.A., Impregilo S.p.A., Sesto Siderservizi S.r.l. and Macquarie Airport Luxembourg S.A. include the fees paid to Directors of ADR S.p.A., whilst amounts paid to Riesfactoring S.p.A. regard payment for financial services. Revenues earned from Impregilo S.p.A. regard lease rentals, whilst those deriving from relations with Riesfactoring S.p.A. regard the recovery of expenses incurred by ADR S.p.A. in the management of reverse factoring transactions.

TREASURY STOCK OR PARENT COMPANY'S SHARES IN THE PORTFOLIO

The Company did not hold, directly or indirectly, any of its own shares or any shares in the parent company, either at the end of 2004 or at the end of 2003. In addition, no purchases or sales of its own shares or shares in the parent company took place, either directly or indirectly, during 2004.

SUBSEQUENT EVENTS AND OUTLOOK

For information regarding subsequent events and outlook see the corresponding sections in the Group's Management Report on Operations.

PROPOSALS TO THE GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

The Financial Statements as of and for the year ended December 31, 2004, submitted to you together with the report issued by the independent auditors, Deloitte & Touche S.p.A., report net income of 12,244,045.49 euros.

We thus recommend:

1) approval of the Financial Statements as of and for the year ended December 31, 2004, consisting of the Balance Sheet, Income Statement and the Explanatory Notes, together with the Management Report on Operations, which report net income of 12,244,045.49 euros (posted in the Financial Statements after being rounded off to 12,244,045 euros);

2) appropriation of the above net income of 12,244,045.49 euros as follows:
   - 17,011.60 euros to be taken to the legal reserve, which as a result will amount to 12,461,960.20 euros, equal to a fifth of the share capital;
   - payment of a dividend of 0.13 euros per share to the holders of each of the 62,309,801 shares comprising the share capital, representing a payout of 8,100,274.13 euros;
   - residual net income of 4,126,759.76 euros to be taken to the retained earnings.

We also recommend:

- payment of 0.03 euros per share to the holders of each of the 62,309,801 shares comprising the share capital, representing a payout of 1,869,294.03 euros, via use of the "retained earnings" reserve, which will thus be reduced to 132,312.95 euros;
- payment of 0.02 euros per share to the holders of each of the 62,309,801 shares comprising the share capital, representing a payout of 1,246,196.02 euros, via use of the "distributable reserves" formerly established pursuant to art. 67 of the Consolidated Act (reserve for accelerated depreciation), which will thus be reduced to 416,299.45 euros; these reserves were rendered tax exempt in 2002 for the purposes of IRES/IRPEG via payment of capital gains tax at 19%, and in 2003 via payment of IRAP.

The Board of Directors

Company Financial Statements 2004

Balance Sheet and Income Statement

Balance Sheet

as of December 31, 2004
(compared with December 31, 2003)
(Translation from the original issued in Italian)

ASSETS

(in Euros)		**12.31.2004**			**12.31.2003**	
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS			0			0
FIXED ASSETS						
Intangible fixed assets:						
– Incorporation and development costs		133,829			267,658	
– Industrial patents and intellectual property rights		778,572			552,685	
– Concessions, licenses, trademarks and similar rights		1,981,263,116			2,030,684,949	
– Leasehold improvements in process and advances		26,179,552			44,381,850	
– Leasehold improvements		165,192,184			148,172,325	
			2,173,547,253			2,224,059,467
Tangible fixed assets:						
– Land and buildings		2,215,652			1,041,215	
– Plant and machinery		15,962,338			13,177,320	
– Industrial and commercial equipment		1,053,997			1,069,940	
– Fixed assets to be relinquished		70,217,015			67,586,679	
– Other assets		3,498,467			3,565,854	
– Work in progress and advances		12,776,950			4,271,400	
			105,724,419			90,712,408
Non-current financial assets:						
– Equity investments in:						
• subsidiary undertakings	138,863,589			138,863,589		
• associated undertakings	49,001			49,001		
• other companies	1,895,376			1,895,376		
		140,807,966			140,807,966	
– Receivables due from others:						
• within 12 months	3,099			3,099		
• beyond 12 months	3,498,255			4,642,725		
		3,501,354			4,645,824	
			144,309,320			145,453,790
Total fixed assets			2,423,580,992			2,460,225,665
CURRENT ASSETS						
Inventory:						
– Raw, ancillary and consumable materials		2,802,018			2,812,616	
– Contract work in progress		8,828,541			8,952,365	
– Finished goods and goods for resale:						
• goods for resale	8,861,563			8,444,427		
		8,861,563			8,444,427	
– Advances		36,497			34,170	
			20,528,619			20,243,578
Receivables:						
– Due from clients:						
• within 12 months	102,432,867			106,374,906		
		102,432,867			106,374,906	
– Due from subsidiary undertakings		18,531,574			13,062,655	
– Due from associated undertakings		529,543			529,543	
– Due from tax authorities		621,666			2,873,475	
– Deferred tax assets		14,201,846			17,892,846	
– Due from others:						
- various:						
• within 12 months	51,501,820			54,858,733		
• beyond 12 months	2,248,323			2,416,294		
- advances to suppliers for services to be rendered	1,636			100,434		
		53,751,779			57,375,461	
			190,069,275			198,108,886
Marketable securities			0			0
Cash on hand and in banks:						
– Bank and post office deposits		119,531,700			62,094,501	
– Cash and notes in hand		408,013			333,371	
			119,939,713			62,427,872
Total current assets			330,537,607			280,780,336
ACCRUED INCOME AND PREPAID EXPENSES						
Accrued income and other prepaid expenses			3,794,190			3,464,861
TOTAL ASSETS			2,757,912,789			2,744,470,862

Balance Sheet

as of December 31, 2004
(compared with December 31, 2003)
(Translation from the original issued in Italian)

LIABILITIES AND SHAREHOLDERS' EQUITY

(in Euros)		**12.31.2004**			**12.31.2003**	
SHAREHOLDERS' EQUITY						
Share capital:						
– ordinary shares			62,309,801			62,224,743
Share premium reserve			667,389,495			667,389,495
Revaluation reserves			0			0
Legal reserve			12,444,949			12,444,949
Reserve for own shares			0			0
Statutory reserves			0			0
Other reserves			1,662,496			1,747,554
Retained earnings (accumulated losses)			2,001,607			932,531
Net income (loss) for the year			12,244,045			1,069,076
Total shareholders' equity			758,052,393			745,808,348
ALLOWANCES FOR RISKS AND CHARGES						
For taxes, including deferred:						
– for taxes	0			650,000		
– deferred tax liabilities	0			0		
		0			650,000	
Other		26,719,821			26,406,137	
Total allowances for risks and charges			26,719,821			27,056,137
EMPLOYEE SEVERANCE INDEMNITIES			47,709,129			47,450,385
PAYABLES						
Due to banks:						
• within 12 months	2,407,618			2,071,142		
• beyond 12 months	480,000,000			480,000,000		
		482,407,618			482,071,142	
Due to other financial institutions:						
• within 12 months	13,955,889			13,776,639		
• beyond 12 months	1,265,018,896			1,265,018,896		
		1,278,974,785			1,278,795,535	
Advances:						
– from clients:						
- from the Ministry of Transport:						
• within 12 months	524,940			651,971		
• beyond 12 months	4,770,000			4,770,000		
- other	2,298,752			2,004,556		
		7,593,692			7,426,527	
Due to suppliers:						
• within 12 months	76,050,861			98,287,325		
• beyond 12 months	5,863,318			6,549,021		
		81,914,179			104,836,346	
Due to subsidiary undertakings:						
• within 12 months	16,913,388			7,931,227		
		16,913,388			7,931,227	
Due to associated undertakings:						
• within 12 months	1,002,980			1,002,980		
		1,002,980			1,002,980	
Due to parent companies:						
• within 12 months	0			4,120		
		0			4,120	
Taxes due:						
• within 12 months	17,207,500			3,478,952		
		17,207,500			3,478,952	
Due to social security agencies		5,980,260			6,023,703	
Other payables: various creditors:						
• within 12 months	26,818,203			28,410,686		
• beyond 12 months	797,348			629,513		
		27,615,551			29,040,199	
Total payables			1,919,609,953			1,920,610,731
ACCRUED EXPENSES AND DEFERRED INCOME						
Accrued expenses and other deferred income			5,821,493			3,545,261
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			2,757,912,789			2,744,470,862

Memorandum Accounts

as of December 31, 2004
(compared with December 31, 2003)
(Translation from the original issued in Italian)

MEMORANDUM ACCOUNTS

(in Euros)	**12.31.2004**		**12.31.2003**	
General guarantees:				
– Sureties	21,234,128		19,718,755	
– Other	640,659		672,000	
		21,874,787		20,390,755
Collateral guarantees		0		0
Commitments on purchases and sales		41,731,216		18,267,159
Other		894,387,591		893,297,236
TOTAL MEMORANDUM ACCOUNTS		957,993,594		931,955,150

for the year ended December 31, 2004
(compared with the year ended December 31, 2003)
(Translation from the original issued in Italian)

INCOME STATEMENT

(in Euros)		2004			2003	
TOTAL REVENUES						
Revenues from sales and services:						
– revenues from sales	50,187,075			47,411,450		
– revenues from services	435,485,480			410,001,012		
– revenues from contract work	1,197,392			11,454,602		
		486,869,947			468,867,064	
Changes in contract work in progress		(123,823)			(4,959,032)	
Other income and revenues:						
– revenue grants	30,910			70,511		
– profits on disposals	189,075			22,627		
– other	5,405,980			5,515,382		
		5,625,965			5,608,520	
			492,372,089			469,516,552
OPERATING COSTS						
Raw, ancillary and consumable materials and goods for resale		46,787,123			44,850,242	
Services		81,304,684			81,314,979	
Leases		22,324,020			25,153,013	
Payroll:						
– wages and salaries	72,833,172			75,664,591		
– social security	21,379,599			22,287,693		
– employee severance indemnities	5,970,465			6,366,706		
– other	1,213,494			1,081,714		
		101,396,730			105,400,704	
Depreciation, amortization and write-downs:						
– amortization of intangible fixed assets	80,865,962			81,321,252		
– depreciation of tangible fixed assets	11,688,366			11,922,827		
– provisions for doubtful accounts	11,469,084			2,592,654		
		104,023,412			95,836,733	
Changes in inventories of raw, ancillary and consumable materials and goods for resale		(406,538)			(76,843)	
Provisions for risks		5,085,171			77,469	
Other provisions		200,000			0	
Sundry operating costs:						
– losses on disposals	18,586			0		
– license fees	53,768			161,291		
– other	4,957,622			11,553,178		
		5,029,976			11,714,469	
			(365,744,578)			(364,270,766)
Operating income			126,627,511			105,245,786
FINANCIAL INCOME AND EXPENSE						
Income from equity investments:						
– dividends from subsidiary undertakings	4,904,846			3,724,862		
– dividends from other companies	25,700			59,400		
		4,930,546			3,784,262	
Other financial income:						
– from long-term receivables:						
• other	89,381			134,465		
– other:						
• interest and commissions from subsidiary undertakings	18,821			16,492		
• interest and commissions from banks	2,167,332			2,641,900		
• interest and commissions from clients	1,161,449			506,846		
• interest and commissions from others	1,317,517			16,083		
		4,754,500			3,315,786	
Interest expense and other financial charges:						
– interest and commissions due to parent company	0			191,142		
– interest and commissions due to subsidiary undertakings	72,617			96,761		
– interest and commissions due to banks	17,318,609			25,781,510		
– interest and commissions due to other financial institutions	56,424,920			50,029,914		
– interest and commissions due to others	27,135,771			24,885,582		
– provisions for overdue interest on written down receivables	1,039,302			506,850		
		(101,991,219)			(101,491,759)	
Foreign currency gains and losses:						
– gains	201,325			114,686		
– losses	82,505			30,202		
		118,820			84,484	
Total financial income (expense), net			(92,187,353)			(94,307,227)

INCOME STATEMENT

(in Euros)	2004			2003		
ADJUSTMENTS TO FINANCIAL ASSETS						
Write-downs:						
– of equity investments		0			0	
Total adjustments to financial assets			0			0
EXTRAORDINARY INCOME AND EXPENSE						
Income:						
– gains on disposals	0			11,691,092		
– other	8,337,818			3,130,840		
		8,337,818			14,821,932	
Expense:						
– losses on disposals	0			31,520		
– taxes relating to previous years	286,947			2,139,345		
– other	6,173,336			9,437,063		
		(6,460,283)			(11,607,928)	
Total extraordinary income (expense), net			1,877,535			3,214,004
Income before taxes			36,317,693			14,152,563
Income taxes of the year, current, deferred assets (liabilities):						
– current		(23,031,648)			(15,468,487)	
– deferred tax assets (liabilities)		(1,042,000)			2,385,000	
			(24,073,648)			(13,083,487)
Net income (loss) for the year			12,244,045			1,069,076

GENERAL PRINCIPLES

(Translation from the original issued in Italian)

The Explanatory Notes are an integral part of the company Financial Statements as of December 31, 2004. The Financial Statements have been prepared in accordance with the Italian Civil Code, as interpreted and supplemented by the Accounting Standards of the Italian Accounting Standards Committee, and include such supplementary information on the Balance Sheet and the Income Statement as to guarantee a true and fair view of Aeroporti di Roma S.p.A.'s financial position and operating performance.
Account was also taken of the new regulations governing financial statements introduced via company law reform pursuant to Legislative Decree no. 6 of January 17, 2003. In particular, the presentation of the accounting schedules used for the Balance Sheet and the Income Statement was modified (see the section entitled "Notice").
The Balance Sheet data as of December 31, 2004 and the Income Statement for the year then ended are compared with the data for 2003.
The Income Statement and Balance Sheet items showing zero balances across the periods used for comparison are not shown.
The financial statements are expressed in euros.

ABOUT THE COMPANY

Leonardo S.p.A. (now ADR S.p.A.) was incorporated on January 25, 2000[2] for the purpose of acquiring holdings in airport management companies.
As a result of the privatization of ADR S.p.A., on July 31, 2000 Leonardo acquired 51.148% of the share capital of ADR S.p.A., an airport management company founded on February 12, 1974, from IRI S.p.A. (now Fintecna S.p.A.).
This holding was increased to 95.860% following the public offerings (obligatory and residual) launched by Leonardo, in order to acquire the remaining shares of ADR S.p.A., pursuant to art. 106 of Legislative Decree 58/98. The offerings were concluded on November 6, 2000 and March 23, 2001. Other shares in ADR S.p.A. were purchased on the open market. Therefore, with effect from March 29, 2001, in accordance with the action taken by the Italian Stock Exchange, ADR S.p.A.'s shares, which had been quoted since July 24, 1997, were subsequently delisted.
The deed for the ensuing merger of ADR S.p.A. and Leonardo S.p.A. 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 S.p.A. with Leonardo S.p.A., the latter changed its name to Aeroporti di Roma S.p.A..
The merger adjustments were posted to the financial statements of the acquiring company, with effect from January 1, 2001, for both statutory and fiscal purposes.
The business purpose of the merged company, Aeroporti di Roma S.p.A., is the construction and management of airports, including the operation of any activity connected with or complementary to air traffic of any type or specification. The Company's principal activities include the management of Rome's two airports ("Leonardo da Vinci at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with financial and organizational criteria, as per Law 755 dated November 10, 1973 and subsequent amendments.
Such activity is carried out under a concession granted by the Italian Ministry of Transport and Shipping. The current concession is due to expire in 2044. The concession, regulated by specific contractual agreements with the Ministry, includes the management of the infrastructures and services (retail outlets, etc.) and the maintenance of plant, machinery and buildings. ADR S.p.A. also provides security screening services for passengers and carry-on and hold baggage.

(2) Leonardo was incorporated as a limited liability company with the name of Sysira S.r.l.. The Extraordinary General Meeting of July 4, 2000 resolved to convert the company into a joint-stock company with the name of Leonardo S.p.A..

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

As a result, the four different types utilized by the Company are analyzed below:

– "Company-owned fixed assets" consist of assets purchased outright by the Company using its own funds and which the Company considers will not be relinquished on expiry of the concession. This category includes temporary buildings, plant and machinery, industrial and commercial equipment and other items (principally furniture and fittings). Such assets are recorded under "Tangible fixed assets".

– "Fixed assets to be relinquished" consist of assets purchased by the Company using its own funds and which the Company will be obliged to transfer to the Ministry free of charge, in good working condition, on expiry of the concession. "Fixed assets to be relinquished" are defined as all permanent works and installations constructed on government land within the airport. This category includes industrial buildings and plant and machinery, which are recorded under "Tangible fixed assets".

– "Assets received under the concession" consist of assets purchased or constructed by the government and made available to the Company under the concession. This category primarily includes the infrastructure already present on the airport grounds before Aeroporti di Roma S.p.A. was formed in 1974. As the Company does not hold title to such assets, they are recorded in the Memorandum Accounts under "Other".

– "Assets completed on behalf of the State" consist of assets resulting from construction projects carried out by the Company pursuant to the Development Program on behalf of, and financed by, the government. Such assets are recorded in two ways: either in the Memorandum Accounts under "Other", reflecting the completion of a pre-agreed portion of the relevant construction project and the issuance by the Company of an invoice to the Ministry therefore, or as an asset in the Company's Balance Sheet under "Inventory: contract work in progress", reflecting the value of the portion of the relevant construction project not yet invoiced to the Ministry at year end. In order to carry out such construction projects, the Company receives a cash advance from the Ministry. The advance provides funds for carrying out the relevant construction projects and is recorded in the Company's Balance Sheet as a payable, under "Advances". Thereafter, the costs actually incurred by the Company in relation to the relevant construction project are invoiced to the Ministry on the basis of the work completed leading to a reduction of the related payable under "Advances" during the construction period. In addition, the Ministry makes a lump-sum payment to the Company to cover general construction costs such as architects' and inspectors' fees, testing and construction management. Such lump-sum payment is equal to approximately 9% of the total amount allocated by the Ministry for the relevant project, including general construction costs.

Assets included in "Assets received under the concession" and "Assets completed on behalf of the State" (reflecting the portion invoiced to the Ministry as of the relevant date) are recorded in the Memorandum Accounts, since such assets are used by the Company for the entire period of the concession.

Furthermore, the costs of any improvements or conversions carried out in relation to assets included under “Assets received under the concession” and “Assets completed on behalf of the State” and financed independently by the Company, where such assets have a service life of several years, are recorded in the Company’s Balance Sheet under “Intangible fixed assets”, since such assets are comparable to leasehold improvements.

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

The Company is controlled by Leonardo S.r.l., which owns 51.082% of the share capital.

EXCEPTIONS

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.

NOTICE

Pursuant to the provisions introduced by company law reform (articles 2424 and 2425 of the Italian Civil Code), in the Balance Sheet under “Current receivables” the item “Due from tax authorities”, which was previously included under “Due from others”, has been posted separately. Consequently, the relevant data from the financial statements as of December 31, 2003 has been reclassified, resulting in a total of 2,873 thousand euros being posted separately under “Due from tax authorities” and a deduction of a similar amount from the item “Due from others”.

In the Income Statement, under “Financial income and expense”, foreign currency gains and losses were posted separately. Consequently, the data for 2003 used for comparison has been reclassified. In particular, “Foreign currency gains” of 115 thousand euros and “Foreign currency losses” of 30 thousand euros have been posted, with deductions of similar amounts regarding “Interest and commissions received from other companies and sundry income” and “Interest and commissions due to others and sundry charges”, respectively.

REVERSAL OF TAX-RELATED ENTRIES

Between 1990 and 1997, ADR S.p.A. charged accelerated depreciation to the Income Statement in accordance with art. 67 of Presidential Decree no. 917/86. Subsequent movements in the allowance for accelerated depreciation, amounting to 18,722 thousand euros as of December 31, 1997, were due to the “reversal” of amounts to the allowance for ordinary depreciation and the disposal of assets. The residual value of the allowance as of December 31, 2003 totals 7,111 thousand euros.

The company law reform introduced by Legislative Decree no. 6/03, which came into effect from January 1, 2004, has abolished the possibility to post value adjustments and provisions solely for tax purposes.
In the its Financial Statements for 2004, ADR S.p.A. has therefore eliminated the tax effect of the accelerated depreciation charged to the Income Statement in previous years.
The impact of this elimination is reflected in extraordinary income of 7,111 thousand euros, representing the balance of the allowance for accelerated depreciation as of January 1, 2004. Deferred tax liabilities deriving from the elimination of accelerated depreciation, amounting to 2,649 thousand euros (37.25%) have been posted to “Extraordinary expense”.
This reversal of tax-related entries has also resulted in an increase in ordinary depreciation, amounting to 206 thousand euros. The related deferred tax liabilities for the period total 77 thousand euros.

The following table illustrates the effect of the reversal of tax-related entries on ADR S.p.A.’s net result for 2004, showing both the current and backdated components (in thousands of euros):

	2004
Net income before reversal of tax-related entries	7,911
Current component:	
– ordinary depreciation	(206)
– related deferred tax liabilities	77
	(129)
Backdated component:	
– extraordinary income due to accelerated depreciation charged in prior years	7,111
– extraordinary expense due to related deferred tax liabilities	(2,649)
	4,462
Total tax effect after deferred tax liabilities	4,333
Net income after reversal of tax-related entries	12,244

The following table illustrates the effect of the reversal of tax-related entries on the Company’s results of operations and financial position for 2004 and 2003, had such reversal been applied in prior years:

	2003	12.31.2003	2004	12.31.2004
Amounts before reversal of tax-related entries	1,069	745,809	7,911	753,719
Tax effect:				
– accelerated depreciation	(422)	7,111	(206)	6,905
– related deferred tax liabilities	157	(2,649)	77	(2,572)
Total tax effect after deferred tax liabilities	(265)	4,462	(129)	4,333
Amounts after reversal of tax-related entries	804	750,271	7,782	758,052

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 with generally accepted accounting principles in Italy do not conform with the generally accepted accounting principles in other countries.

ACCOUNTING POLICIES

The accounting policies adopted to prepare the Financial Statements for the year ended December 31, 2004 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 principal accounting policies are summarized below. A more detailed explanation of certain policies can be found under the single classes of Financial Statement 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 additional costs are included in the purchase cost. Should there be a permanent impairment in 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 use in time so their cost is amortized on a straight-line basis during each financial period in relation to their residual useful life.
In particular:

- ***Incorporation and development costs***
  These are reported under assets at purchase cost, with the consent of the Board of Statutory Auditors, and are amortized over a period of five years. The Company may only distribute dividends if there are sufficient reserves available to cover the amount of the costs not yet amortized.

- ***Industrial patents and intellectual property rights***
  These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, over what is usually established by tax legislation as being three years.

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

  The value of the airport management concession, paid by the Parent Company, Leonardo S.p.A. (now ADR S.p.A.) on acquiring its holding in ADR S.p.A., is amortized on the basis of the residual duration of the concession, which will expire on June 30, 2044.

- ***Other***

  This item essentially includes:
  - *leasehold improvements:* improvements (modernization, upgrades), having a service life of several years, carried out on assets belonging to third parties (held under concession or constructed on behalf of the State). These costs are amortized in relation to their residual service lives, usually less than the period of the concession;
  - *ancillary charges on loans:* the charges sustained 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 a limited service life and their cost is depreciated on a straight-line basis during each financial period according to their residual service life. Rates reflect the estimated useful life of the asset.
A summary of the rates used is provided below:

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

In accordance with articles 10 and 3 of Law no. 72 of March 19, 1983, the Company has revalued fixed assets still in its possession by 2,463,379 euros. Such fixed assets are carried at 2,372,924 euros. The original revaluation reserve was utilized in previous years to absorb losses.

- ***Land and buildings***

  These are recorded at purchase cost adjusted in accordance with art. 3 of Law no. 72/83.

- ***Fixed assets to be relinquished***

  Such assets are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law no. 72/83, including any ancillary charges and subsequent development costs.
  Such assets are depreciated in relation to their residual useful lives, in accordance with the policies described above under "Tangible fixed assets", in that they are assets which form part of so-called "industrial property".
  In addition, provisions are made for transfer costs relating to fixed assets to be relinquished, with the aim of covering best estimates – carried out by technical experts – of the costs to be borne on expiry of the concession (in 2044), when the assets are to be transferred to the Ministry in good working condition.

– **Non-current financial assets**

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

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 payment is considered definite is recorded among revenues.
  Any additional costs borne by the Company in relation to changes to the original project, as requested by the Ministry of Transport, 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 year 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 the Company's employees and in accordance with governing legislation.
This amount was calculated for indemnities accrued up to December 31, 2004 and is shown net of any advance payments.

Payables

Payables are recorded at their nominal value.

Receivables and payables recorded in foreign currency

In line with the new provisions introduced by company law reform (article 2426 paragraph 8 *bis* of the Italian Civil Code), items expressed in foreign currency are posted at the historical exchange rate on the day a transaction is carried out.

Any exchange rate differences, incurred on collection of receivables or on settlement of payables denominated in foreign currency, are recorded in the Income Statement under “Foreign currency 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 currency gains and losses”. Given that it is unrealized, any net gain deriving from the application of closing exchange rates is, on approval of the financial statements, posted to an appropriate undistributable reserve until it is realized.

Memorandum Accounts

– **General/secured guarantees given**

These are valued in accordance with the year-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 year-end. These primarily consist of sureties granted by major banks and insurance companies.

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

- ***Company-owned assets lodged with third parties***
  These are recorded at their net book value.
  This item also includes the value of the advertising division leased to ADR Advertising S.p.A., as recorded in the inventory check carried out on start-up of activities.

Revenues

Revenues are reported net of returns, discounts, reductions and premiums as follows:
– revenues from sales: upon delivery;
– revenues from services: upon supply of the service.

Dividends

Dividends from subsidiary undertakings are posted to the Income Statement on an accruals basis, that is in the year in which the relevant net income is generated by the subsidiary undertaking, based on the proposed dividend approved by the company's Board of Directors prior to the date of approval of ADR S.p.A.'s Financial Statements.

Taxation

"Current taxes" are calculated on the basis of the Company's taxable income. The related payable is posted to "Taxes due".
Following adoption of the new form of domestic tax consolidation, governed by article 117 and subsequent articles of the Consolidated Act, IRES (corporate income tax) is calculated on consolidated income, resulting from the sum of the income and losses reported by the Parent Company, ADR S.p.A., and its consolidated subsidiary undertakings. The above sum may reflect adjustments made by the Parent Company, such as the detaxation of intercompany dividends, that enable the Group to reduce its tax expense compared with the figure deriving from the sum of the taxes to be paid by the individual companies.
The transfer of taxable income and tax losses from the individual consolidated companies to the Parent Company, ADR S.p.A., results in proceeds and expenses from tax consolidation, reflected in receivables and payables due from and to subsidiary undertakings.
Consolidated companies also transfer withholding taxes, tax credits and rebates from previous tax returns to the Parent Company. These may be offset against IRES calculated on consolidated income.
"Deferred tax assets" and "liabilities" are recorded on the basis of temporary differences between the amount recorded in the financial statements and the tax bases of the relevant assets and liabilities, applying the tax liability method. As of fiscal year 1999, deferred tax assets are only recorded where there is reasonable certainty regarding their recoverability. The reporting of such taxation in the financial statements is carried out in accordance with Accounting Standard no. 25, as established by the Italian Accounting Standards Committee.

Derivatives contracts

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

NOTES TO THE BALANCE SHEET

FIXED ASSETS

Intangible fixed assets

An analysis if intangible fixed assets is provided on the following page.

Intangible fixed assets

	12.31.2003				
	Cost	Revaluations	Write-downs	Amortization	Book value
Incorporation and development costs	672,578	0	0	(404,920)	267,658
	672,578	0	0	(404,920)	267,658
Industrial patents and intellectual property rights	2,273,698	0	0	(1,721,013)	552,685
	2,273,698	0	0	(1,721,013)	552,685
Concessions, licenses, trademarks and similar rights	2,188,556,595	0	0	(157,871,646)	2,030,684,949
	2,188,556,595	0	0	(157,871,646)	2,030,684,949
Leasehold improvements in process and advances:					
a) Leasehold improvements in process	44,165,923	0	0	0	44,165,923
b) Advances	215,927	0	0	0	215,927
	44,381,850	0	0	0	44,381,850
Others:					
– Leasehold improvements	302,055,484	0	0	(197,671,445)	104,384,039
– Ancillary charges for loans	51,262,286	0	0	(7,474,000)	43,788,286
	353,317,770	0	0	(205,145,445)	148,172,325
Total	2,589,202,491	0	0	(365,143,024)	2,224,059,467

(1) *Including:*
Cost
Ammortization

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 management concession, amounting to 1,978,781 thousand euros as of December 31, 2004. The decrease of 49,422 thousand euros is due to the combined effect of amortization for the year (51,381 thousand euros), investment (1,566 thousand euros), transfers from work in process (411 thousand euros) and negative reclassifications amounting to 18 thousand euros;
– "Leasehold improvements in process" decreased by 18,202 thousand euros in 2004, primarily due to assets entering service and reclassified to "Leasehold improvements" and "Concessions, licenses, trademarks and similar" (27,688 thousand euros), partly offset by investment of 9,642 thousand euros and negative adjustments of 156 thousand euros;
– "Other" intangible fixed assets rose by a total of 17,020 thousand euros. "Leasehold improvements" rose by 21,269 thousand euros due to purchases during the year (18,834 thousand euros), transfers from work in process (27,277 thousand euros) and positive reclassifications (20 thousand euros), which were in part offset by amortization for the year (24,862 thousand euros). "Ancillary charges on loans" fell, on the other hand, by 4,249 thousand euros due to amortization for the year.

The principal leasehold improvements in process (equal to 9,642 thousand euros) include:

– BHS system - upgrading and implementation (2,192 thousand euros);
– redevelopment of the former ceremonial suite in Terminal "C" to provide check-in desks (724 thousand euros);
– work on the tunnel network - 2nd phase (343 thousand euros);
– widening of the Bravo taxiway Northern sector (488 thousand euros);

Changes during the year			12.31.2004				
Purchases/ Capitalization	Reclassifications (1)	Amortization	Cost	Revaluations	Write-down	Amortization	Book value
0	0	(133,829)	672,578	0	0	(538,749)	133,829
0	0	(133,829)	672,578	0	0	(538,749)	133,829
456,289	9,177	(239,579)	2,739,164	0	0	(1,960,592)	778,572
456,289	9,177	(239,579)	2,739,164	0	0	(1,960,592)	778,572
1,565,622	393,565	(51,381,020)	2,190,480,113	0	0	(209,216,997)	1,981,263,116
1,565,622	393,565	(51,381,020)	2,190,480,113	0	0	(209,216,997)	1,981,263,116
9,571,241	(27,765,682)	0	25,971,482	0	0	0	25,971,482
70,554	(78,411)	0	208,070	0	0	0	208,070
9,641,795	(27,844,093)	0	26,179,552	0	0	0	26,179,552
18,834,675	27,296,718	(24,862,534)	348,179,684	0	0	(222,526,786)	125,652,898
0	0	(4,249,000)	51,262,286	0	0	(11,723,000)	39,539,286
18,834,675	27,296,718	(29,111,534)	399,441,970	0	0	(234,249,786)	165,192,184
30,498,381	(144,633)	(80,865,962)	2,619,513,377	0	0	(445,966,124)	2,173,547,253

	(187,495)
	42,862
	(144,633)

– Ciampino - reconfiguration of departures area - 2nd phase (496 thousand euros);
– remote control system for luminous visual aids - 2nd phase (427 thousand euros).

The main leasehold improvements completed during the year (equal to 46,132 thousand euros, including transfers from "work in process") regard:

– Cargo City - freight movement system and upgrading and completion of warehouses and offices (22,000 thousand euros);
– Eastern Area - industrial waste water collector (303 thousand euros);
– ALCE project (1,204 thousand euros);
– adaptation of system for upgrading of manual coding area (1,403 thousand euros);
– Ciampino - restructuring of retail areas, extraordinary maintenance (1,482 thousand euros);
– replacement of MV control panels and electric insulation of landside transformers (1,691 thousand euros);
– extraordinary maintenance on airport road network (382 thousand euros);
– Terminal "B" - work on various shops (834 thousand euros);
– runways - upgrading of the Bravo/Delta/November taxiways (5,773 thousand euros);
– CUTE information system (245 thousand euros).

Once again in 2004, investment in airport infrastructure development was funded from increased boarding fees received during the year (in accordance with paragraphs 9 and 10 of art. 10, Law no. 537/93).

Tangible fixed assets

An analysis of tangible fixed assets is provided on the following page.

Tangible fixed assets

	12.31.2003				
	Cost	Revaluations (Law 72/1983)	Write-downs	Allowances for depreciation	Book value
Land and buildings	16,829,237	465,128	0	(16,253,150)	1,041,215
	16,829,237	465,128	0	(16,253,150)	1,041,215
Plant and machinery	62,622,283	0	0	(49,444,963)	13,177,320
	62,622,283	0	0	(49,444,963)	13,177,320
Industrial and commercial equipment	6,228,957	0	0	(5,159,017)	1,069,940
	6,228,957	0	0	(5,159,017)	1,069,940
Fixed assets to be relinquished	136,248,745	1,907,796	0	(70,569,862)	67,586,679
	136,248,745	1,907,796	0	(70,569,862)	67,586,679
Other assets	39,749,598	0	0	(36,183,744)	3,565,854
	39,749,598	0	0	(36,183,744)	3,565,854
Work in progress and advances	4,271,400	0	0	0	4,271,400
	4,271,400	0	0	0	4,271,400
Total	265,950,220	2,372,924	0	(177,610,736)	90,712,408
(1) Allowance for accelerated depreciation				7,111,276	
(2) *Including:*					
Cost					
Transfer from/(to) intangible fixed assets					
Adjustments for depreciation					

"Net tangible fixed assets" rose by 15,012 thousand euros due to investment totaling 20,071 thousand euros and reversal of the allowance for accelerated depreciation, amounting to 7,111 thousand euros. These amounts were partially offset by depreciation of 11,688 thousand euros, negative adjustments of 28 thousand euros and disposals totaling 454 thousand euros.

As a result of the reversal of tax-related entries, as required by the recent company law reform, the "reclassifications" column includes the reversal of the "Allowance for accelerated depreciation", which amounted to 7,111 thousand euros as of January 1, 2004. This reversal was carried out by posting extraordinary income of an equal amount in the Income Statement. For further details reference should be made to the relevant paragraph in these Notes.

The most significant capitalizations during the year, within the category "Plant and machinery"

Changes during the year				12.31.2004			
Purchases/ Capitalization	Reclassifications (1) (2)	Disposals/ Retirements (1) (2)	Amortization (1)	Cost	Revaluations (Law 72/1983)	Allowances for depreciation	Book value
1,373,878	144,728	0	(344,169)	18,314,914	465,128	(16,564,390)	2,215,652
1,373,878	144,728	0	(344,169)	18,314,914	465,128	(16,564,390)	2,215,652
5,906,979	327,298	(17,144)	(3,432,115)	66,851,996	0	(50,889,658)	15,962,338
5,906,979	327,298	(17,144)	(3,432,115)	66,851,996	0	(50,889,658)	15,962,338
249,802	7,679	(112)	(273,312)	6,393,847	0	(5,339,850)	1,053,997
249,802	7,679	(112)	(273,312)	6,393,847	0	(5,339,850)	1,053,997
1,383,259	6,927,798	0	(5,680,721)	137,661,842	1,907,796	(69,352,623)	70,217,015
1,383,259	6,927,798	0	(5,680,721)	137,661,842	1,907,796	(69,352,623)	70,217,015
1,676,353	651,590	(437,281)	(1,958,049)	39,249,627	0	(35,751,160)	3,498,467
1,676,353	651,590	(437,281)	(1,958,049)	39,249,627	0	(35,751,160)	3,498,467
9,481,091	(975,541)	0	0	12,776,950	0	0	12,776,950
9,481,091	(975,541)	0	0	12,776,950	0	0	12,776,950
20,071,362	7,083,552	(454,537)	(11,688,366)	281,249,176	2,372,924	(177,897,681)	105,724,419
	7,111,276	0	0			0	
	(27,831)	(4,744,575)					
	0	0					
	7,111,383	4,290,038					
	7,083,552	(454,537)					

(5,907 thousand euros), regarded the acquisition of baggage inspection equipment (2,393 thousand euros), security equipment (460 thousand euros), motor vehicles (750 thousand euros) and car park equipment (302 thousand euros). "Tangible fixed assets in progress and advances" (up 8,506 thousand euros) relate to works regarding construction of the 5th module of the multi-story car park (8,779 thousand euros) and extension of the long-stay car park - 2nd phase (796 thousand euros).

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks and Banca OPI – described in detail in the notes to "Payables" – the Company 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 ADR S.p.A.'s inventory. Such a guarantee is valid until the above loans have been fully repaid.

Equity investments held as non-current financial assets

	12.31.2003	Changes during the year				12.31.2004
		Aquisition	Disposals	Write-downs	Capital reconstructions	
Subsidiary undertakings:						
– ADR Handling S.p.A.	25,930,325	0	0	0	0	25,930,325
– Airport Invest B.V.	111,390,338	0	0	0	0	111,390,338
– ADR Engineering S.p.A. Unipersonale	593,926	0	0	0	0	593,926
– ADR Tel S.p.A.	594,000	0	0	0	0	594,000
– ADR Advertising S.p.A.	255,000	0	0	0	0	255,000
– ADR Sviluppo S.r.l. Unipersonale	100,000	0	0	0	0	100,000
	138,863,589	0	0	0	0	138,863,589
Associated undertakings:						
– La Piazza di Spagna S.r.l.	49,000	0	0	0	0	49,000
– Ligabue Gate Gourmet Roma S.p.A. (insolvent)	1	0	0	0	0	1
	49,001	0	0	0	0	49,001
Investments in other companies:						
– Alinsurance S.r.l.	6,198	0	0	0	0	6,198
– Aeroporto di Genova S.p.A.	929,622	0	0	0	0	929,622
– S.A.CAL. S.p.A.	878,493	0	0	0	0	878,493
– Edindustria S.p.A.	81,063	0	0	0	0	81,063
	1,895,376	0	0	0	0	1,895,376
Total	140,807,966	0	0	0	0	140,807,966

There was no change in equity investment during 2004.

The transfer of handling activities at Ciampino, valued at 10,921 thousand euros, to the subsidiary undertaking, ADR Handling S.p.A., took effect on December 31, 2003. As a result, the General Meeting of ADR Handling S.p.A.'s shareholders approved a capital increase of 5,160 thousand euros, via the issue of 1,000,000 new shares with a par value of 5.16 euros and involving a share premium of 5,761 thousand euros. Pursuant to art. 2343 of the Italian Civil Code, the valuation of the division was confirmed by ADR Handling S.p.A.'s Board of Directors on June 17, 2004, thereby removing the restriction on the sale of the newly issued shares and the need for their deposit with the company.

For further information regarding such equity investments during 2004, reference should be made to the section "Equity investments" in the Management Report on Operations.

A comparison between the book value and the value of shareholders' equity, determined on the basis of the equity method, is provided in the following table:

List of equity investments in subsidiary undertakings (in Euros)

	Registered office	Share Capital	Shareholders' equity at 12.31.2004	Net Income (Loss) 2004	% holding	Corresponding book value of equity (A)	Book value (B)	Valuation art. 2426, no. 4 C.C. (C)	Surplus B - C
Subsidiary undertakings:									
– ADR Handling S.p.A.	Fiumicino (Rome)	18,060,000	15,451,579	(7,307,489)	99.29%	15,341,873	25,930,325	16,506,998	9,423,327
– Airport Invest B.V. (*)	Amsterdam (Holland)	70,417,038	107,431,282	21,850	100%	107,431,282	111,390,338	116,170,574	
– ADR Engineering S.p.A. Unipersonale	Fiumicino (Rome)	774,690	1,737,824	457,272	100%	1,737,824	593,926	1,737,824	
– ADR Tel S.p.A.	Fiumicino (Rome)	600,000	2,095,195	752,389	99.0%	2,074,243	594,000	2,074,243	
– ADR Advertising S.p.A. (**)	Fiumicino (Rome)	1,000,000	1,939,353	887,618	25.5%	474,135	255,000	474,135	
– ADR Sviluppo S.r.l. Unipersonale	Fiumicino (Rome)	100,000	91,175	(3,609)	100%	91,175	100,000	91,175	8,825
Associated undertakings:									
– La Piazza di Spagna S.r.l.	Fiumicino (Rome)	100,000	98,907	(1,093)	49.0%	48,464	49,000	48,464	536
Total							138,912,589		

(*) The net result of the balance is given at the net of the interim dividend paid during the year.

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

The book value of the equity investment in ADR Handling S.p.A. is greater than the amount resulting from the valuation under article 2426, paragraph 4 of the Italian Civil Code by approximately 9.4 million euros. Such difference is of a temporary nature in view of the company's plans, which foresee a return to profit as of 2005.

The book values of the equity investments in ADR Sviluppo S.r.l. and La Piazza di Spagna S.r.l. are greater than a valuation under the above article of the Italian Civil Code, due to the fact that the companies are not yet operational.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks and Banca OPI, ADR S.p.A. has granted the lenders a lien on the Company's shareholdings in the subsidiary undertakings, ADR Tel S.p.A. and ADR Advertising S.p.A.. Such a guarantee is valid until the above loans have been fully repaid.

Receivables due and other items under non-current financial assets

	12.31.2003	Changes during the year	12.31.2004
Receivables:			
– due from others:			
• public bodies for licenses	23,420	41	23,461
• suppliers	3,099	0	3,099
• other	4,619,305	(1,144,511)	3,474,794
	4,645,824	(1,144,470)	3,501,354

The reduction in such "Receivables", amounting to 1,144 thousand euros, was primarily due to payments of 1,233 thousand euros and the revaluation of the amount due from the Tax authorities in relation to the payment of withholding tax on employee severance indemnities as required by Law no. 662/96. Such item is classified under "Other" and totals 89 thousand euros.

There are no receivables falling due beyond five years.

CURRENT ASSETS

Inventory

	12.31.2003	Changes during the year	12.31.2004
Raw, ancillary and consumable materials	2,812,616	(10,598)	2,802,018
Finished goods and goods for resale:			
– goods for resale	8,444,427	417,136	8,861,563
	11,257,043	406,538	11,663,581
Contract work in progress	8,952,365	(123,824)	8,828,541
less accumulated write-downs (art. 60 P. Decree no. 917/86)	0	0	0
	8,952,365	(123,824)	8,828,541
Advances	34,170	2,327	36,497
	20,243,578	285,041	20,528,619

"Inventory" increased by 285 thousand euros with respect to December 31, 2003, substantially due to the item "Finished goods and goods for resale", which rose following a rise in direct sales.

Due to the reductions resulting from the physical stock checks carried out at the beginning of 2004, and partially reflected in the Financial Statements as of December 31, 2003, "Finished goods and goods for resale" have been subject to an intensive program of stock checks, covering all categories of merchandise held in the six retail outlets managed by ADR S.p.A. at Fiumicino and Ciampino. These checks reveal a progressive decline in inventory shrinkage.

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

Current receivables

	12.31.2003	Changes during the year Contracted (+) Repayments (-)	Provisions (-) Value recoveries (+)	12.31.2004
Due from clients	131,199,251	2,300,398	0	133,499,649
less:				
– allowance for doubtful accounts	(19,971,192)	6,088,184	(11,469,084)	(25,352,092)
– allowance for overdue interest	(4,853,153)	177,765	(1,039,302)	(5,714,690)
	106,374,906	8,566,347	(12,508,386)	102,432,867
Due from subsidiary undertakings	13,062,655	5,468,919	0	18,531,574
Due from associated undertakings	2,456,542	(1,926,999)	0	529,543
less:				
– allowance for doubtful accounts	(1,926,999)	1,926,999	0	0
	529,543	0	0	529,543
Due from the tax authorities	2,873,475	(2,251,809)	0	621,666
Deferred tax assets	17,892,846	(3,691,000)	0	14,201,846
Due from others:				
– sundry	57,275,027	(3,524,884)	0	53,750,143
– advances to suppliers for services	100,434	(98,798)	0	1,636
	57,375,461	(3,623,682)	0	53,751,779
	198,108,886	4,468,775	(12,508,386)	190,069,275

"Current receivables", net of allowances for doubtful accounts, amount to 190,069 thousand euros, an 8,040 thousand euro net decrease on December 31, 2003. Principal changes are analyzed below.

– "Due from clients", net of allowances for doubtful accounts, amounts to 102,433 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 decrease of 3,942 thousand euros derives entirely from increased provisions for doubtful accounts, as a result of an updated assessment of the creditworthiness of clients.
– "Amounts due from subsidiary undertakings" total 18,531 thousand euros, representing an increase of 5,469 thousand euros on the previous year. This is primarily due to a 4,864 thousand euro rise in trade receivables due from the subsidiary undertakings, ADR Handling S.p.A. and ADR Advertising S.p.A..
  A breakdown of receivables due from subsidiary undertakings shows that 17,211 thousand euros derives from trading relations (12,347 thousand euros as of December 31, 2003), 287 thousand euros from financial relations (716 thousand euros as of December 31, 2003), 1,033 thousand euros from other relations, including 170 thousand euros relating to the tax consolidation and 863 thousand euros represented by accrued dividends.
  An analysis of receivables due from subsidiary undertakings is provided in the section of the Management Report on Operations dealing with "Relations with parent companies and other related parties".
– "Due from associated undertakings", amounting to 530 thousand euros, regards amounts due to ADR S.p.A. from the insolvent Ligabue Gate Gourmet Roma S.p.A., classified among preferential liabilities. The amount of 1,927 thousand euros has been released from the

allowance for doubtful accounts in order to cover the trade receivable of an equal amount involved in Ligabue's bankruptcy.

– Amounts "Due from tax authorities", amounting to 622 thousand euros, fell by 2,252 thousand euros following the substantial elimination of IRPEG/IRAP and VAT credits totaling 1,270 thousand euros and 988 thousand euros as of December 31, 2003.
– "Deferred tax assets", totaling 14,202 thousand euros as of December 31, 2004, decreased by 3,691 thousand euros compared with December 31, 2003. The composition of deferred tax assets and changes during the year are shown in the following table.

		Balance at 12.31.2003 (A)		Increase (B)		Decrease (C)		Balance at 12.31.2004 (A+B-C)	
	Tax rate (%)	Tax base	Tax	Tax base	Tax	Tax base	Tax	Tax base	Tax
Deferred tax assets:									
– allowances for risks and charges	37.25%	10,812	4,028	193	72	1,222	455	9,783	3,645
– allowances for risks and charges	33.00%	9,992	3,297	3,465	1,143	4,713	1,555	8,744	2,885
– accumulated inventory write-downs	37.25%	2,698	1,005	0	0	1,169	435	1,529	570
– allowance for doubtful accounts	33.00%	20,208	6,669	11,724	3,869	7,309	2,412	24,623	8,126
– provisions for personnel	33.00%	2,417	798	2,333	770	2,417	798	2,333	770
– accelerated depreciation	37.25%	2,425	903	0	0	796	297	1,629	606
– other	37.25%	2,267	844	724	269	640	238	2,351	875
– other	33.00%	1,598	527	712	235	997	329	1,313	433
Total deferred tax assets		52,417	18,071	19,151	6,358	19,263	6,519	52,305	17,910
Deferred tax liabilities:									
– dividends	33.00%	(11)	(4)	(10)	(3)	(11)	(4)	(10)	(3)
– gains	37.25%	(468)	(174)	(47)	(18)	(407)	(152)	(108)	(40)
– accelerated depreciation (reversal of tax-related entries)	37.25%	0	0	(7,111)	(2,649)	(206)	(77)	(6,905)	(2,572)
– accelerated depreciation	37.25%	0	0	(2,933)	(1,093)	0	0	(2,933)	(1,093)
Total deferred tax liabilities		(479)	(178)	(10,101)	(3,763)	(624)	(233)	(9,956)	(3,708)
Total		51,938	17,893	9,050	2,595	18,639	6,286	42,349	14,202

– "Amounts due from others: sundry" decreased by 3,624 thousand euros, mainly due to the reduced liquidity deposited in the term current accounts denominated the "Debt Service Reserve Account" (1,330 thousand euros), and to a decrease in receivables resulting from factoring without recourse (1,454 thousand euros).
The balance of the term current account in the name of the Security Agent for ADR S.p.A.'s loans, denominated the "Debt Service Reserve Account", amounted to 48,752 thousand euros as of December 31, 2004. In accordance with the procedures established in the relevant agreement, ADR S.p.A. has deposited a sum in this account to guarantee repayment of the loans.

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

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

"Amounts due" as of December 31, 2004 (190,069 thousand euros) comprise 49,232 thousand euros in the form of financial receivables, 119,645 thousand euros of trade receivables, and 21,192 thousand euros of other receivables. There are no promissory notes or similar bills.
The following table shows a geographical breakdown of trade receivables (in thousands of euros):

	Italy	Other EU countries	Rest of Europe	Africa	America	Total
Clients	97,299	3,627	798	418	292	102,434
Subsidiary undertakings	17,211	0	0	0	0	17,211
	114,510	3,627	798	418	292	119,645

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

Cash on hand and in banks

	12.31.2003	Changes during the year	12.31.2004
Banks and post office deposits	62,094,501	57,437,199	119,531,700
Cash and notes in hand	333,371	74,642	408,013
	62,427,872	57,511,841	119,939,713

The Company's "Cash on hand and in banks" rose by 57,512 thousand euros in 2004 due to positive operating cash flow. In addition to liquidity held in banks, this item consists of the balance of the "Option Reserve", amounting to 20,000 thousand euros as of December 31, 2004, representing the sum necessary to exercise options on the preference shares of the South African subsidiary undertaking, ADR IASA Ltd, owned by the South African financial institution, United Towers Ltd.
As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks and Banca OPI, ADR S.p.A. has granted the lenders a lien on all the Company's current accounts governed by a specific agreement. Such a guarantee is valid until the above loans have been fully repaid.

ACCRUED INCOME AND PREPAID EXPENSES

	12.31.2003	Changes during the year	12.31.2004
ACCRUED INCOME	0	0	0
PREPAID EXPENSES			
Service costs	662,072	(18,802)	643,270
Payroll costs	29,328	1,864	31,192
Financial charges	2,773,461	346,267	3,119,728
	3,464,861	329,329	3,794,190

The change of 329 thousand euros is mainly due to "Prepaid expenses - financial charges", which includes prepayment of the installment due for the year for the monoline insurance premium paid to AMBAC Assurance UK, which has secured the bonds issued by Romulus Finance S.r.l. that correspond to "Facility A".

SHAREHOLDERS' EQUITY

Shareholders' equity underwent the following movements during 2004:

	Share capital [1]	Share premium reserve	Revaluation reserves	Legal reserve	Statutory reserves	Reserve for own shares	Reserve for share issues (art.2349 Italian Civil Code)	Reserve for accelerated depreciation	Distributable reserves	Retained earnings	Net income for the year	Total
Balance as of 12.31.2001	62,224,743	667,389,495	0	12,444,949	0	0	85,058	0	7,399,191	0	23,489,710	773,033,146
Allocation of net income:												
– allocation of reserve								3,597,017		19,892,693	(23,489,710)	0
Other changes:												
– to release reserve for accelerated depreciation								(3,597,017)	3,597,017			0
Net income for the year											4,062,993	4,062,993
Balance as of 12.31.2002	62,224,743	667,389,495	0	12,444,949	0	0	85,058	0	10,996,208	19,892,693	4,062,993	777,096,139
Allocation of net income:												
– distribution of dividends (0,06 euros per share)											(3,733,485)	(3,733,485)
– allocation of reserve										329,508	(329,508)	0
Other changes:												
– distribution of reserve (0,46 euros per share)									(9,333,712)	(19,289,670)		(28,623,382)
Net income for the year											1,069,076	1,069,076
Balance as of 12.31.2003	62,224,743	667,389,495	0	12,444,949	0	0	85,058	0	1,662,496	932,531	1,069,076	745,808,348
Allocation of net income:												
– allocation of reserve										1,069,076	(1,069,076)	0
Other changes:												
– free capital increase	85,058						(85,058)					0
Net income for the year											12,244,045	12,244,045
Balance as of 12.31.2004	62,309,801	667,389,495	0	12,444,949	0	0	0	0	1,662,496	2,001,607	12,244,045	758,052,393

[1] Including: 62,309,801 ordinary shares (with a unit value of 1 euro).

ADR S.p.A.'s "share capital" amounts to 62,309,801 euros represented by 62,309,801 shares with a par value of 1 euro each.

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

The shares corresponding to this capital increase have yet to be issued and allotted.

As a result of the above capital increase, the reserve for share issues pursuant to art. 2349 of the Italian Civil Code was reduced to zero.

Movements during the year reflect net income for 2004 (12,244 thousand euros) and the appropriation of net income for 2003 to retained earnings (1,069 thousand euros), as approved by the Ordinary General Meeting of April 29, 2004.

The following statement shows movements in shareholders' equity during the year and a breakdown of available and distributable reserves:

	Amount	Potential use	Available portion	Summary of uses in previous years (2002-2004) to cover losses	other reasons
Share capital	62,309,801				
Capital reserves:					
– Share premium reserve	667,389,495	A, B, C (*)	667,389,495		
– Reserve for share issues (art. 2349 of Civil Code)					(85,058)
Retained profit reserves:					
– Legal reserve	12,444,949	B			
– Reserve for accelerated depreciation					(3,597,017)
– Available reserve	1,662,496	A, B, C	1,662,496		(9,333,712)
– Retained earnings	2,001,607	A, B, C	2,001,607		(19,289,670)
Total share capital and reserves	745,808,348		671,053,598		
Undistributable portion (art. 2426, no. 5)			(133,829)		
Remaining distributable portion			670,919,769		
Untaxed portion subject to restriction covering negative income components deducted off-balance-sheet, net of deferred tax liabilities			(6,173,193)		
Remaining tax-exempt portion			664,746,576		

A: to increase capital
B: to cover losses
C: to pay dividends
(*) entirely distributable on condition that 17,011.20 euros is added to the legal reserve in order to reach limit established by art. 2430 of Civil Code.

The untaxed portion of 6,173 thousand euros includes all off-balance-sheet deductions, of which 6,905 thousand euros regards the reversal of tax-related entries and 2,933 thousand euros accelerated depreciation for the year, net of the resulting deferred tax liabilities totaling 2,572 thousand euros and 1,093 thousand euros, respectively.
The above off-balance-sheet deductions are covered by a restriction on the distribution of an identical amount in the share premium reserve. With the exception of the legal reserve, the retained profit reserves may thus be distributed without incurring tax expense.

ALLOWANCES FOR RISKS AND CHARGES

	12.31.2003	Changes during the year Provisions (Reversals to Income Statement)	Releases	12.31.2004
Taxes, including deferred	650,000	0	(650,000)	0
Other:				
– current and potential disputes	16,527,689	4,892,136	(985,111)	20,434,714
– insurance deductibles	1,143,248	193,035	(415,176)	921,107
– restructuring	4,535,200	964,000	(4,535,200)	964,000
– fixed assets to be relinquished	4,200,000	200,000	0	4,400,000
	26,406,137	6,249,171	(5,935,487)	26,719,821
	27,056,137	6,249,171	(6,585,487)	26,719,821

"Allowances for risks and charges", totaling 26,720 thousand euros, decreased by 336 thousand euros overall. In detail:

– the "Allowance for income taxes" decreased by 650 thousand euros, primarily due to reclassification of this amount to taxes due, following the Parent Company's decision to take advantage of the tax amnesty for 2002 (regarding direct taxation);

– the "Allowance for current and potential disputes" reports a net increase of 3,907 thousand euros. Direct releases amounting to 985 thousand euros are primarily due to the settlement of disputes with the Company's employees. Further provisions of 4,892 thousand euros were made in order to provide cover for likely potential liabilities. The provisions include cover for the estimated amount of additional costs deriving from renewal of the collective labor contract that expired on December 31, 2003, the renegotiation of which is in progress;

– the "Allowance for restructuring", which covers the expected expenses to be incurred by the Company to meet the cost of streamlining and reorganizing its operations, aimed at improving efficiency in order to ensure that profit targets are met, reports a net decrease of 3,571 thousand euros.

EMPLOYEE SEVERANCE INDEMNITIES

This item underwent the following changes during 2004:

Balance as of 12.31.2003	47,450,385
Changes during the year:	
– provisions	5,970,465
– releases to pay indemnities	(3,310,470)
– releases to pay advances	(2,344,019)
– increases (decreases) due to transfers of employees	255,764
– other	(312,996)
Balance as of 12.31.2004	47,709,129

"Employee severance indemnities", which represent the accrued amount due to the Company's employees in service as of December 31, 2004, report a net increase of 259 thousand euros. The rise primarily derives from provisions of 5,970 thousand euros and the transfer of employees from other Group companies, accounting for 256 thousand euros. These amounts were partially offset by releases to pay indemnities and advances totaling 5,654 thousand euros.

PAYABLES

	12.31.2003	Changes during the year	12.31.2004
Due to banks	482,071,142	336,476	482,407,618
Due to other financial institutions	1,278,795,535	179,250	1,278,974,785
Advances:			
a) from the Ministry of Transport	5,421,971	(127,031)	5,294,940
b) from clients	2,004,556	294,196	2,298,752
Due to suppliers	104,836,346	(22,922,167)	81,914,179
Due to subsidiary undertakings	7,931,227	8,982,161	16,913,388
Due to associated undertakings	1,002,980	0	1,002,980
Due to parent companies	4,120	(4,120)	0
Taxes due	3,478,952	13,728,548	17,207,500
Due to social security agencies	6,023,703	(43,443)	5,980,260
Other payables: sundry creditors	29,040,199	(1,424,648)	27,615,551
	1,920,610,731	(1,000,778)	1,919,609,953

"Payables" decreased by 1,001 thousand euros during the year. The principal reasons for such a change are analyzed below.

– "Amounts due to banks" total 482,408 thousand euros, of which 480,000 thousand euros represents the principal on long-term lines of credit denominated "B Term Facility", "C Term Facility" and "BOPI Facility". The remaining 2,408 thousand euros represents amounts due for interest, commissions and swap differentials accrued during the year but not yet settled.
  In this respect it should be recalled that on February 19, 2003, ADR S.p.A. negotiated further bank loans totaling 575 million euros, which break down as follows:
  - two long-term facilities and a revolving line of credit granted by a syndicate of banks, headed by Mediobanca - Banca di Credito Finanziario S.p.A. and with Mediobanca - Banca di Credito Finanziario S.p.A., Barclays, WestLB and UBM as mandated lead arrangers, totaling 490,000 thousand euros;
  - a long-term line of credit of 85,000 thousand euros granted by Banca OPI, called "BOPI Facility", secured by CDC IXIS Financial Guaranty Europe.

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

Lender	Facility loan	Amount (millions of EUR)	Interest rate	Repayment	Life	Maturity date
	B Term Facility	245	floating rate linked to EURIBOR + margin	bullet	5 years	Feb. 2008
Syndacate of banks	C Term Facility	150	floating rate linked to EURIBOR + margin	bullet	6 years	Feb. 2009
	Revolving Facility	95	floating rate linked to EURIBOR + margin	revolving	5 years	Feb. 2008
		490				
Banca OPI	BOPI Facility	85	floating rate linked to EURIBOR + margin	after 5 years in six-monthly installments	15 years	Mar. 2018
Total		575				

As of December 31, 2004, all the long-term lines of credit ("B Term Facility", "C Term Facility" and "BOPI Facility"), totaling 480,000 thousand euros, have been used; the "Revolving Facility", however, has not been used.

– "Amounts due to other financial institutions" total 1,278,975 thousand euros. The item includes principal of 1,265,019 thousand euros due from ADR S.p.A. to Romulus Finance S.r.l. and an amount of 13,956 thousand euros consisting of interest accrued on the above-mentioned loan and not yet paid. The increase of 179 thousand euros compared with December 31, 2003 is exclusively due to the interest component.

It should be recalled that the loan granted by Romulus Finance S.r.l. in February 2003 arose from the transfer without recourse to Romulus Finance S.r.l. of the amount due to ADR S.p.A.'s original lenders for loans taken out in August 2001.

The loan from Romulus Finance S.r.l. breaks down into five lines of credit, summarized in the table below. The conditions reflect those of the bonds issued by Romulus Finance S.r.l. to finance the purchase of amounts due to ADR S.p.A.'s creditor banks:

Lender	Facility loan	Amount (millions of EUR)	Interest rate	Repayment	Life	Maturity date
	A1	500	fixed	bullet	10 years	Feb. 2013
	A2	200	floating rate linked to EURIBOR + margin	bullet	12 years	Feb. 2015
Romulus Finance S.r.l.	A3	175	floating rate linked to EURIBOR + margin	bullet	12 years	Feb. 2015
	A4	325	floating rate linked to EURIBOR + margin up to 12.20.2009 and after fixed rate	bullet	20 years	Feb. 2023
	B	65	floating rate linked to EURIBOR + margin	bullet	7 years	Feb. 2010
Total		1,265				

The hedging policy established in the established within the framework of loan agreements with the banks and with Romulus Finance S.r.l. requires that at least 51% of the debt is fixed rate. In accordance with this policy, the following interest rate swap agreements were entered into by ADR S.p.A. in 2001, with the aim of hedging the interest rate risk associated with a portion of the loan. Such interest rate swaps – the counterparties for which in February 2003 are Mediobanca - Banca di Credito Finanziario S.p.A., Barclays, UBM, Royal Bank of Scotland and Deutsche Bank – are based on a notional capital of 864 million euros and mature on October 2, 2009.

On October 1, 2004, ADR S.p.A. entered into interest rate swap agreements with a number of the above counterparties (Mediobanca - Banca di Credito Finanziario S.p.A., Barclays and Royal Bank of Scotland). The swaps are based on a total notional capital of 468 million euros up to 2007 and 495 million euros up to 2009. On the basis of the agreements, ADR S.p.A. receives a fixed rate of 3.3% and pays a floating rate capped at 6.0%.

This transaction enables ADR S.p.A. to balance its exposure to fixed and floating rates (reducing its fixed rate debt from 78% to 51% of the total), bringing it more into line with expected short- to medium-term movements in interest rates and fixing the maximum risk that may be incurred.

As of December 31, 2004, the fair value of the swap agreements entered into in 2001 is negative at 79.4 million euros, whilst the fair value of the swaps entered into in 2004 is a positive 4.7 million euros.

The effects of the interest rate swap agreements on the Income Statement for the year are shown in the notes on "Financial income and expense".

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

- a lien (in the form of a mortgage) on the plant, machinery, capital goods and goods constituting ADR S.p.A.'s inventory, as well as any receivables deriving from the sale of such assets;
- a lien on all receivables and contracts with clients, and with ADR Tel S.p.A. and ADR Advertising S.p.A. and insurance policies;
- a lien on all of ADR S.p.A.'s current bank accounts;

- a lien on ADR S.p.A.'s shareholdings in ADR Tel S.p.A. and ADR Advertising S.p.A.;
- "ADR Deed of Charge" (a British lien on loans subject to British legislation, hedging agreements and insurance policies regulated by British law).

In addition, ADR S.p.A. has undertaken to periodically meet specific covenants. Breach of the covenants will activate certain measures designed to protect the lenders. These measures are graduated according to the degree to which the Company has breached the covenants. As of December 31, 2004 such covenants had been satisfied.

- "Amounts due to suppliers" decreased by 22,922 thousand euros due to shorter average payment periods.
- "Amounts due to subsidiary undertakings" increased by 8,982 thousand euros, primarily due to financial relations with the subsidiary undertaking, ADR Handling S.p.A. (up 7,154 thousand euros).

  Amounts due to subsidiary undertakings include 8,138 thousand euros deriving from trading relations (7,152 thousand euros as of December 31, 2003), 7,933 thousand euros from financial relations (779 thousand euros as of December 31, 2003) and 842 thousand euros due to tax consolidation.

  An analysis of receivables due from subsidiary undertakings is provided in the section of the Management Report on Operations dealing with "Relations with parent companies and other related parties".
- "Taxes due", totaling 17,208 thousand euros, rose by 13,729 thousand euros. The sum of 9,256 thousand euros regards the estimated amounts due as consolidated IRES (8,742 thousand euros) and IRAP (514 thousand euros), determined net of advances paid during the year. This item also includes the 1 euro municipal surtax on passenger fees, charged to carriers by ADR S.p.A. as of June 1, 2004. This payable amounts to 5,047 thousand euros as of December 31, 2004.
- "Other payables: sundry creditors" decreased by 1,425 thousand euros overall, mainly due to the combined effect of the greater amount due in license fees to the Civil Aviation Authority (1,247 thousand euros), settlement of a portion of the payable due to the Menzies Aviation Group for acquisition of 49% of ADRH S.p.A. (down 1,750 thousand euros) and a reduction in suspended VAT payables (down 867 thousand euros).

As of December 31, 2004, total "Payables" of 1,919,610 thousand euros include 1,769,511 thousand euros of a financial nature, 98,616 thousand euros of trade payables and 51,483 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 that limited amount due to overseas creditors (3.3 million euros out of a total of 98.6 million euros). Payables in currency exposed to exchange rate risks total 273 thousand euros and refer to services supplied.

"Payables secured by collateral on the Company's assets" amount to 1,761,383 thousand euros (as described in the paragraph regarding "amounts due to banks and other financial institutions").

"Payables falling due beyond five years" amount to 1,337,269 thousand euros and regard amounts due to banks (above all Banca OPI) totaling 72,250 thousand euros and amounts due to other financial institutions of 1,265,019 thousand euros.

ACCRUED EXPENSES AND DEFERRED INCOME

	12.31.2003	Changes during the year	12.31.2004
DEFERRED INCOME			
Sub-concessions and license fees	3,346,140	1,679,929	5,026,069
Other services	199,121	596,303	795,424
	3,545,261	2,276,232	5,821,493

NOTES TO THE MEMORANDUM ACCOUNTS

GENERAL GUARANTEES

	12.31.2004			12.31.2003		
	Secured credits	Unsecured credits	Total	Secured credits	Unsecured credits	Total
Sureties:						
– in favor of third parties	0	110,522	110,522	0	110,522	110,522
– in favor of subsidiary undertakings	0	21,123,606	21,123,606	0	19,608,233	19,608,233
Other:						
– in favor of clients	0	137,659	137,659	0	0	0
– on behalf of subsidiary undertakings	0	503,000	503,000	0	672,000	672,000
	0	21,874,787	21,874,787	0	20,390,755	20,390,755

"Sureties granted in favor of subsidiary undertakings" include a surety of 21,124 thousand euros issued by ADR S.p.A. in favor of the South African financial institution United Towers Ltd, as a guarantee for commitments made by the subsidiary undertaking, Airport Invest B.V., regarding a "Put and Call Option Agreement" stipulated on December 28, 2000. In particular ADR S.p.A. guaranteed exact payment by Airport Invest B.V. of the value of preferred shares of ADR IASA Ltd should United Towers Ltd exercise the "put" option. The option price for the year equals the issue price of the shares themselves (156 million rands) with the added preferred dividends accruing from the year and not paid, prudentially valued at December 31, 2004 at about 6.4 million rands. The equivalent value in euros was calculated using the closing euro/rand exchange rate of 7.690. The put option granted to United Towers Ltd is exercisable until April 30, 2005.

COMMITMENTS ON PURCHASES AND SALES

	12.31.2004	12.31.2003
COMMITMENTS ON PURCHASES		
Investment:		
– in subsidiary undertakings	11,494,000	1,339,793
– electronic equipment	1,122,247	1,663,512
– maintenance and services	0	1,453,665
– vehicles and equipment	70,800	67,500
– self-financed works	29,044,169	11,870,689
– contract work	0	942,000
– financial transactions	0	0
	41,731,216	17,337,159
COMMITMENTS ON SALES		
– electronic equipment	0	930,000
Total commitments on purchases and sales	41,731,216	18,267,159

On February 28, 2003 ADR S.p.A. granted IGPDecaux S.p.A. a put option on its holding in ordinary and preference shares in ADR Advertising S.p.A.. Such option is exercisable from the date of approval of the financial statements of ADR Advertising S.p.A. as of December 31, 2004 until December 31, 2011, given the occurrence of specific conditions. As the conditions that would lead to exercise of the option have not occurred, such commitment is not quantifiable.

Commitments on purchases also include ADR S.p.A.'s commitment, as an operator of airport infrastructures, to draw up and implement noise reduction and abatement plans, as required by noise pollution legislation (Law 447/95) and the Ministerial Decree of November 29, 2000. Such commitments are difficult to quantify given the general nature of the regulations regarding the basis for calculation. In any event such costs, given that they would extend the useful lives of the Company-owned and leased assets to which they refer, would be capitalized.

In the Group's Management Report on Operations, the measures that ADR S.p.A. has implemented with a view to alleviating the acoustic impact of aircraft in the vicinity of the airport, are listed in the section on "Environmental protection".

OTHER MEMORANDUM ACCOUNTS

	12.31.2004	12.31.2003
General guarantees received:		
– sureties	79,553,542	79,230,961
	79,553,542	79,230,961
Third party assets on free loan, deposited in custody, leased or similar:		
– leased assets	0	0
– employee savings books deposited with the company	0	0
– CAA - plant and equipment at Fiumicino	119,811,701	119,811,701
– CAA - plant and equipment at Ciampino	29,293,608	29,293,608
– works carried out on behalf of the State	665,635,517	664,438,125
	814,740,826	813,543,434
Assets leased to third parties in work in progress account	0	429,618
	0	429,618
Other matters in question:		
– assets leased to subsidiary undertakings	93,223	93,223
	93,223	93,223
Total other memorandum accounts	894,387,591	893,297,236

"Third party assets in free loan, deposited in custody, leased or similar" include the value of assets received under concession at Fiumicino and Ciampino airports and the value of the work financed, completed and invoiced to the Civil Aviation Authority.

"Assets leased to subsidiary undertakings" include the value of the intangible and tangible fixed assets (93 thousand euros) that form part of the advertising division leased by ADR S.p.A. to the subsidiary undertaking, ADR Advertising S.p.A., as reported in the division's balance sheet prepared on February 28, 2003. The above division also includes net payables due to personnel (severance indemnities, vacation pay, etc.) and social security agencies (294 thousand euros), which were settled by the parties in cash.

NOTES TO THE INCOME STATEMENT

TOTAL REVENUES

Revenues

	2004	2003	Difference
REVENUES FROM SALES			
Non-aviation activities:			
• duty free and duty paid	47,572,560	45,568,280	2,004,280
• other	2,614,515	1,843,170	771,345
	50,187,075	47,411,450	2,775,625
REVENUES FROM SERVICES			
Aviation activities:			
• fees	147,127,017	137,203,824	9,923,193
• handling	21,089,009	32,692,840	(11,603,831)
• security services	52,283,034	41,413,744	10,869,290
• centralized infrastructure	35,475,837	34,204,597	1,271,240
• other	16,807,677	14,670,764	2,136,913
	272,782,574	260,185,769	12,596,805
Non-aviation activities:			
• sub-concessions and utilities	100,683,418	88,913,968	11,769,450
• car parks	26,451,184	22,210,516	4,240,668
• advertising	1,934,069	9,042,804	(7,108,735)
• refreshments	9,452,512	8,827,673	624,839
• other	24,181,723	20,820,282	3,361,441
	162,702,906	149,815,243	12,887,663
	435,485,480	410,001,012	25,484,468
REVENUES FROM CONTRACT WORK	1,197,392	11,454,602	(10,257,210)
Total revenues from sales and services	486,869,947	468,867,064	18,002,883
CHANGES IN CONTRACT WORK IN PROGRESS	(123,823)	(4,959,032)	4,835,209
REVENUE GRANTS	30,910	70,511	(39,601)
Total revenues	486,777,034	463,978,543	22,798,491

56.0% of "Revenues", which total 486,777 thousand euros, derived from "aviation activities" carried out by the Company, whilst 44.0% were generated by "non-aviation" activities. In 2003 "aviation" activities accounted for 56.1% of revenues and "non-aviation" for 43.9%.

"Revenues from sales", amounting to 50,187 thousand euros, rose 5.9% with respect to 2003, due to the reduced turnover of directly managed shops, linked to traffic trends.

"Revenues from services" totaled 486,870 thousand euros, representing an increase of 3.8% on 2003. A detailed analysis is provided in the section of the Management Report on Operations dedicated to the "Financial position and results of operations".

"Revenues from contract work" (1,197 thousand euros) underwent a significant reduction with respect to 2003, falling 10,257 thousand euros, reflecting the reduced amount invoiced to the Civil Aviation Authority as works progressively reached completion. For the same reason, "Contract work in progress" decreased by 124 thousand euros with respect to the 4,959 thousand euro reduction of 2003.

Segment information

As required by Consob ruling 98084143 dated October 27, 1998, the following section provides segment information on the Company's business. It is important to note that the type of activity carried out by the Company does not permit a breakdown of the various areas of activity into fully independent segments in relation to markets and customers. The "traffic" element currently affects all the Company's activities.

However, it is possible to identify segments on the basis of the type of product or service offered and the production process involved. Information regarding the resulting segments has been extracted directly from the Company's accounts. The following table provides information relating to the three principal areas of activity identified:

- **Airport fees**: paid in return for use of airport infrastructure.
- **Handling**: including handling contracts[3] and supplementary services.
- **Centralized infrastructures**.
- **Non-aviation activities,** consisting of:
  - ***sub-concessions:*** including fees paid by sub-concessionaires operating on airport grounds, in addition to utilities;
  - ***direct sales:*** including revenues from directly operated duty free and/or duty paid outlets.

Finally, the category, "Other activities", includes the sale of advertising space[4], the management of car parks and refreshment 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	Handling	Centralized infrastructures	Non-aviation activities		Other activities	Total
(€/000)				Sub-concessions	Direct sales		
2004	147,127	21,089	35,476	100,683	50,187	132,215	486,777
2003	137,204	32,693	34,205	88,914	47,411	123,552	463,979
Difference	*9,923*	*(11,604)*	*1,271*	*11,769*	*2,776*	*8,663*	*22,798*
% Difference	*7.2%*	*(35.5%)*	*3.7%*	*13.2%*	*5.9%*	*7.0%*	*4.9%*

Total revenues can be broken down into two macro-areas:
- "Aviation" (including fees, handling, management of centralized infrastructure, security services and left luggage) amounting to 272,783 thousand euros, compared with the 260,186 thousand euros of 2003.
- "Non-aviation" (including sub-concessions, direct sales, the management of advertising space and car parks, refreshments and contract work on behalf of the State) amounting to 213,994 thousand euros, compared with the 203,793 thousand euros of 2003.

(3) Excluding passenger and ramp handling services, carried out at Fiumicino by the subsidiary undertaking, ADR Handling S.p.A., as of March 2000.

(4) Until March 1, 2003, the date on which the lease of the advertising division to the subsidiary undertaking, ADR Advertising S.p.A., came into effect; the sale of advertising space in retail outlets, on the other hand, continues to be carried out by ADR S.p.A..

A geographical breakdown of revenues would not be significant given that both airports managed by the Company are located within the same country.

Other income and revenues: other

	2004	2003
Revenue grants	30,910	70,511
Gains on disposals	189,075	22,627
Other:		
– releases:		
• release from allowance for overdue interest	104,597	250,737
– expense recoveries	159,748	252,878
– recoveries of personnel expenses	184,262	171,653
– revaluations of prior years	3,685,141	3,945,952
– other revenues	1,272,232	894,162
	5,405,980	5,515,382
	5,625,965	5,608,520

“Revaluations of prior years”, amounting to 3.7 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” for the year amounted to 92,554 thousand euros, including amortization of intangible fixed assets of 80,866 thousand euros and depreciation of tangible fixed assets of 11,688 thousand euros. Amortization of intangible fixed assets includes the charge for amortization of the concession, amounting to 50,095 thousand euros.
Provisions for doubtful accounts totaled 11,469 thousand euros and reflect an updated assessment of the creditworthiness of ADR S.p.A.’s clients.

Provisions for risks and other

	2004	2003
Current and potential disputes	4,892,136	0
Insurance deductibles	193,035	77,469
	5,085,171	77,469

“Other provisions” (totaling 200 thousand euros) refer to provisions made for fixed assets to be relinquished.

Further information is provided in the notes to allowances for risks and charges.

It should be borne in mind that provisions to the Income Statement are made following determination of potential liabilities not absorbed by any surplus provisions deriving from updated assessments of the risks to which the Company is exposed.

Other operating costs

	2004	2003
Losses on disposals	18,586	0
Concession fees	53,768	161,291
Other	4,957,622	11,553,178
	5,029,976	11,714,469

The item “Other”, amounting to 4,958 thousand euros, primarily regards membership dues (756 thousand euros), indirect taxes and duties (950 thousand euros), and updated valuations of over-estimated costs and under-estimated revenues recognized in the 2003 financial statements (3,028 thousand euros).

FINANCIAL INCOME AND EXPENSE

Income from equity investments

	2004	2003
Dividends from subsidiary undertakings	4,904,846	3,724,862
Dividends from other companies	25,700	59,400
	4,930,546	3,784,262

“Dividends from subsidiary undertakings” regard:

– 4,042 thousand euros in the form of interim dividends for 2004 paid by the subsidiary undertaking, Airport Invest B.V. (100% owned by ADR S.p.A.) in accordance with the resolution passed by the General Meeting of the company’s shareholders held on December 17, 2004;
– 375 thousand euros in dividends for 2004, posted on an accruals basis, paid by the subsidiary undertaking, ADR Engineering S.p.A. (100% owned by ADR S.p.A.) in accordance with the proposed allocation of net income approved by the company’s Board of Directors on March 1, 2005;
– 297 thousand euros in dividends for 2004, posted on an accruals basis, paid by the subsidiary undertaking, ADR Tel S.p.A. (99% owned), in accordance with the proposed allocation of net income approved by the company’s Board of Directors on March 2, 2005;
– 191 thousand euros in dividends for 2004, posted on an accruals basis, paid by the subsidiary undertaking, ADR Advertising S.p.A. (51% of the ordinary share capital), in accordance with the proposed allocation of net income approved by the company’s Board of Directors on March 7, 2005.

Other financial income

	2004	2003
Interest and commissions on long-term receivables:		
– other	89,381	134,465
Other:		
– interest on overdue current receivables:		
• clients	1,161,449	506,846
– interest and commissions from other companies and sundry income:		
• interest from subsidiary undertakings	18,821	16,492
• interest from banks	2,167,332	2,641,900
• other	1,317,517	16,083
	4,754,500	3,315,786

"Interest from banks", totaling 2,167 thousand euros, decreased by 475 thousand euros on 2003, when the figure reflected greater average liquidity, primarily deposited in term accounts providing higher returns.

The item "Other", totaling 1,260 thousand euros, regards accrued positive differentials on Interest Rate Swaps entered into in October 2004 in accordance with the loan agreement, as described in the notes to "Payables".

Interest expense and other financial charges

	2004	2003
Interest paid to parent companies	0	191,142
Interest paid to subsidiary undertakings	72,617	96,761
Interest and commissions due to others and sundry charges:		
– interest and commissions paid to banks	17,318,609	25,781,510
– interest and commissions paid to other financial institutions	56,424,920	50,029,914
– provisions for overdue interest on doubtful accounts	1,039,302	506,850
– other	27,135,771	24,885,582
	101,991,219	101,491,759

The reduction in "Interest and commissions paid to banks" and the increase in those paid to "other financial institutions" reflect the effects of the restructuring of ADR S.p.A.'s debt, which involved taking out a loan from Romulus Finance in place of bank debt in February 2003.

The item "Other" includes the sum of 26,057 thousand euros regarding negative interest differentials accruing on Interest Rate Swaps entered into in 2001 in accordance with the loan agreement, as described in the notes to "Payables".

Foreign currency gains and losses

	2004	2003
Gains	201,325	114,686
Losses	82,505	30,202
	118,820	84,484

The conversion of receivables and payables denominated in non-EU currencies at closing exchange rates resulted in an unrealized loss of 47 thousand euros.

ADJUSTMENTS TO FINANCIAL ASSETS

No adjustments to financial assets have been made during the two years used as the basis of comparison.

EXTRAORDINARY INCOME AND EXPENSE

Income

"Extraordinary income" for the year totaled 8,338 thousand euros and breaks down as follows:

	2004	2003
Gains on disposals	0	11,691,092
Income relating to previous years and other deriving from:		
– total revenues	125,462	232,261
– operating costs	434,804	60,235
– financial income and expense	47,034	1,119
– adjusted tax credits for previous years	0	2,836,630
– non-recurring items	376,507	595
– damages and compensation received	242,735	0
– other	7,111,276	0
	8,337,818	3,130,840
	8,337,818	14,821,932

"Gains on disposals", which amount to zero in 2004, regard gains realized on the transfer of handling activities at Ciampino to the subsidiary undertaking, ADR Handling S.p.A..

"Other" includes the effect of reversing tax-related entries in the form of accelerated depreciation charged to the Income Statement in previous years. The sum of 7,111 thousand euros corresponds with the allowance for accelerated depreciation as of January 1, 2004. Further information is provided in the section of these notes dealing with the reversal of tax-related entries.

Expense

"Extraordinary expense" for the year totaled 6,460 thousand euros and breaks down as follows:

	2004	2003
Losses on disposals	0	31,520
Taxes relating to previous years	286,947	2,139,345
Extraordinary expense deriving from:		
– total revenues	117,265	33,677
– operating costs	980,871	1,346,563
– financial income and expense	2,508	3,622
– contingent liabilities	323,172	660,939
	1,423,816	2,044,801
Other extraordinary expense:		
– payments due for lost freight	112,800	40,813
– fines	239,217	52,452
– agreed settlements	1,705,009	5,566,035
– damages and compensation paid to third parties	43,494	66,234
– penalties	0	1,666,728
– adjustment to deferred tax liabilities posted in previous years	2,649,000	0
	4,749,520	7,392,262
	6,173,336	9,437,063
	6,460,283	11,607,928

"Taxes relating to previous years", totaling 146 thousand euros, include expense deriving from participation in the tax amnesty pursuant to Law no. 289/2002, article 15, and payment of customs duties dating back to 1998/1999 following a tax audit. The balance for 2003 primarily included the cost deriving from the tax amnesty pursuant to articles 8 and 9 of Law no. 289/2002.
"Other extraordinary expense" includes the cost of incentive payments made as part of the current

efficiency drive. This gave rise to expense of 1,705 thousand euros (5,566 thousand euros in 2003). "Other extraordinary expense" also includes provisions for deferred tax liabilities (37.25%) deriving from elimination of the allowance for accelerated depreciation (7,111 thousand euros), which was carried out as part of the reversal of tax-related entries in these Financial Statements. Further information is provided in the relevant section of these Notes.

INCOME TAXES

This item reports the estimated expense for current taxes for the year, totaling 23,032 thousand euros. Deferred tax liabilities of 1,042 thousand euros have also been recognized.

	2004	2003
Current taxes:		
– IRPEG	0	5,577,263
– IRES	12,562,104	0
– proceeds from tax consolidation	(637,543)	0
– charges from tax consolidation	836,666	0
	12,761,227	5,577,263
– IRAP	10,270,421	9,891,224
	23,031,648	15,468,487
Net deferred tax (assets) liabilities:		
– deferred tax assets	161,000	(1,813,000)
– deferred tax liabilities	881,000	(572,000)
	1,042,000	(2,385,000)
	24,073,648	13,083,487

On December 28, 2004 ADR S.p.A. communicated its intention to adopt the new form of domestic tax consolidation (the "domestic tax consolidation") introduced by the first part of the Tremonti Reform (Legislative Decree no. 344/2003).
In addition to the Parent Company, ADR S.p.A., the tax consolidation process regards the subsidiary undertakings, ADR Handling S.p.A., ADR Engineering S.p.A. and ADR Tel S.p.A..
With regard to deferred taxes, it was decided to continue to record deferred tax assets and liabilities in the financial statements of the individual companies that generated the related temporary differences.
In accordance with the above tax regulations, estimated tax expense for IRES, amounting to 12,562 thousand euros, was calculated on consolidated taxable income, represented by the sum of the taxable income and tax losses reported by the Parent Company, ADR S.p.A., and the subsidiary undertakings included in the tax consolidation, adjusted to reflect the detaxation of intercompany dividends.
Taxable income transferred from the consolidated companies, ADR Engineering S.p.A. and ADR Tel S.p.A., resulted in proceeds from tax consolidation of 171 thousand euros and 467 thousand euros, respectively, resulting in a total of 638 thousand euros. Tax losses transferred from the consolidated company, ADR Handling S.p.A., resulted in tax expense from tax consolidation of 837 thousand euros.
The tax rate for current taxes, primarily IRES[5], is 35.1% compared with a theoretical rate of 33%. In 2003 the tax rate for IRPEG was 39.4% compared with a theoretical rate of 19%, reflecting application of Dual Income Tax (DIT) regulations, and the payment of capital gains tax on the gain realized on the transfer of handling activities at Ciampino to the subsidiary undertaking, ADR

(5) For the purposes of calculating the tax rate for IRES, IRES expense was added to the proceeds and expense deriving from tax consolidation.

Handling S.p.A., in accordance with Legislative Decree no. 358/97.

Reconciliation of the theoretical and actual tax rates is shown in the following table:

	2004	2003
Ordinary tax rate applicable (IRES - IRPEG)	33.0%	19.0%
Effect of increases (decreases) compared with ordinary rate		
Permanent differences:		
– dividends	(4.3%)	(4.5%)
– non-deductible costs	15.8%	20.5%
– other permanent differences	0.0%	(3.8%)
Temporary differences:		
– increases	17.3%	17.5%
– decreases	(26.7%)	(9.3%)
Actual rate	35.1%	39.4%

For further information on the calculation of deferred tax assets see the item "Deferred tax assets" in the section on "Receivables".

OTHER INFORMATION

Headcount

The following table shows the average number of employees of Aeroporti di Roma S.p.A. by category:

Average	2004	2003	Difference
Management	45	52	(7)
Administrative staff	1,554	1,533	21
Ground staff and other	608	673	(65)
Total	2,207	2,258	(51)

Remuneration of Directors and Statutory Auditors

In accordance with art. 2427 of the Italian Civil Code, the remuneration of Directors and Statutory Auditors is shown in the table below (cumulatively for each category in euros):

Category		Fees	Other remuneration	Total
Directors	(a)	115,992	0	115,992
Executive Directors	(b)	636,910	95,498	732,408
Statutory Auditors	(c)	227,844	15,951	243,795
Total		980,746	111,449	1,092,195

(a) remuneration determined pursuant to art. 2389 paragraph I of the Italian Civil Code, approved by General Meeting of March 24, 2003

(b) see resolutions of Board of Directors' meeting of March 24, 2003, pursuant to art. 2389, paragraph III of the Italian Civil Code

(c) see resolution of the Ordinary General Meeting of June 4, 2004

Shareholdings of Directors and Statutory Auditors

None of the Directors or Statutory Auditors hold shares in the Company.

Number of shares

The share capital of 62,309,801 shares is represented by 62,309,801 shares with a par value of 1 euro each.
As of December 31, 2004 the interest of the majority shareholder, Leonardo S.r.l., amounts to 51.082% (31,828,895 shares).

Information regarding current disputes

Tax litigation

In 1987, a general tax audit of ADR S.p.A.'s accounts from January 1, 1985 to February 18, 1987 was carried out, focusing in addition on certain aspects relating to previous years.
Despite the fact that the auditors found no evidence of irregular accounting practices or violations of statutory regulations, including misdemeanors punishable by fine in compliance with Law 516 of August 7, 1982, ADR S.p.A. was notified of certain irregularities regarding both direct and sales tax for the years between 1982 and 1987. The Company appealed the tax authorities' interpretation before the competent Tax Commissions.
During 2002, the Revenue Office appealed the sentence issued by the Regional Tax Commission for Rome – section no. 43 – before the Supreme Court. Such sentence had turned down the appeal against the sentence of the Tax Commission for the Province of Rome, dated April 9, 1999, which had accepted the grounds for ADR S.p.A.'s appeal against the allegations of income tax violations regarding the years 1985 and 1986.
On July 10, 2002 the tax authorities appealed to the Supreme Court, and ADR S.p.A. responded by depositing its counter-evidence with the Court. Judgment is still pending.
Thus far the outcomes of the hearings conducted by the various tax commissions have been in ADR S.p.A.'s favor, confirming the legal interpretation adopted and a positive outcome for the Company.

Administrative, civil and labor litigation

Administrative, civil and labor litigation is followed by the Company through its internal legal department which has provided, for the preparation of the accounts as of and for the year ended December 31, 2004, 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.

Significant disputes are summarized below:

– With regard to relations with public bodies, Supreme Court sentence no. 15023/01 regarding the appeal against the arbitrator's award of June 12, 1996 and the subsequent sentence issued by the Court of Appeal on May 18, 1999, turned down both ADR S.p.A.'s appeal and the counter-appeal presented by the government.

The sentence thus confirmed the validity of the Court of Appeal's judgment passed in 1999. This, on the one hand, established that public bodies should have rent-free access to the premises necessary in order to carry out their legally required duties regarding aircraft, passengers and freight movements, whilst, on the other, requiring such bodies to pay for the services and utilities relating to said premises (the arrangement already applied in ADR S.p.A.'s financial statements).

In the meantime ADR S.p.A. has proceeded to apply to the Ordinary Court for injunctions allowing it to recover accrued receivables due from the various ministries. The latter have opposed such injunctions, not questioning that payment is due for use of the services, but challenging the determination of amounts and the methods of calculation. The related judgments are pending.

– On May 26, 1999 ADR S.p.A. appealed Ministry of Finance Decree no. 86, dated March 5, 1999, before the Lazio Administrative Court. The Decree establishes the license fees to be paid by airport operators for the years prior to 1997. The appeal, which has been prepared by the appointed legal counsel, highlights the absence of grounds for application of the above fees to ADR S.p.A., and the absence of any legal basis for demanding back-dated payments in accordance with former legislation (Law no. 755/73). Judgment is still pending.

  A similar action brought by ADR S.p.A. before the Civil Court of Rome, with the aim of ascertaining that the Company is not required to pay any back-dated fees to the Ministry of Transport for the years prior to 1997, ended with the issue of sentence no. 5283/2004. This sentence, which upheld ADR S.p.A.'s position, declared that the Company has no obligation to pay the government license fees for the years prior to 1997 in application of the Convention of June 26, 1974.

– Following a complaint by Alitalia, AGISA (Association of Independent Airport Services Operators), Aviation Services, Cimair Blu and ARE, the Antitrust Authority launched an investigation of ADR S.p.A. to ascertain whether the company had abused its dominant position regarding fees charged for ground handling services, or whether it had put obstacles in the way of self-handling operations. In a resolution of September 20, 2000, the Authority closed the investigation of ADR S.p.A., launched with the resolution of November 4, 1999, finding that the Company had not abused its dominant position either with respect to the fees charged for ground handling services, or with regard to self-handling. The Authority did, however, find anti-competitive practices in relation to Aviation Services (Meridiana Group), although no fine was inflicted. The Company has appealed the latter finding before the Lazio Administrative Court, but a date for the hearing has yet to be set.

– Alitalia and Alitalia Airport have appealed to the Lazio Regional Administrative Court against the Italian Civil Aviation Authority (ENAC) and the Director of Fiumicino Airport and against ADR S.p.A. and ADR Handling S.p.A. as interest parties. The appellants have requested the cancellation, subject to suspension, of both the Aviation Authority's provisions of September 26, 2000, by which the Authority defined the centralized infrastructure at Fiumicino Airport, including the cargo storage plant, and the act of March 29, 2001, by which the Director of Rome Fiumicino Airport ordered the appellants to "cease, with immediate effect, all activities regarding cargo handling, in relation to both services subject to limits and those for which it might have been necessary to use Alitalia's cargo plant". An announcement of the date of the relevant hearing is awaited, given that the appellants have withdrawn their request for a suspension.

– On March 3, 2003 ADR S.p.A., together with Assaeroporti and leading Italian airport operators, submitted an extraordinary appeal to the President of the Republic for annulment, with prior suspension, of the Civil Aviation Authority Regulations dated September 30, 2002 regarding "the construction and operation of airports", with which the Authority intends to apply ICAO Annex 14.

– The Ministerial Decree of November 29, 2000 requires the operators of public transport services and the related infrastructure to draw up action plans for the reduction and abatement of noise, and to make provisions in line with forecast penalties if such limits should be exceeded. The legislation has been independently appealed by all airport operators to the Council of State, with the aim of obtaining an annulment of Lazio Regional Administrative Court's sentence no. 3382/2002. Sentence no. 5822/2004 of September 7, 2004 partially rejected the appeals brought by the airport operators. The consequences of this judgment are summarized below.

  The Appeal Judge, citing grounds that are partially different from those on which the appealed sentence was based, has decided that airport operators have an obligation to reduce noise pollution and thus prepare noise abatement action plans under two conditions:

  - identification of the boundaries of the areas covered by the Ministerial Decree of October 31, 1997 (see the section of the Management Report on Operations dealing with "Environmental protection: Noise abatement");
  - verification, according to a precise schedule, of instances when noise pollution limits are exceeded outside the areas covered by the regulations, as established by the Prime Ministerial Decree of November 19, 1997, with reference to be made to the limits established in municipal zoning bylaws or, in their absence, by art. 6, paragraph 1 of the Prime Ministerial Decree of March 1, 1991.

  Within the areas covered by the regulations, on the other hand, emission limits (as defined by art. 3, paragraph 3 of the Prime Ministerial Decree of November 14, 1997) are only applicable "for all noise sources other than airport infrastructures". The limits established by the Ministerial Decree of October 31, 1997 remain in force. These limits "provide for three areas (zones A, B and C) with various levels of LVA (the indicator used to measure airport noise emissions and different from the "Noise Equivalent level" used to establish the levels applied in the Prime Ministerial Decree of November 14, 1997).

  The obligation to make financial provisions to cover the cost of adopting noise reduction and abatement measures, regardless of whether or not the above limits have been exceeded, derives from Framework Law no. 447/95 (art.10, paragraph 5) and not the Ministerial Decree to which the appeal judge's sentence refers, as the latter is merely a repetition of the legal provisions referred to.

  The Ministry of the Environment "assumes that the obligation to make provisions is valid regardless of whether or not the noise emission limits have been exceeded (thus as of the entry into force of Law no. 447/95)"; at the same time "all issues regarding the reasonableness of such obligation, even where limits have not been exceeded, are beyond the scope of this action, by which the appellants have appealed a regulation that merely requires communication of the provisions made".

  The above sentence, moreover, does not exclude the possibility that the issue of "the reasonableness" (or otherwise) of the above regulation establishing the obligation to make provisions may be appealed by airport operators before the relevant courts. A description of the relevant accounting treatment is provided in the notes to the "Memorandum accounts".

– In July 2003 ADR S.p.A. lodged an appeal with the Lazio Regional Administrative Court in which it contested the request by the Antitrust Authority of May 12, 2003 to pay a sum of 1.2 million euros, equivalent to thirteen six-monthly "surcharges" on penalties of 0.9 million euros imposed on ADR S.p.A. in 1993 following a dispute about handling.

  The appealed letter follows payment by ADR S.p.A. of an amount corresponding to only five six-monthly surcharges (0.5 million euros, as well as the original penalty) rather than the total of eighteen six-monthly surcharges requested by the Authority.

In ADR S.p.A.'s opinion, the surcharges are not due for the period in which the Antitrust Authority's penalty was "suspended" following acceptance by the Lazio Regional Administrative Court of ADR S.p.A.'s request for a suspension in 1993 (as part of the appeal in which ADR S.p.A. contested the Antitrust Authority ruling), and until the sentence handed down by the court in July 2000.

With sentence no. 198/2004, handed down on May 6, 2004, the Lazio Regional Administrative Court accepted ADR S.p.A.'s appeal and, in particular: 1) annulled the disputed act (the letter from the Antitrust Authority dated May 12, 2003 in which the Authority laid claim to a sum of 1.7 million euros rather than 0.5 million euros; 2) ruled that ADR S.p.A. was not liable for payment of the surcharge stipulated in said act; and 3) ordered payment of legal interest to ADR S.p.A. for the period of the dispute (thirteen six-month periods, unless a different interpretation should arise from a reading of the grounds for the sentence).

In October 2004 the Antitrust Authority appealed the Lazio Regional Administrative Court sentence before the Council of State. The date of the hearing has yet to be announced.

- In September 2003 ADR S.p.A. issued notice of appeal to Lazio Regional Administrative Court against Ministerial Decree 14/T of March 14, 2003 (published in the Official Gazette of June 3, 2003) containing provisions regarding the payment of fees for the 100% screening of hold baggage, as interpreted, in relation to the date from which such fees are to be applicable, in Civil Aviation Authority letters dated June 3, 2003 and June 11, 2003. The main reasons for the appeal are: (a) the contradictory nature of the two letters from the Civil Aviation Authority; and (b) the lack of any provision regarding collection of the fees prior to the implementation of the Ministerial Decree. In fact, pursuant to local airport authority ordinance 14/2002, as interpreted by the local airport authority's letter of January 9, 2003, ADR S.p.A. was obliged, as of February 1, 2003, to carry out 100% screening of hold baggage with no possibility of charging fees for the service. Such fees were belatedly determined by the Ministerial Decree published in the Official Gazette on June 3, 2003. The appeal aims, among other things, to recover the fees due for the period between the date the Decree became valid (June 3, 2003) and the date authorized by the Civil Aviation Authority in a separate letter (June 26, 2003).
- In September 2003 ADR S.p.A. lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 (definition of airport license fees for 2003) published in the Official Gazette on July 7, 2003, as amended in the notice published in the Official Gazette on September 6, 2003. This decree established methods different from those applied until the end of 2002, for calculating annual fees due from, among others, global airport operators pursuant to special laws. Such methods of calculation are deemed to be illegitimate as they introduce an element of "adjustment" to the resulting figures regarding the "earnings" that passengers produce in relation to the airport. In ADR S.p.A.'s opinion, such an adjustment is not provided for in the related legislation, and is also discriminatory and detrimental to fair competition.
- On December 12, 2003 four sentences were published relating to four respective judgments regarding opposition to injunctions proposed by ADR S.p.A. to recover payables due from Air Sicilia, which is in bankrupt, pending before the eighth section of the Civil Court of Rome. The outcome of these judgments is favorable to ADR S.p.A. as the Court ordered Air Sicilia to pay 0.6 million euros, a sum that will be added to the statement of account presenting proof of the debts due from the bankruptcy of Air Sicilia (declared on January 21, 2003 by the Bankruptcy Court of Caltagirone) together with amounts accrued subsequent to the above-mentioned judgments. The proofs of the debts due from Air Sicilia have been rejected. ADR S.p.A. intends to appeal the decision, which it holds to be illegitimate. On June 23, 2004, an action was instituted for damages, with ADR S.p.A. as plaintiff, in judicial proceedings brought before

the Attorney's Office of Caltagirone against seven members of the Board of Directors and the Board of Statutory Auditors of the bankrupt Air Sicilia S.p.A., with accusation of fraudulent bankruptcy. A date has yet to be fixed for a hearing to discuss this action.

The following claims with regard to contract work, services and supplies have been brought before the Civil Court of Rome:

- Following the partial judgment of May 8, 2003 regarding the action brought by ATI Alpine Bau in relation to the upgrading of runway 3, the judge postponed assessment of the amount of damages until after the outcome of an expert appraisal, to be carried out by the same court-appointed expert appointed for the principal action. The new expert appraisal deposited at the hearing of January 27, 2005 does not significantly change the assessment regarding the outcome of the action. The judge adjourned the hearing until June 8, 2005 when the court will pronounce sentence.
  On June 23, 2004, having decided that it would not wait any longer for the final damages to be assessed, Bonifica S.p.A. (the company that carried out the design work for runway 3) appealed the sentence on the merits of the case. At the hearing of November 3, 2004 the appeal judge adjourned the case until February 22, 2005, withholding judgment.
  ADR S.p.A. and ADR Engineering S.p.A. reserved the right, pursuant to art. 340 of the Civil Procedures Code, to appeal both sentences (on the merits and on the damages) following issue of the second and final sentence, for which the above expert appraisal was carried out. In view of Bonifica's appeal, and the subsequent action brought by Alpine, ADR S.p.A. has decided to appeal.
- In the lawsuit taken out by ATI COMER Costruzioni Meridionali S.r.l. - F.lli Panci S.r.l. - Marino Appalti (summons notified on February 22, 2002) regarding the upgrading of runway 16R/34L, the section of the Alfa taxiway north of the AB connecting taxiway, and the AA and AB connecting taxiways at Fiumicino airport, amounting to 0.7 million euros plus interest, the judge ordered an expert appraisal "of the claimed damages".
  At the hearing of September 16, 2004, called to examine criticism of the above expert appraisal, the judge withheld judgment on the criticism. The hearing was adjourned until December 1, 2005 when the judge will pronounce sentence.
- A lawsuit was taken out by ATI Elsag S.p.A. - CML Handling Technology S.p.A. regarding payment of sums posted to accounts relating to the contract to construct the new baggage handling system at Fiumicino airport, amounting to 7.4 million euros, plus interest. At a hearing on June 16, 2004 the judge, taking into account the plaintiffs' request for an enquiry and ADR S.p.A.'s response, adjourned the case until a hearing on November 18, 2004. At this hearing judgment was withheld regarding admission of the evidence presented. The related judgment is still awaited.
- ADR S.p.A. has appealed the sentence handed down by the Civil Court of Rome regarding the claim filed by Consorzio Cooperative Costruzioni to obtain compensation for damages purportedly incurred by the plaintiff while work was under way to enlarge the central area of the international terminal. This sentence partially accepted the demands made by CCC and ordered ADR S.p.A. to pay a sum of 1.2 million euros as well as legal costs and interest. At the first hearing held on January 21, 2005, the court discussed the request for an injunction halting implementation of the appealed sentence; the court withheld judgment.
- A claim for damages, in relation to the contract for the extension and restructuring of the international terminal at Rome's Fiumicino Airport and related works, has been brought by Consorzio Aerest (in liquidation). The claim amounts to approximately 2.2 million euros plus VAT, interest and revaluation. On October 8, 2004 the Court of Rome partially upheld the

Consorzio Aerest's claim, requiring ADR S.p.A. to pay the consortium the sum of approximately 167 thousand euros, rejecting all other claims and apportioning the legal costs to both parties.

- A claim by Astaldi S.p.A. (which took over APL contract no. 704/95 from Italstrade S.p.A.) regarding the construction of the road link between runways 07/25 and 16L/34R at Leonardo da Vinci Airport in Fiumicino, in which the plaintiff requests that ADR be ordered to pay eleven reserves posted in the accounts in relation to said works, for a total of 3.0 million euros plus legal interest, as well as legal costs and fees.
  At a hearing on June 30, 2004, ADR S.p.A.'s defense counsel opposed acceptance of the expert appraisal and the judge withheld judgment. In the subsequent judgment, the judge rejected the technical evidence submitted by the plaintiff, stating that the dispute was of an exclusively legal nature and not technical. The court will pronounce sentence at the hearing of April 6, 2005.
- A claim brought by Astaldi S.p.A. (which took over APM contract no. 450/95 from Italstrade S.p.A.) regarding the construction of the Satellite West aprons and road network at Leonardo da Vinci Airport in Fiumicino, in which the plaintiff requests that ADR S.p.A. be ordered to pay twenty-one claims posted in the accounts in relation to said works, for a total of 7.3 million euros, as well as legal costs and fees. On October 1, 2004 the judge in the case rejected Astaldi's request for an appraisal to be carried out by a court-appointed export, stating that the investigations requested by the plaintiff were inadmissible, and thus declaring that sentence can be passed. The hearing was adjourned until October 28, 2005 when the court will pronounce sentence. On December 2, 2004 the Appeal Court of Rome rejected the request, put forward by ADR S.p.A.'s defense counsel, for injunctive relief whilst awaiting judgment regarding the provisional execution of the sentence appealed and adjourned the hearing until April 10, 2007 when sentence will be pronounced.
- A civil lawsuit brought by Finprest to obtain recognition of its right to a sum of 3.2 million euros pertaining to review of contract prices, revaluations and interest in relation to a contract (dating back to 1988) for restructuring and extension works at the "old" domestic terminal (Terminal A) at Leonardo da Vinci airport in Fiumicino. The relevant hearing will take place on October 19, 2004; the judge adjourned the above hearing until March 16, 2005.
- On May 22, 2003 the Civil Court of Rome, in sentence no. 17134/2003, partially accepted the request made by Garboli Rep (plaintiff) and ordered ADR to pay damages to the former on the grounds that claims 5 and 7 were justified. Damages were set at 0.4 million euros, plus legal interest and overdue interest. The above-mentioned dispute refers to 7 claims (totaling 0.8 million euros) posted in the accounts relating to the contract for work on the road network, sub-service networks and transit tunnels within the scope of the so-called "Lot Opposite International Terminal" at Fiumicino. ADR has decided to appeal this sentence. On December 2, 2004 the Appeal Court of Rome rejected the request, put forward by ADR S.p.A.'s defense counsel, for injunctive relief whilst awaiting judgment regarding the provisional execution of the sentence appealed and adjourned the hearing until April 10, 2007 when sentence will be pronounced.
- Saicom has brought a claim for damages caused by flooding of the land adjacent to runway 3. The court-appointed expert has quantified such damages at 1.2 million euros. Further criticism of the export appraisal was submitted at the hearing of May 27, 2004 and the final judgment was delayed until the hearing of January 12, 2006, giving the parties time to deposit their final statements and observations.
- On December 30, 2004 ATI NECSO Entrecanales – Lamaro Appalti notified its decision to appeal sentence 35859/2003 issued by the Civil Court of Rome, summonsing ADR S.p.A. to appear before the Appeal Court of Rome at a hearing on March 30, 2005. In addition to

rejecting ATI Necso's claims, the judge at the initial hearing also ordered the company to pay ADR S.p.A.'s costs.

ATI NECSO is claiming damages of 9.8 million euros, plus VAT, interest, revaluation and costs, from ADR S.p.A. in relation to 7 claims posted in the accounts relating to the contract for work on the extension and restructuring of the international terminal (Satellite West) at Fiumicino. In view of the positive outcome of the initial hearing, the Company believes the likelihood of a negative outcome to be remote.

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 accounts, accompanied by the Management Report on Operations, present a true and fair picture of the Company's financial position and results of operations for the year.

The Board of Directors

List of Significant Equity Investments

Aeroporti di Roma

AEROPORTI DI ROMA GROUP

EQUITY INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

ADR ENGINEERING

ADR HANDLING

ADR TEL

ADR SVILUPPO

ADR ADVERTISING

EQUITY INVESTMENTS IN OTHER COMPANIES

SACAL LAMEZIA AIRPORT

AEROPORTO DI GENOVA

ACSA Airports Company South Africa

AEROPORTI DI ROMA HANDLING S.P.A.

Date of incorporation	June 10, 1999
Tax Code and Companies' Register	Rome 05799831002
R.E.A.	Rome 924991
Registered office	00050 Fiumicino – Office Tower, International Terminal – Leonardo da Vinci Airport
Share capital	18,060,000 euros represented by 3,500,000 shares with a par value of 5.16 euros each

Holding: 3,500,000 shares with voting rights at Ordinary General Meeting, amounting to 100% (of wich 0.71% held via ADR Engineering S.p.A. Unipersonale)

AIRPORT INVEST B.V.

Date of incorporation	April 7, 1999
Chamber of Commerce	Amsterdam 34113641
Registered office	Strawinskylaan 3105, 1077 ZX – Amsterdam (Netherlands)
Tax Code	97166530580
Share capital	70,417,038 euros represented by 155,446 shares with a par value of 453 euros each

Holding: 155,446 shares with voting rights at Ordinary General Meeting, amounting to 100%

ADR INTERNATIONAL AIRPORTS SOUTH AFRICA (PROPRIETARY) LTD

Date of incorporation	March 4, 1998
Companies' Register	Johannesburg 98/04063/07
Registered office	85 Empire Road – Parktown – 2193 Johannesburg (South Africa)
Share capital	1,660 rands represented by 10,000 ordinary shares (with voting rights) with a par value of 0.01 rands and 156,000 preference shares (without voting rights, with the exception of resolutions regarding the distribution of dividends) with a par value of 0.01 rands

Holding: 10,000 shares with voting rights at Ordinary General Meeting held indirectly (via Airport Invest B.V.), amounting to 100%

ADR ENGINEERING S.P.A. UNIPERSONALE

Date of incorporation	February 21, 1997
Tax Code and Companies' Register	Rome 05256281006
R.E.A.	Rome 867594
Registered office	00054 Fiumicino – Via Lago di Traiano no. 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 TEL S.P.A.

Date of incorporation	July 31, 2002
Tax Code and Companies' Register	Rome 07169231003
R.E.A.	Rome 1014944
Registered office	00050 Fiumicino – Via dell'Aeroporto di Fiumicino, 320
Share capital	600,000 euros represented by 600,000 shares with a par value of 1 euro each

Holding: 600,000 shares with voting rights at Ordinary General Meeting, amounting to 100% (of which 1% held via ADR Sviluppo S.r.l.)

ADR ADVERTISING S.P.A.

Date of incorporation	January 10, 2003
Tax Code and Companies' Register	Rome 07336861005
R.E.A.	Rome 1027780
Registered office	00050 Fiumicino – Office Tower, Leonardo da Vinci Airport
Share capital	1,000,000 euros represented by 500,000 ordinary shares and 500,000 preference shares both with a par value of 1 euro each

Holding: 255,000 shares with voting rights at Ordinary General Meeting, amounting to 51% of the ordinary share capital

ADR SVILUPPO S.R.L. UNIPERSONALE

Date of incorporation	July 27, 2001
Tax Code and Companies' Register	Rome 06708221004
R.E.A.	Rome 984688
Registered office	00050 Fiumicino – Via dell'Aeroporto di Fiumicino, 320
Share capital	100,000 euros

100% of voting rights at Ordinary General Meeting

AIRPORTS COMPANY SOUTH AFRICA LTD

Date of incorporation	1993
Companies' Register	Johannesburg 93/04149/06
Registered office	The Maples Riverwoods Office Park, 24 Johnson Road, Bedfordview, 2008 Johannesburg (South Africa)
Share capital	500,000,000 rands represented by 500,000,000 shares with a par value of 1 rand

Holding: 100,000,000 shares with voting rights at Ordinary General Meeting held indirectly (via ADR International Airports South Africa Ltd), amounting to 20%

LA PIAZZA DI SPAGNA S.R.L.

Date of incorporation	December 17, 2003
Tax Code and Companies' Register	Rome 07754621006
R.E.A.	Rome 1053884
Registered office	00050 Fiumicino – Via dell'Aeroporto di Fiumicino, 320
Share capital	100,000 euros

49% of voting rights at Ordinary General Meeting

LIGABUE GATE GOURMET ROMA S.P.A. (INSOLVENT)

Date of incorporation	November 20, 1997
Tax Code and Companies' Register	Venice 03016170270
Registered office	30030 Tessera (VE) – Marco Polo Airport
Share capital	103,200 euros represented by 20,000 shares with a par value of 5.16 euros each

Holding: 4,000 shares with voting rights at Ordinary General Meeting, amounting to 20%

SOCIETÀ AEROPORTUALE CALABRESE - S.A.CAL. S.P.A.

Date of incorporation	February 23, 1990
Tax Code and Companies' Register	Catanzaro 01764970792
Registered office	Lamezia Terme (CZ) – Lamezia Terme Civil Airport
Share capital	5,170,000 represented by 10,000 shares with a par value of 517 euros each

Holding: 1,657 shares with voting rights at Ordinary General Meeting, amounting to 16.57%

AEROPORTO DI GENOVA S.P.A.

Date of incorporation	February 12, 1985
Tax Code and Companies' Register	Genoa 02701420107
Registered office	Genova Sestri – Passenger Terminal
Share capital	4,648,140 euros represented by 9,000 shares with a par value of 516.46 euros each

Holding: 1,350 shares with voting rights at Ordinary General Meeting, amounting to 15%

ADR HANDLING S.P.A.: Reclassified Balance Sheet and Income Statement

COMPANY NAME	**ADR HANDLING S.P.A.**

BOARD OF DIRECTORS

(after the General Meetings of April 14, 2003, July 23, 2003 and April 22, 2004 and the Board of Directors' meeting of April 14, 2003)

Chairman	Federico Nucci
Directors	Emilio Corrado Giordano *(until February 29, 2004)* Fabio Missori *(from April 22, 2004)* Simon Morris
Secretary	Riccardo Affinita

BOARD OF STATUTORY AUDITORS

(after the General Meeting of April 14, 2003 and April 22, 2004)

Chairman	Roberto Ascoli
Statutory Auditors	Giancarlo Russo Corvace Paola Scillamà Irti
Alternate Auditors	Pietro Cerasoli *(from April 22, 2004)* Francesco Mariani

INDEPENDENT AUDITORS	Deloitte & Touche S.p.A.

Information about the subsidiary undertaking, ADR Handling S.p.A., is provided in the section "Equity Investments" in the Management Report on Operations of Aeroporti di Roma S.p.A..

RECLASSIFIED BALANCE SHEET

(in thousands of euros)	12.31.2004	12.31.2003
Intangible fixed assets	13,552	14,840
Tangible fixed assets	11,881	10,550
Non-current financial assets	310	658
A. – FIXED ASSETS	**25,743**	**26,048**
Inventory	0	0
Trade receivables	15,212	23,822
Other assets	5,033	2,134
Trade payables	(11,744)	(6,403)
Allowances for risks and charges	(4,557)	(742)
Other liabilities	(8,858)	(7,257)
B. – WORKING CAPITAL	**(4,914)**	**11,554**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**20,829**	**37,602**
D. – EMPLOYEE SEVERANCE INDEMNITIES (E.S.I.)	**18,060**	**17,847**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**2,769**	**19,755**
financed by:		
Share capital	18,060	18,060
Reserves and retained earnings	4,699	4,881
Net income (loss) for the year	(7,307)	(182)
F. – SHAREHOLDERS' EQUITY	**15,452**	**22,759**
G. – MEDIUM/LONG-TERM BORROWING	**0**	**0**
H. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	0
Cash and current receivables	(12,683)	(3,004)
(G+H)	**(12,683)**	**(3,004)**
I. – TOTAL AS IN "E" (F+G+H)	**2,769**	**19,755**

RECLASSIFIED INCOME STATEMENT (in thousands of euros)	2004	2003
A. – REVENUES	**87,260**	**73,476**
B. – REVENUES FROM ORDINARY ACTIVITIES	**87,260**	**73,476**
Cost of materials and external services	(24,786)	(23,790)
C. – GROSS MARGIN	**62,474**	**49,686**
Payroll costs	(50,766)	(42,242)
D. – EBITDA	**11,708**	**7,444**
Amortization and depreciation	(4,217)	(2,888)
Other provisions	(675)	(280)
Provisions for risks and charges	(1,964)	(723)
Other income (expense), net	(10,285)	567
E. – EBIT	**(5,433)**	**4,120**
Financial income (expense), net	204	181
Adjustments to financial assets	0	0
	204	**181**
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**(5,229)**	**4,301**
Extraordinary income (expense), net	(3,317)	(1,381)
G. – INCOME BEFORE TAXES	**(8,546)**	**2,920**
Current taxes for the year	(1,599)	(1,904)
Deferred tax assets (liabilities) for the year	2,838	(1,198)
	1,239	**(3,102)**
H. – NET INCOME (LOSS) FOR THE YEAR	**(7,307)**	**(182)**

AIRPORT INVEST B.V.: Reclassified Balance Sheet and Income Statement

COMPANY NAME	**AIRPORT INVEST B.V.**

BOARD OF DIRECTORS

Chairman	Emilio Corrado Giordano *(until May 1, 2004)*
Directors	Luciano Acciari Natacha Buzalko *(until May 1, 2004)* Fabio Capozio *(from July 15, 2004)* S. Galesloot *(until January 1, 2004)* Harry D. H. Moraal *(from July 15, 2004)* Christina A. Koopmans-Vlassa *(from July 15, 2004)* Paul Schmitz *(from May 1, 2004)* Robertus G. M. Verhoef *(until May 1, 2004)*

INDEPENDENT AUDITORS	KPMG Accountants NV

Information about the subsidiary undertaking, Airport Invest B.V., is provided in the section "Equity Investments" in the Management Report on Operations of Aeroporti di Roma S.p.A..

RECLASSIFIED BALANCE SHEET

(in thousands of euros)	12.31.2004	12.31.2003
Non-current financial assets	107,310	107,310
A. – FIXED ASSETS	**107,310**	**107,310**
Trade receivables	0	0
Other assets	0	0
Trade payables	(16)	(21)
Allowances for risks and charges	0	0
Other liabilities	0	0
B. – WORKING CAPITAL	**(16)**	**(21)**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**107,294**	**107,289**
D. – EMPLOYEE SEVERANCE INDEMNITIES (E.S.I.)	**0**	**0**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**107,294**	**107,289**
financed by:		
Share capital	70,417	70,417
Reserves and retained earnings	36,992	37,008
Net income (loss) for the year (*)	22	(15)
F. – SHAREHOLDERS' EQUITY	**107,431**	**107,410**
G. – MEDIUM/LONG-TERM BORROWING	**0**	**0**
H. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	1	1
Cash and current receivables	(138)	(122)
(G+H)	**137**	**121**
I. – TOTAL AS IN "E" (F+G+H)	**107,294**	**107,289**

(*) *net of interim dividend:*	2004	2003
Net income for the year	4,063	3,541
Interim dividend	(4,041)	(3,556)
Residual net income for the year	22	(15)

RECLASSIFIED INCOME STATEMENT

(in thousands of euros)	2004	2003
A. – REVENUES	**0**	**0**
B. – REVENUES FROM ORDINARY ACTIVITIES	**0**	**0**
Cost of materials and external services	(40)	(87)
C. – GROSS MARGIN	**(40)**	**(87)**
Payroll costs	0	0
D. – EBITDA	**(40)**	**(87)**
Amortization and depreciation	0	(248)
Other income (expense), net	0	(160)
E. – EBIT	**(40)**	**(495)**
Financial income (expense), net	4,103	4,036
Adjustments to financial assets	0	0
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**4,063**	**3,541**
Extraordinary income (expense), net	0	0
G. – INCOME BEFORE TAXES	**4,063**	**3,541**
Income taxes	0	0
H. – NET INCOME (LOSS) FOR THE YEAR	**4,063**	**3,541**

ADR INTERNATIONAL AIRPORTS SOUTH AFRICA (PROPRIETARY) LTD: Reclassified Balance Sheet and Income Statement

COMPANY NAME	**ADR INTERNATIONAL AIRPORTS SOUTH AFRICA (PTY) LTD**

BOARD OF DIRECTORS

Chairman	Fabio Capozio *(from April 21, 2004)* Emilio Corrado Giordano *(until March 1, 2004)*
Managing Director	Andrea Belardini
Directors	Carmine Bassetti Saverio Rennis *(until January 1, 2005)*

INDEPENDENT AUDITORS	KPMG Inc.

Information about ADR International Airports South Africa (Proprietary) Limited, a subsidiary undertaking controlled indirectly through Airport Invest B.V., is provided in the section "Equity Investments" in the Management Report on Operations of Aeroporti di Roma S.p.A..

RECLASSIFIED BALANCE SHEET (ZAR/000)	12.31.2004	12.31.2003
Non-current financial assets	1,019,662	1,001,353
A. – FIXED ASSETS	**1,019,662**	**1,001,353**
Other assets	0	7
Trade payables	(102)	(139)
Other liabilities	(5)	0
B. – WORKING CAPITAL	**(107)**	**(132)**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**1,019,555**	**1,001,221**
financed by:		
Share capital	819,000	819,000
Reserves and retained earnings	190,404	130,124
Net income (loss) for the year (*)	20,168	61,997
D. – SHAREHOLDERS' EQUITY	**1,029,572**	**1,011,121**
E. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	0
Cash and current receivables	(10,017)	(9,900)
	(10,017)	**(9,900)**
F. – TOTAL AS IN "C" (D+E)	**1,019,555**	**1,001,221**

(*) net of interim dividend:	2004	2003
Net income for the year	64,330	115,287
Interim dividend	(44,162)	(53,290)
Residual net income for the year	**20,168**	**61,997**

RECLASSIFIED INCOME STATEMENT (ZAR/000)	**2004**	**2003**
A. – REVENUES	**0**	**0**
B. – REVENUES FROM ORDINARY ACTIVITIES	**0**	**0**
Cost of materials and external services	(257)	(308)
C. – GROSS MARGIN	**(257)**	**(308)**
D. – EBITDA	**(257)**	**(308)**
Other income (expenses), net	0	0
E. – EBIT	**(257)**	**(308)**
Financial income (expense), net	816	1,244
Adjustments to financial assets	63,910	114,635
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**64,469**	**115,571**
Extraordinary income (expense), net	41	26
G. – INCOME BEFORE TAXES	**64,510**	**115,597**
Income taxes	(180)	(310)
H. – NET INCOME (LOSS) FOR THE YEAR	**64,330**	**115,287**

ADR ENGINEERING S.P.A. UNIPERSONALE: Reclassified Balance Sheet and Income Statement

COMPANY NAME	**ADR ENGINEERING S.P.A. UNIPERSONALE**

BOARD OF DIRECTORS

(after the General Meetings of April 8, 2003 and April 20, 2004 and the Board of Directors' meeting of April 8, 2003)

Chairman	Giulio De Virgilio *(from April 20, 2004)* Enrico Casini *(until April 20, 2004)*
Managing Director	Giulio De Virgilio
Director	Antonio Ferraiuolo *(from April 20, 2004)* Fabio Missori
Secretary	Riccardo Affinita

BOARD OF STATUTORY AUDITORS

(after the General Meetings of April 8, 2003 and April 20, 2004)

Chairman	Antonio Mastrapasqua
Statutory Auditors	Pietro Cerasoli Eugenio Lagomarsino
Alternate Auditors	Massimo Bigerna *(from April 20, 2004)* Giancarlo Russo Corvace *(from April 20, 2004)*

INDEPENDENT AUDITORS	Deloitte & Touche S.p.A.

Information about the subsidiary undertaking, ADR Engineering S.p.A. Unipersonale, is provided in the section "Equity Investments" in the Management Report on Operations of Aeroporti di Roma S.p.A..

RECLASSIFIED BALANCE SHEET (in thousands of euros)	**12.31.2004**	**12.31.2003**
Intangible fixed assets	17	24
Tangible fixed assets	44	38
Non-current financial assets	176	176
A. – FIXED ASSETS	**237**	**238**
Inventory	4,790	4,910
Trade receivables	2,350	2,552
Other assets	27	64
Trade payables	(3,842)	(4,384)
Allowances for risks and charges	(110)	(7)
Other liabilities	(985)	(758)
B. – WORKING CAPITAL	**2,230**	**2,377**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**2,467**	**2,615**
D. – EMPLOYEE SEVERANCE INDEMNITIES	**897**	**885**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**1,570**	**1,730**
financed by:		
Share capital	775	775
Reserves and retained earnings	506	220
Net income (loss) for the year	457	286
F. – SHAREHOLDERS' EQUITY	**1,738**	**1,281**
G. – MEDIUM/LONG-TERM BORROWING	**0**	**0**
H. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	467
Cash and current receivables	(168)	(18)
(G+H)	**(168)**	**449**
I. – TOTAL AS IN "E" (F+G+H)	**1,570**	**1,730**

RECLASSIFIED INCOME STATEMENT (in thousands of euros)	**2004**	**2003**
A. – REVENUES	**6,166**	**7,301**
B. – REVENUES FROM ORDINARY ACTIVITIES	**6,166**	**7,301**
Cost of materials and external services	(3,025)	(4,590)
C. – GROSS MARGIN	**3,141**	**2,711**
Payroll costs	(2,172)	(2,164)
D. – EBITDA	**969**	**547**
Amortization and depreciation	(37)	(33)
Other provisions	0	0
Provisions for risks and charges	(18)	(7)
Other income (expense), net	(3)	(112)
E. – EBIT	**911**	**395**
Financial income (expense), net	(9)	4
Adjustments to financial assets	0	0
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**902**	**399**
Extraordinary income (expense), net	(6)	(49)
G. – INCOME BEFORE TAXES	**896**	**350**
Current taxes for the year	(311)	(118)
Deferred tax assets (liabilities) for the year	(128)	54
	(439)	**(64)**
H. – NET INCOME (LOSS) FOR THE YEAR	**457**	**286**

ADR TEL S.P.A.: Reclassified Balance Sheet and Income Statement

COMPANY NAME — ADR TEL S.P.A.

BOARD OF DIRECTORS

(after the General Meetings of July 31, 2002 and April 20, 2004 and the Board of Directors' meeting of August 8, 2002)

Chairman	Roberto Piana *(from April 20, 2004)* Enrico Casini *(until April 20, 2004)*
Managing Director	Roberto Piana
Director	Fabio Capozio *(from April 20, 2004)* Fabio Missori

BOARD OF STATUTORY AUDITORS

(after the General Meetings of July 31, 2002 and April 20, 2004)

Chairman	Massimo Bigerna
Statutory Auditors	Roberto Ascoli Giancarlo Russo Corvace
Alternate Auditors	Pietro Cerasoli *(from April 20, 2004)* Lucio Marongiu

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

Information about the subsidiary undertaking, ADR Tel S.p.A., is provided in the section "Equity Investments" in the Management Report on Operations of Aeroporti di Roma S.p.A..

RECLASSIFIED BALANCE SHEET (in thousands of euros)	**12.31.2004**	**12.31.2003**
Intangible fixed assets	3,254	2,219
Tangible fixed assets	693	439
A. – FIXED ASSETS	**3,947**	**2,658**
Trade receivables	3,520	3,332
Other assets	56	106
Trade payables	(4,434)	(3,562)
Allowances for risks and charges	(25)	(7)
Other liabilities	(437)	(783)
B. – WORKING CAPITAL	**(1,320)**	**(914)**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**2,627**	**1,744**
D. – EMPLOYEE SEVERANCE INDEMNITIES	**285**	**224**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**2,342**	**1,520**
financed by:		
Share capital	600	600
Reserves and retained earnings	742	(8)
Net income (loss) for the year	752	750
F. – SHAREHOLDERS' EQUITY	**2,094**	**1,342**
G. – MEDIUM/LONG-TERM BORROWING	**0**	**0**
H. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	285	249
Cash and current receivables	(37)	(71)
(G+H)	**248**	**178**
I. – TOTAL AS IN "E" (F+G+H)	**2,342**	**1,520**

RECLASSIFIED INCOME STATEMENT

(in thousands of euros)	2004	2003
A. – REVENUES	**6,505**	**4,179**
Capitalized costs and expenses	250	210
B. – REVENUES FROM ORDINARY ACTIVITIES	**6,755**	**4,389**
Cost of materials and external services	(3,857)	(2,167)
C. – GROSS MARGIN	**2,898**	**2,222**
Payroll costs	(970)	(642)
D. – EBITDA	**1,928**	**1,580**
Amortization and depreciation	(462)	(208)
Other provisions	0	(57)
Provisions for risks and charges	(18)	(7)
Other income (expense), net	(33)	(2)
E. – EBIT	**1,415**	**1,306**
Financial income (expense), net	(34)	(8)
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**1,381**	**1,298**
Extraordinary income (expense), net	(44)	0
G. – INCOME BEFORE TAXES	**1,337**	**1,298**
Income taxes	(585)	(548)
H. – NET INCOME (LOSS) FOR THE YEAR	**752**	**750**

ADR ADVERTISING S.P.A.: Reclassified Balance Sheet and Income Statement

COMPANY NAME	**ADR ADVERTISING S.P.A.**

BOARD OF DIRECTORS

(after incorporation on January 10, 2003 and General Meeting of September 20, 2004)

Chairman	Andrea Belardini *(from September 20, 2004)*
	Guy Louis Ponzo *(until June 28, 2004)*
Managing Director	Fabrizio Du Chene De Vere
Directors	Andrea Ghisolfi
	Fabio Missori
	Saverio Rennis

BOARD OF STATUTORY AUDITORS

(after incorporation on January 10, 2003 and General Meeting of April 21, 2004)

Chairman	Giancarlo Russo Corvace
Statutory Auditors	Angelo Casò
	Guido Croci
Alternate Auditors	Marco Baccani
	Massimo Bigerna *(from April 21, 2004)*
General Manager	Sandro Loreti

INDEPENDENT AUDITORS	Reconta Ernst & Young S.p.A.

Information about the subsidiary undertaking, ADR Advertising S.p.A., is provided in the section "Equity Investments" in the Management Report on Operations of Aeroporti di Roma S.p.A..

RECLASSIFIED BALANCE SHEET

(in thousands of euros)	12.31.2004	12.31.2003
Intangible fixed assets	33	41
Tangible fixed assets	485	12
Non-current financial assets	19	19
A. – FIXED ASSETS	**537**	**72**
Trade receivables	6,513	6,046
Other assets	1,951	2,018
Trade payables	(9,160)	(6,446)
Allowances for risks and charges	(42)	(31)
Other liabilities	(1,710)	(3,054)
B. – WORKING CAPITAL	**(2,448)**	**(1,467)**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**(1,911)**	**(1,395)**
D. – EMPLOYEE SEVERANCE INDEMNITIES	**168**	**168**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**(2,079)**	**(1,563)**
financed by:		
Share capital	1,000	1,000
Reserves and retained earnings	52	0
Net income (loss) for the year	888	772
F. – SHAREHOLDERS' EQUITY	**1,940**	**1,772**
G. – MEDIUM/LONG-TERM BORROWING	**0**	**0**
H. – SHORT-TERM BORROWING		
(NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	0
Cash and current receivables	(4,019)	(3,335)
(G+H)	**(4,019)**	**(3,335)**
I. – TOTAL AS IN "E" (F+G+H)	**(2,079)**	**(1,563)**

RECLASSIFIED INCOME STATEMENT (in thousands of euros)	2004	Mar - Dec 2003
A. – REVENUES	**21,974**	**17,457**
B. – REVENUES FROM ORDINARY ACTIVITIES	**21,974**	**17,457**
Cost of materials and external services	(19,591)	(15,302)
C. – GROSS MARGIN	**2,383**	**2,155**
Payroll costs	(886)	(657)
D. – EBITDA	**1,497**	**1,498**
Amortization and depreciation	(49)	(8)
Other provisions	(33)	(131)
Provisions for risks and charges	(11)	(31)
Other income (expense), net	87	(1)
E. – EBIT	**1,491**	**1,327**
Financial income (expense), net	39	45
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**1,530**	**1,372**
G. – INCOME BEFORE TAXES	**1,530**	**1,372**
Income taxes	(642)	(600)
H. – NET INCOME (LOSS) FOR THE YEAR	**888**	**772**

ADR SVILUPPO S.R.L. UNIPERSONALE: Reclassified Balance Sheet and Income Statement

COMPANY NAME	**ADR SVILUPPO S.R.L. UNIPERSONALE**
Managing Director	Giulio De Virgilio

Information about the subsidiary undertaking, ADR Sviluppo S.r.l., is provided in the section "Equity Investments" in the Management Report on Operations of Aeroporti di Roma S.p.A..

RECLASSIFIED BALANCE SHEET (in Euros)	12.31.2004	12.31.2003
Intangible fixed assets	4,141	4,141
Tangible fixed assets	6,000	6,000
A. – FIXED ASSETS	**10,141**	**10,141**
Other assets	2,370	2,259
Other liabilities	0	0
B. – WORKING CAPITAL	**2,370**	**2,259**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**12,511**	**12,400**
D. – EMPLOYEE SEVERANCE INDEMNITIES	**0**	**0**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**12,511**	**12,400**
financed by:		
Share capital	100,000	100,000
Reserves and retained earnings	(5,216)	(4,221)
Net income (loss) for the year	(3,609)	(995)
F. – SHAREHOLDERS' EQUITY	**91,175**	**94,784**
G. – MEDIUM/LONG-TERM BORROWING	**0**	**0**
H. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	0	0
Cash and current receivables	(78,664)	(82,384)
(G+H)	**(78,664)**	**(82,384)**
I. – TOTAL AS IN "E" (F+G+H)	**12,511**	**12,400**

RECLASSIFIED INCOME STATEMENT

(in Euros)	2004	2003
A. – REVENUES	**0**	**0**
B. – REVENUES FROM ORDINARY ACTIVITIES	**0**	**0**
Cost of materials and external services	(2,238)	(714)
C. – GROSS MARGIN	**(2,238)**	**(714)**
D. – EBITDA	**(2,238)**	**(714)**
Other income (expense), net	(1,379)	(841)
E. – EBIT	**(3,617)**	**(1,555)**
Financial income (expense), net	8	560
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**(3,609)**	**(995)**
Extraordinary income (expense), net	0	0
G. – INCOME BEFORE TAXES	**(3,609)**	**(995)**
Income taxes	0	0
H. – NET INCOME (LOSS) FOR THE YEAR	**(3,609)**	**(995)**

AIRPORTS COMPANY SOUTH AFRICA LTD (ACSA): Reclassified Balance Sheet and Income Statement

RECLASSIFIED BALANCE SHEET (ZAR/000)	March 31, 2004	March 31, 2003[6]
Intangible fixed assets	0	0
Tangible fixed assets	3,739,535	3,484,887
Non-current financial assets	57,474	90,307
A. – FIXED ASSETS	**3,797,009**	**3,575,194**
Inventory	1,224	606
Trade receivables	228,611	206,935
Other assets	17,637	32,395
Trade payables	(522,671)	(396,684)
Allowances for risks and charges	0	0
Other liabilities	(10,435)	(20,528)
B. – WORKING CAPITAL	**(285,634)**	**(177,276)**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**3,511,375**	**3,397,918**
D. – EMPLOYEE SEVERANCE INDEMNITIES	**23,333**	**43,115**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**3,488,042**	**3,354,803**
financed by:		
Share capital	750,000	750,000
Reserves and retained earnings	1,820,682	1,491,893
Net income (loss) for the year	455,668	658,789
F. – SHAREHOLDERS' EQUITY	**3,026,350**	**2,900,682**
G. – MEDIUM/LONG-TERM BORROWING	**195,042**	**283,585**
H. – SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)		
Short-term debt	266,650	170,536
Cash and current receivables	0	0
	266,650	**170,536**
I. – TOTAL AS IN "E" (F+G+H)	**3,488,042**	**3,354,803**

(6) Compared with the figures published in ADR S.p.A.'s Financial Statements as of December 31, 2003, adjustments totalling 13,031 thousand rands have been made to non-current financial assets and trade payables.

RECLASSIFIED INCOME STATEMENT

(ZAR/000)	Apr. 2003 Mar. 2004	Apr. 2002 Mar. 2003
A. – REVENUES	**1,803,594**	**1,539,842**
B. – REVENUES FROM ORDINARY ACTIVITIES	**1,803,594**	**1,539,842**
Cost of materials and external services	(430,330)	(350,752)
C. – GROSS MARGIN	**1,373,264**	**1,189,090**
Payroll costs	(277,271)	(285,918)
D. – EBITDA	**1,095,993**	**903,172**
Amortization and depreciation	(214,560)	(152,377)
Other provisions	0	0
Provisions for risks and charges	0	0
Other income (expense), net	0	0
E. – EBIT	**881,433**	**750,795**
Financial income (expense), net	(56,967)	5,240
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**824,466**	**756,035**
Extraordinary income (expense), net	(127,100)	118,548
G. – INCOME BEFORE TAXES	**697,366**	**874,583**
Income taxes	(241,698)	(215,794)
H. – NET INCOME (LOSS) FOR THE YEAR	**455,668**	**658,789**

LA PIAZZA DI SPAGNA S.R.L.:
Reclassified Balance Sheet and Income Statement

RECLASSIFIED BALANCE SHEET

(in Euros)	**12.31.2004**
Intangible fixed assets	7,087
A. – FIXED ASSETS	**7,087**
Other assets	1,198
Other liabilities	(86)
B. – WORKING CAPITAL	**1,112**
C. – INVESTED CAPITAL, minus short-term liabilities (A+B)	**8,199**
D. – EMPLOYEE SEVERANCE INDEMNITIES	**0**
E. – INVESTED CAPITAL, minus (C-D) short-term liabilities and E.S.I.	**8,199**
financed by:	
Share capital	30,000
Reserves and retained earnings	0
Net income (loss) for the year	(1,093)
F. – SHAREHOLDERS' EQUITY	**28,907**
G. – MEDIUM/LONG-TERM BORROWING	**0**
H. – SHORT-TERM BORROWING	
(NET CASH AND CASH EQUIVALENTS)	
Short-term debt	0
Cash and current receivables	(20,708)
(G+H)	**(20,708)**
I. – TOTAL AS IN "E" (F+G+H)	**8,199**

RECLASSIFIED INCOME STATEMENT

(in Euros)	2004
A. – REVENUES	**0**
B. – REVENUES FROM ORDINARY ACTIVITIES	**0**
Cost of materials and external services	(722)
C. – GROSS MARGIN	**(722)**
D. – EBITDA	**(722)**
Other income (expense), net	(373)
E. – EBIT	**(1,095)**
Financial income (expense), net	2
F. – INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	**(1,093)**
Extraordinary income (expense), net	0
G. – INCOME BEFORE TAXES	**(1,093)**
Income taxes	0
H. – NET INCOME (LOSS) FOR THE YEAR	**(1,093)**

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 S.P.A., PURSUANT TO ART. 2429 OF THE ITALIAN CIVIL CODE

(Translation from the original issued in Italian)

Dear Shareholders,

During the year ended December 31, 2004 we verified compliance with the law, the articles of association and the principles of good governance, applying the recommendations laid down in the regulations for statutory auditors established by the Italian Accounting Profession.

We attended the General Meetings and Board of Directors' meetings held during the year, which were conducted in compliance with the related statutory requirements, laws and regulations.

We obtained information from the Directors regarding the overall operating performance and outlook, and on the most significant transactions, in terms of size or nature, carried out by the Company. We can, therefore, provide reasonable assurances that both the resolutions passed and the actions implemented complied with the law and the articles of association, and that they were not manifestly imprudent or risky, and did not involve a conflict of interest or compromise the value of the Company's assets.

Our discussions with the auditors engaged to carry out the Company's accounting controls, who attended every meeting of the Board of Statutory Auditors, did not reveal significant aspects or information to be included in this Report.

We have examined and verified the adequacy of the Company's organizational structure, obtaining information thereon. In this respect, we declare that the Company's internal controls operate effectively.
We have assessed and verified the adequacy of the administrative and accounting systems, and the reliability of such accounting systems to provide a fair view of operations, via the gathering of information from the managers of the various functions and from the auditors engaged to carry out the Company's accounting controls, and via examination of corporate documents. We have no particular observations to make in this regard.

We have not received any reports pursuant to art. 2408 of the Italian Civil Code.

We have examined the financial statements as of and for the year ended December 31, 2004. In view of the fact that we were not assigned responsibility for analyzing the contents of the financial statements on their merits – as decided by the General Meeting of April 29, 2004, which appointed the independent auditors, Deloitte & Touche S.p.A., to carry out the accounting controls pursuant to art. 2409-*bis* and subsequent articles of the Italian Civil Code –, we have verified the general presentation and overall compliance with the laws relating to form and content. We have no particular observations to make in this regard.

We have also checked that the Management Report on Operations has been prepared in accordance with the related regulations.

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.

In response to the recent company law reform, the Company has proceeded to reverse the tax effect of accelerated depreciation charged to the Income Statement in previous years. The impact of this reversal is reflected in the Income Statement under extraordinary items.

We have verified that the Financial Statements are consistent with the disclosures and information communicated to us in the course of carrying out our duties, and we have no observations to make in this regard.

The Consolidated Financial Statements of Aeroporti di Roma S.p.A. and its subsidiaries as of and for the year ended December 31, 2004 have been prepared in compliance with the provisions of Legislative Decree no. 127 of April 9, 1991. They consist of the Balance Sheet, Income Statement and Explanatory Notes, accompanied by the Management Report on Operations, which provides the information required. The Management Report on Operations has been prepared in accordance with the provisions of art. 2428 of the Italian Civil Code and art. 40 of the above Legislative Decree no. 127/1991.

Dear Shareholders,

In view of the above, and taking account of the fact that the independent auditors, Deloitte & Touche S.p.A., have today informed us that they intend to issue unqualified opinions, we invite you to approve the Financial Statements as of and for the year ended December 31, 2004, as prepared by the Board of Directors.

Fiumicino, Italy - April 1, 2005

THE BOARD OF STATUTORY AUDITORS

Fabrizio Rimassa
(Chairman)

Roberto Ascoli
(Statutory Auditor)

Giuseppe Cappella
(Statutory Auditor)

Giorgio Palasciano
(Statutory Auditor)

Luigi Tripodo
(Statutory Auditor)

Report of the Independent Auditors

Deloitte.

Deloitte & Touche S.p.A.
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Fax: +39 06 36749282
www.deloitte.it

AUDITORS' REPORT ON THE STATUTORY FINANCIAL STATEMENTS PURSUANT TO ARTICLE 2409 - ter OF THE CIVIL CODE

To the Shareholders of
Aeroporti di Roma S.p.A.

1. We have audited the financial statements of Aeroporti di Roma S.p.A. as of December 31, 2004. These 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 Auditing Standards generally accepted in Italy. 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. The responsibility for the audit of the financial statements of certain subsidiaries, representing approximately 80% of total investments and 4% of total assets, rests with other auditors.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes as required by law, reference should be made to the auditors' report issued by other auditors on April 2, 2004.

3. In our opinion, the financial statements present fairly the financial position of Aeroporti di Roma S.p.A. as of December 31, 2004, and the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. As indicated in the Explanatory Notes, the Company adopted the new rules introduced by Legislative Decree No. 6 dated January 17, 2003 and subsequent amendments. As a consequence, previous interferences between tax and financial statements regulation concerning accelerated depreciation booked in previous years have been eliminated. The related effects have been recorded as extraordinary items in the income statement.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
April 7, 2005

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

Resolutions of the Ordinary General Meeting of Shareholders

RESOLUTIONS OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HELD ON APRIL 26, 2005

The Ordinary General Meeting resolved:

1. to approve the Financial Statements as of and for the year ended December 31, 2004 – consisting of the Balance Sheet, Income Statement and Notes – and the Board of Directors' Management Report on Operations, which report net income of 12,244,045.49 euros (rounded off in the financial statements to 12,244,045 euros);

2. to appropriate the above net income of 12,244,045.49 euros as follows:
   - 17,011.60 euros to the legal reserve, which, following the appropriation, amounts to 12,461,960.20 euros, equal to one-fifth of the share capital;
   - to distribute a dividend of 0.13 euros for each of the 62,309,801 outstanding shares, representing a payout of 8,100,274.13 euros;
   - to take the remaining 4,126,759.76 euros to retained earnings;

3. to distribute a dividend of 0.03 euros for each of the 62,309,801 outstanding shares, representing a payout of 1,869,294.03 euros, to be paid from retained earnings, which is thus reduced to 132,312.95 euros;

4. to distribute a dividend of 0.02 euros for each of the 62,309,801 outstanding shares, representing a payout of 1,246,196.02 euros, to be paid from the available reserves established pursuant to art. 67 of the Consolidated Act (the reserve for accelerated depreciation), which is thus reduced to 416,299.45 euros, and which was rendered tax-exempt in 2002 for the purposes of IRES/IRPEG via the payment of capital gains tax of 19%, and which in 2003 was subject to IRAP.

The General Meeting thus resolved to distribute a total dividend of 0.18 euros for each of the 62,309,801 outstanding shares, to be paid from May 27, 2005. The ex dividend date is May 23, 2005 (coupon n. 5 cut-off).

Foto:
Archivio ADR S.p.A.

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