Aeroporti di Roma

Quarterly as of September 30, 2011

(Translation into English from the original version in Italian)

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

www.adr.it

CONTENTS

CORPORATE OFFICERS

Aeroporti di Roma SpA

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

Board of Directors
(three-year period 2010-2012)

Chairman	Fabrizio Palenzona
Executive Deputy Chairman	Carlo Bertazzo *(from September 29, 2011)*
Chief Executive Officer	Lorenzo Lo Presti *(from November 11, 2011)*
Directors	Guido Angiolini *(until April 19, 2011)* Giuseppe Angiolini Mario Canapini Stefano Cao Beng Huat Ho Giulio Maleci *(until November 10, 2011)* Enzo Mei Gianni Mion Aldo Minucci *(until April 28, 2011)* Piergiorgio Peluso *(until April 14, 2011)* Clemente Rebecchini Paolo Roverato Marco Troncone *(until April 20, 2011)*
Secretary	Antonio Sanna

Board of Statutory Auditors
(three-year period 2010-2012)

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

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

HIGHLIGHTS

The following table summarizes the main traffic data for the Roman airport system for the third quarter and the first nine months of the year, showing changes with respect to the same periods of 2010.

TRAFFIC PERFORMANCE

Traffic component	Q3 2011		9M 2011	
	SYSTEM (°)	% change (*)	SYSTEM (°)	% change (*)
Movements (no.)	105,976	+1.0%	292,850	+1.1%
Aircraft tonnage (tons)	8,401,406	+1.0%	22,921,306	+1.1%
Total passengers (no.)	12,678,131	+4.4%	32,553,436	+5.0%
Total freight (kg)	40,699,417	(5.3%)	121,334,417	(4.3%)

(°) Fiumicino + Ciampino
(*) versus the same period of 2010

The following table shows the financial and operational highlights of the Aeroporti di Roma Group ("ADR Group") for the third quarter of 2011 and for the nine months ended September 30, 2011.

ADR GROUP

Consolidated financial and operational highlights (€000)	*Q3 2011*		*Q3 2010*
Revenues	177,383		168,372
EBITDA	93,518		86,932
EBIT	58,447		57,333
Net income/(loss):			
minority interest	171		(79)
Group share	22,863		22,464
Capital investment (including portion financed by Civil Aviation Authority)	14,231		22,198
	9M 2011	***2010***	***9M 2010***
Revenues	468,313	599,733	449,979
EBITDA	226,362	279,807	214,008
EBIT	121,927	149,588	122,802
Net income/(loss):			
minority interest	479	(637)	(182)
Group share	33,076	22,313	23,074
Capital investment (including portion financed by Civil Aviation Authority)	47,556	106,702	83,247
	Sept 30, 2011	***Dec 31, 2010***	***Sept 30, 2010***
Invested capital	1,953,062	1,990,116	2,021,151
Shareholders' equity (including minority interest)	784,187	750,452	751,668
Group shareholders' equity	783,529	750,273	751,035
Net debt	1,168,875	1,239,664	1,269,483
Headcount at end of period	2,759	2,646	2,770
Ratios	***9M 2011***	**2010**	***9M 2010***
Average revenues per employee (€000)	195	254	192
No. of passengers/ Average headcount	13,556	17,358	13,217

ADR GROUP: CONSOLIDATED ACCOUNTS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€000)

2010		Third Quarter 2011		Third Quarter 2010		Jan.- Sept. 2011		Jan.- Sept. 2010		change	%
591,848	Revenues from sales and services	176,072		167,514		464,318		444,464		19,854	4.5%
7,885	Contract work in progress	1,311		858		3,995		5,515		(1,520)	(27.6%)
599,733	A.- REVENUES	177,383	100.0%	168,372	100.0%	468,313	100.0%	449,979	100.0%	18,334	4.1%
7,713	Capitalized costs and expenses	1,395		1,843		2,945		6,237		(3,292)	(52.8%)
607,446	B.- REVENUES FROM ORDINARY ACTIVITIES	178,778		170,215		471,258		456,216		15,042	3.3%
				0							
(206,746)	Cost of materials and external services	(55,315)	(31.2%)	(54,088)	(32.1%)	(151,819)	(32.4%)	(152,194)	(33.8%)	375	(0.2%)
400,700	C.- GROSS MARGIN	123,463	69.6%	116,127	69.0%	319,439	68.2%	304,022	67.6%	15,417	5.1%
(120,893)	Payroll costs	(29,945)	(16.9%)	(29,195)	(17.3%)	(93,077)	(19.9%)	(90,014)	(20.0%)	(3,063)	3.4%
279,807	D.- GROSS OPERATING INCOME	93,518	52.7%	86,932	51.6%	226,362	48.3%	214,008	47.6%	12,354	5.8%
(110,082)	Amortization and depreciation	(28,971)		(28,028)		(86,743)		(82,273)		(4,470)	5.4%
(12,646)	Other provisions	(2,543)		(765)		(7,500)		(1,464)		(6,036)	412.3%
(6,076)	Provisions for risks and charges	(11,077)		324		(17,675)		(5,135)		(12,540)	244.2%
(1,415)	Other income (expense), net	7,520		(1,130)		7,483		(2,334)		9,817	(420.6%)
149,588	E.- OPERATING INCOME	58,447	32.9%	57,333	34.1%	121,927	26.0%	122,802	27.3%	(875)	(0.7%)
(72,650)	Financial income (expense), net	(18,007)	(10.2%)	(18,417)	(10.9%)	(53,812)	(11.5%)	(54,452)	(12.1%)	640	(1.2%)
(534)	Adjustments to financial assests	0		0		0		(4)		4	(100.0%)
76,404	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	40,440		38,916		68,115		68,346		(231)	(0.3%)
(17,582)	Extraordinary income (expense), net	(220)		(775)		(195)		(15,503)		15,308	(98.7%)
58,822	G.- INCOME BEFORE TAXES	40,220		38,141		67,920		52,843		15,077	28.5%
(39,877)	Income taxes for the period	(22,089)		(14,179)		(41,400)		(28,764)		(12,636)	43.9%
2,731	Deferred tax assets	4,902		(1,577)		7,035		(1,187)		8,222	(692.7%)
21,676	H.- NET INCOME FOR THE PERIOD	23,033		22,385		33,555		22,892		10,663	46.6%
	including:										
(637)	- Minority interest	171		(79)		479		(182)		661	(363.2%)
22,313	**- Group interest**	**22,863**		**22,464**		**33,076**		**23,074**		**10,002**	**43.3%**

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€000)

30-09-2010		30-09-2011	31-12-2010	change
	A. - NET FIXED ASSETS			
1,924,745	Intangible fixed assets *	1,873,794	1,916,360	(42,566)
187,630	Tangible fixed assets	190,255	188,689	1,566
3,434	Non - current financial assets	2,783	2,938	(155)
2,115,809		2,066,832	2,107,987	(41,155)
	B. - WORKING CAPITAL			
22,123	Inventory	19,619	22,054	(2,435)
225,696	Trade receivables	197,747	177,246	20,501
53,857	Other assets	69,747	60,492	9,255
(168,562)	Trade payables	(140,811)	(156,387)	15,576
(71,008)	Allowances for risks and charges	(82,361)	(71,796)	(10,565)
(128,273)	Other liabilities	(152,723)	(120,990)	(31,733)
(66,167)		(88,782)	(89,381)	599
	C. - INVESTED CAPITAL, minus			
2,049,642	short-term liabilities (A+B)	1,978,050	2,018,606	(40,556)
28,491	D. - EMPLOYEE SEVERANCE INDEMNITIES	24,988	28,490	(3,502)
	E. - INVESTED CAPITAL, minus short-term			
2,021,151	**liabilities and E.S.I. (C-D)**	**1,953,062**	**1,990,116**	**(37,054)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
751,035	- Group interest	783,529	750,273	33,256
633	- Minority interest	658	179	479
751,668		784,187	750,452	33,735
1,461,899	G. - MEDIUM/LONG-TERM BORROWING	1,295,111	1,461,899	(166,788)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
17,826	.Short-term borrowing	82,857	23,856	59,001
(210,242)	.Cash and current receivables	(209,093)	(246,091)	36,998
(192,416)		(126,236)	(222,235)	95,999
1,269,483	(G+H)	1,168,875	1,239,664	(70,789)
2,021,151	**I. - TOTALE AS IN "E" (F+G+H)**	**1,953,062**	**1,990,116**	**(37,054)**
1,663,322	*(*) including the value of the concession totaling*	*1,614,038*	*1,651,001*	*(36,963)*

CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)

2010		Jan.-Sept. 2011	Jan.-Sept. 2010
161,896	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**222,235**	**161,896**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
21,676	Net income (loss) for the period	33,555	22,892
110,082	Amortization and depreciation	86,743	82,273
(3)	(Gains) losses on disposal of fixed assets	(2)	(3)
515	(Revaluations) write-downs of fixed assets	0	(3)
46,148	Net change in working capital	(599)	22,934
(33)	Net change in employee severance indemnities	(3,502)	(32)
178,385		116,195	128,061
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(57,844)	.intagible	(28,042)	(43,371)
(40,615)	.tangible	(17,726)	(34,048)
(86)	.financial	(11)	(15)
712	Proceeds from disposal, or redemption value of fixed assets	193	106
(97,833)		(45,586)	(77,328)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
(11,713)	Repayments of loans	(92,766)	(11,713)
(8,500)	Current portion of m/l term financial debt due to short term	(74,022)	(8,500)
0	Other changes	180	0
(20,213)		(166,608)	(20,213)
0	E.- DIVIDENDS PAID	0	0
60,339	F.- CASH FLOW FOR THE PERIOD (B+C+D+E)	(95,999)	30,520
222,235	**G.- NET CASH AND CASH EQUIVALENTS - closing balance (A+F)**	**126,236**	**192,416**

MANAGEMENT REPORT FOR THE THIRD QUARTER OF 2011

FINANCIAL AND OPERATING REVIEW

Quarterly review

The third quarter of the year coincides with the peak summer season for air traffic. Indeed, for the first time in the history of our main airport, the number of passengers using Fiumicino exceeded 140 thousand per day on more than one occasion.

Despite this, the Roman airport system saw traffic growth of 4.4% in the third quarter compared with the same quarter of the previous year, which was lower than the growth registered in the first half of the year (up 5.4%, compared with the previous first half) and has resulted in an increase of 5.0% for the first nine months.

The slowdown in growth corresponded with the summer season, reflecting both a number of specific events that had a negative impact on the comparative first six months of 2010 (for example, the volcanic ash cloud), and the effects of capacity saturation at Fiumicino, which was all the more evident due to the high traffic volumes seen during the summer.

In terms of operating results, there were improvements in both turnover and margins during the third quarter of 2011. As a result, consolidated revenues of 177.4 million euros are up 5.4%, whilst gross operating income is up 7.6% to 93.5 million euros.

Revenues for the first nine months of the year are up 4.1%, mainly due to the contribution from the aeronautical segment (up 5.7%). Non-aeronautical revenues are up 2.3%, again reflecting the difficult operating environment faced by the advertising business (revenues down 11.1%).

Net income for the third quarter, totaling 22.9 million euros, is slightly up on the 22.5 million of the comparative period, whilst the Group's net income for the first nine months of the year is up to 33.1 million euros from the 23.1 million euros of the first nine months of 2010.

Capital investment during the quarter amounts to 14.2 million euros, making a total of 47.6 million euros during the nine months to 30 September 2011. This is down on the same period of 2010 (83.2 million euros).

Consolidated net debt has fallen further, declining to 1,168.9 million euros as of September 30, 2011. This is down 26.3 million euros compared with 30 June and 70.8 million euros compared with the end of 2010. Due to ongoing application of the Trigger Event provided for in existing loan agreements in relation to the ratings assigned to ADR SpA, cash of 19.5 million euros has been set aside to make a further repayment of the Term Loan facility (2.5 million euros, with the remaining 65.5 million euros to be repaid in February 2012) and to increase the loan collateral account to be used to repay Tranche A1 of the Romulus loan (with a value of 500 million euros) maturing in February 2013. This account totals 52.1 million euros as of September 30, 2011.

In July the Board of Directors of the Civil Aviation Authority (ENAC) approved the principles of the Planning Agreement previously proposed by the Company after lengthy and drawn-out consultations with the Authority.
Work on drawing up the tariff system is under way and preparation of the documents required in order to initiate the consultation process with users has begun.

Group operations

The Group's operating activities generated total revenues of 177.4 million euros in the third quarter of 2011, bringing the total for the first nine months of the year to 468.3 million euros:

(in millions of euros)		Jan. Sept. 2011		Jan. Sept. 2010	change %
Airport Charges		138.1		132.0	4.7%
Centralized Infrastructures		30.6		27.0	13.5%
Security		53.4		50.9	4.9%
other (PRM services, check in desks, etc)		23.4		22.5	4.4%
AERONAUTICAL REVENUES		**245.6**		**232.4**	**5.7%**
"Duty free" and "duty paid"		67.1		62.9	6.7%
Sub-concessions and utilities					
- sub-concession and utilities	46.0		44.3		4.0%
- commercial activities in sub-concession	43.9		40.6		8.2%
		89.9		84.9	6.0%
Parking		24.0		23.2	3.7%
Advertising		14.9		16.7	(11.1%)
Catering activities		5.6		5.2	6.7%
State-financed works		4.0		5.5	(27.6%)
Other (maintenance, other revenues form sales, cleaning, IT services, etc)		17.1		19.2	(10.6%)
NON AERONAUTICAL REVENUES		**222.7**		**217.6**	**2.3%**
TOTAL REVENUES (*)		**468.3**		**450.0**	**4.1%**
(*) Revenues net of state -financed works		464.3		444.5	4.5%

A review of operations during the third quarter and first nine months of 2010 in the various principal areas of business in which the Group is present is provided below.

Air traffic

At global level, in July and August 2011 (latest available data) the air transport industry reported increases of 4.7 and 2.9%. The figures point to a slowdown in traffic growth compared with the first six months of the year, when traffic rose 5.6%.

As shown in the following table, Europe and Italy recorded substantially identical performances.

% monthly change in passenger traffic compared with the previous year

	H1 2011	July 2011	Aug 2011	Jan-Aug 2011
World (a)	5.6%	4.7%	2.9%	4.8%
Europe (a)	9.6%	6.9%	4.5%	8.3%
Italy (b)	8.9%	7.5%	4.2%	7.9%
FCO + CIA	**5.4%**	**6.3%**	**2.5%**	**5.1%**

Source:
(a) ACI World Traffic Monthly Report - ACI Pax Flash Report
(b) ASSAEROPORTI

The Roman airport system also saw a slowdown in traffic growth in the summer months of July and August, with the rate of increase remaining below the figures registered by other Italian airports (up 5.1% in the first eight months of del 2011, compared with growth of 7.9% at national level). This confirms the fact that the initial effects of capacity saturation are beginning to be felt.

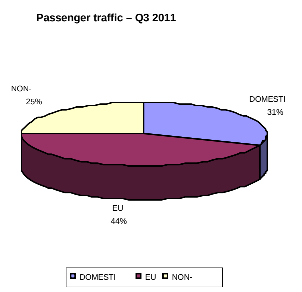
Passenger traffic using the Roman airport system during the third quarter of 2011 is up 4.4%, as the following breakdown by airport - Fiumicino and Ciampino – and segment - domestic and international - shows:

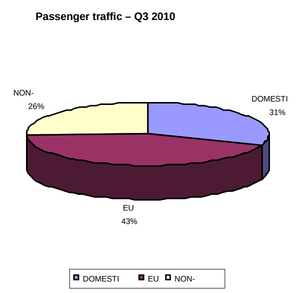
Data for the period July-September 2011

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	105.976	91.281	14.695	40.394	65.582
D% vs PY	+1,0%	+0,7%	+2,5%	-1,2%	+2,3%
Mtow	8.401.406	7.672.828	728.578	2.514.000	5.887.406
D% vs PY	+1,0%	+0,6%	+5,3%	-0,4%	+1,6%
Total Pax	12.678.131	11.384.207	1.293.924	3.877.052	8.801.079
D% vs PY	+4,4%	+4,6%	+2,6%	+4,5%	+4,3%
Freight (Kg)	40.699.417	36.160.852	4.538.565	1.409.234	39.290.183
D% vs PY	-5,3%	-6,5%	+5,5%	+2,5%	-5,6%

	International	Intl' EU	Intl' Extra EU
Movements	65.582	44.515	21.067
D% vs PY	+2,3%	+4,6%	-2,2%
Mtow	5.887.406	3.141.175	2.746.231
D% vs PY	+1,6%	+4,7%	-1,7%
Total Pax	8.801.079	5.640.970	3.160.109
D% vs PY	+4,3%	+6,6%	+0,5%
Freight (Kg)	39.290.183	7.640.614	31.649.569
D% vs PY	-5,6%	-2,6%	-6,3%

The following graphs show the performance of the Domestic, EU and non-EU segments:





Fiumicino airport registered a 4.6% increase in passenger traffic compared with the previous year, accompanied by increased capacity: available seats up 2.2%, movements up 0.7% and aircraft tonnage up 0.6%.

Moreover, in July and August, for the first time in the airport's history, the number of passengers using Fiumicino exceeded 140 thousand per day on more than one occasion, with a new all-time record of 144,264 passengers established on 31 July 2011.

The increase in traffic at Fiumicino was recorded by both the Domestic segment (up 3.5%) and the International segment (up 5.1%), with the latter again proving to be the main driver of growth, thanks to the performance of the EU segment (up 8.9%). Non-EU traffic, in contrast, was down 0.1%. Indeed the non-EU segment continues to be hit by events around the world, above all reduced demand for air transport in the Mediterranean area, reflecting the socio-political upheaval affecting North Africa, and the earthquake that struck Japan in March.

Ciampino saw passenger traffic grow 2.6%, reflecting an increase in available capacity due to 2.5% growth in movements and a 4.2% increase in available seats.

The third quarter again saw the launch of new destinations and an increase in flights on existing routes:

- long-haul: new flights to Asmara operated by Eritrean Airlines, to Sal Island (Cape Verde) with TACV- Cabo Verde Airlines and increased flights to Doha with Qatar, to Los Angeles with Alitalia, to Shanghai with China Eastern Airlines, to Seoul with Korean Air and to Toronto with Air Transat;
- medium-haul: new flights to Gothenburg operated by Norwegian and to Bern with SkyWork and a series of seasonal flights, primarily to destinations in Spain and Greece.

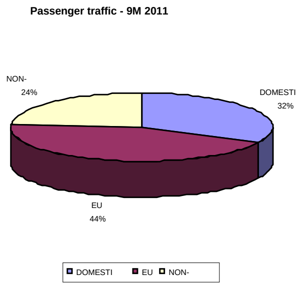
Passenger traffic using the Roman airport system during the first nine months of 2011 is up 5.0%, reflecting increases in both available capacity (movements up 1.1%, available seats up 1.9%) and load factors (up 2.1%).
The following breakdown shows traffic trends by airport - Fiumicino and Ciampino – and segment - domestic and international:

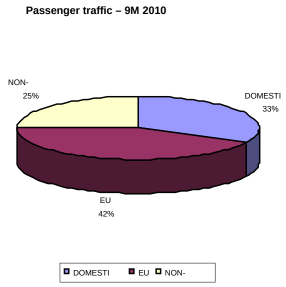
Data for the period January-September 2011

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	292.850	251.280	41.570	115.251	177.599
D% vs PY	+1,1%	+1,0%	+1,5%	-2,0%	+3,2%
Mtow	22.921.306	20.809.158	2.112.148	7.220.243	15.701.063
D% vs PY	+1,1%	+0,6%	+6,4%	-0,8%	+2,0%
Total Pax	32.553.436	28.944.398	3.609.038	10.575.808	21.977.628
D% vs PY	+5,0%	+4,9%	+5,9%	+4,7%	+5,2%
Freight (Kg)	121.334.417	107.195.094	14.139.323	4.807.471	116.526.946
D% vs PY	-4,3%	-5,9%	+9,7%	+15,2%	-5,0%

	International	Intl' EU	Intl' Extra EU
Movements	177.599	120.873	56.726
D% vs PY	+3,2%	+5,2%	-0,9%
Mtow	15.701.063	8.498.154	7.202.909
D% vs PY	+2,0%	+5,3%	-1,6%
Total Pax	21.977.628	14.301.496	7.676.132
D% vs PY	+5,2%	+8,7%	-0,8%
Freight (Kg)	116.526.946	24.078.840	92.448.106
D% vs PY	-5,0%	+5,4%	-7,3%

The following graphs show the performance of the Domestic, EU and non-EU segments:





Fiumicino airport registered a 4.9% increase in passenger traffic during the period under review. This performance was again driven by both an increase in capacity (movements up 1.0%, available seats up 1.5%) and an improved load factor, which amounted to 70.6% (up 2.3% on 2010).
In terms of freight traffic, the first nine months of the year saw an overall decline of 5.9%, with the international component, which accounts for over 95% of total freight traffic at the airport, down 6.7%. The current economic downturn is the main reason for this performance.

Ciampino airport has also recorded an increase in passenger traffic (up 5.9%) during the year to date. Capacity is up (movements up 1.5%, available seats up 6.3%), although in this case the load factor is slightly down at 77.4% (down 0.3% on the same period of 2010).

Aeronautical activities

Aeronautical revenues, in the form of airport fees amount to 52.9 million euros for the third quarter of 2011, marking an increase of 4.7% on the comparative period. A similar performance was recorded in the first nine months of the year (up 4.7%), with total revenues amounting to 138.1 million euros, compared with the 132.0 million euros of the same period of the previous year.

The two principal revenue components reported the following performances in the first nine months of 2011:

- landing, take-off and parking fees: a 1.5% increase deriving from a 1.1% rise in the number of movements and from the rise in fees applied from January 10, 2011 in order to keep pace with the target inflation rate (up 1.5%);
- passenger boarding fees: a 6.5% increase deriving from the greater number of passengers boarded (up 5.3%) and the above-mentioned increase in fees (up 1.5%).

Revenues from the management of centralized infrastructures, which is carried out directly by the Parent Company, ADR SpA, rose 18.0% in the third quarter of 2011, resulting in an increase of 13.5% for the first nine months of the year (30.6 million euros, compared with 27.0 million euros for the first nine months of 2010).

This result essentially reflects:

- a 4.6% decrease in loading bridge revenues compared with the first nine months of 2010, primarily due to a reduction in domestic and non-EU movements and the unavailability of certain facilities on which work is being carried out;

- a 40.1% increase in revenues from baggage handling systems compared with the comparative period, primarily connected with the introduction, from January 1, 2011, of the fee – with approximately 90% of the total charged to Alitalia - ratified by the Civil Aviation Authority in a ruling of May 11, 2011 (a fee of 1.87 euros per item of baggage handled), for use of the new “NET6000” transit baggage handling system, which was installed and entered service in July 2010 (an investment of 21 million euros and annual operating costs of over 3 million euros). In this regard, it should be noted that in July 2011 IBAR and ten carriers lodged appeal before Lazio Regional Administrative Court, requesting cancellation of the above Civil Aviation Authority ruling; the Company filed its statement of defense on October 18, 2011.
  In addition, on September 13, 2011 Alitalia was sent a letter specifying the state of relations between the two companies regarding a number of services provided and disputed (use of the “NET6000”, sub-concession of the technical area and the use of common property), and of the related past due receivables. On November 8, 2011 Alitalia again disputed the above charges. The Company has already informed Alitalia that, unless payment of the fees determined by the Civil Aviation Authority is received, it will suspend provision of the transit baggage handling service with effect from January 1, 2012.
  The increase in revenues also reflects the greater number of passengers, partly offset by a different distribution of outbound passengers among the various airport areas, which are subject to different unit fees for baggage handling.

During the third quarter of 2011 the security activities carried out by the Parent Company, ADR SpA (security checks on passengers and carry-on baggage, the screening of checked baggage, explosive detection checks and other on-demand security checks) generated revenues of 20.5 million euros, marking an increase of 4.8% on the same period of 2010. The overall increase for the first nine months of 2011, when turnover amounted to 53.4 million euros, is 4.9%. This performances is due to passenger traffic growth, partly offset by a decrease in revenues from on-demand services provided at Fiumicino airport.

Revenues from other aeronautical activities, totaling 23.4 million euros and up 4.4% (up 5.4% in the third quarter of 2011), reflect the following performances:

- assistance to passengers with reduced mobility (PRM): this activity, carried out by the Parent Company, ADR, via a service contract granted to the subsidiary undertaking, ADR Assistance Srl, registered revenues of 11.1 million euros in the first nine months of 2011, marking an increase of 12.5% on the same period of the previous year, due to both passenger traffic growth and the difference in fees applied in the two comparative periods. A similar performance was recorded in the third quarter of 2011, with revenues rising 12.2% to 4.4 million euros;
- check-in counters: revenues, amounting to 8.5 million euros, are substantially in line (down 0.8%) with the first nine months of 2010 (down 2.8% in the third quarter of 2011).

Within the Roman airport system operational safety was carried out according to established procedures (ISO 9001/2000 certificate), responding to the increase in traffic and the rising number of infrastructures and construction sites to be checked. The following were also carried out:
- management and monitoring of compliance with the requirements of Civil Aviation Authority certification;
- monitoring of the correct use of airside infrastructure by handlers, with notification of any infringements;
- actions aimed at helping to modify procedures in order to improve runway use.

Real estate management

Rental income and charges for utilities paid by sub-concessionaires who rent space and retail units at Fiumicino and Ciampino airports amounts to 34.1 million euros, marking an increase of 5.6% on the same period of the previous year. The increase in revenues in the third quarter of 2011 is more marked, with revenues up rising 6.9% to 11.8 million euros.

This increase is due to the effect of the availability of units under sub-concession agreements at Office Tower 2, which were delivered at various times during 2010, and also to the entry into service of the portion of the cargo building allocated to Flightcare Italia SpA in the capacity of cargo handler in the third quarter of 2010. Higher fees for rentals, utilities and services were also charged to car rental companies following their transfer to Office Tower 2, where the spaces used have almost doubled in size.

Revenues from sub-concessions, calculated on the basis of the volume of activity carried out by oil companies, catering companies, hotels, etc., amount to 11.9 million euros, down 0.4% on the same period of 2010, but marking a recovery with respect to the first half of the year (down 3.8%). Revenues for the third quarter of 2011 are up 4.6%.

The nine-month performance is due to:

- a 3.9% reduction in jet fuel revenues, amounting to 5.2 million euros, reflecting the revised unit fee applied to jet oil supplies, which – in compliance with the Civil Aviation Authority criteria designed to ensure that operators align charges with the related costs – fell from 3.91 euros to 3.62 euros per cubic meter as of March 1, 2011;
- a 10.3% decrease in revenues from catering companies, amounting to 1.1 million euros. The recent amicable settlements with the two catering companies operating at Rome's airports (LSG on November 26, 2010 and Servair Chef on June 6, 2011) has enabled settlement of outstanding receivables and an assessment of "flights effectively served". Based on the volumes notified, and by applying the unit fee for the current surcharge, the revenues obtained are lower than the "cost-related" figure recognized by the Civil Aviation Authority;
- a 4.4% reduction in total hotel revenues (amounting to 0.9 million euros) deriving from a lower average occupancy rate and a reduction in the average room rate;
- an 8.4% increase in royalties from car rental companies, which amount to 4.1 million euros.

Non-aeronautical activities

Compared with a 5.3% increase in the number of outbound passengers, revenues from directly operated retail outlets recorded an increase of 6.7% in the first nine months of 2011, resulting in total turnover of 67.1 million euros and an increase in the average passenger spend of 1.3% (4.15 euros per outbound passenger). Turnover for the third quarter of 2011 is 26.1 million euros, up 8.2%.

In addition to “Fragrances”, where turnover is up 6.2% (up 1.4 million euros), the following categories saw strong growth: “Confectionary” up 17% (up 1.4 million euros), “Spirits” up 9.5% (up 0.8 million euros), “Skincare” up 7.8% (up 0.5 million euros), “Makeup” up 8.2% (up 0.4 million euros), “Wines” up 12.5% (up 0.4 million euros) and “Fine food” up 16.2% (up 0.4 million euros). This reflects specific category management initiatives (the introduction of new brands and new product mixes) and the optimal use of spaces in order to improve product display.

“Tobacco products” recorded a 2.6% fall in revenues (down 0.2 million euros), reflecting a slowdown in the rate of decline seen since the beginning of the year, following a drop in non-EU passengers (above all those from North Africa) and anti-smoking campaigns that have had a generalized impact on the sector.
Further reductions resulted from closure of the Rocco Giocattoli outlet, which was handed over to a sub-concessionaire from mid-January 2011 (down 0.3 million euros), and rationalization of the Luxury Goods and Gifts offering (down 0.6 million euros).

Royalties from outlets managed by sub-concessionaires amount to 43.9 million euros for the first nine months of 2011, marking an increase of 8.2% on the same period of 2010 (up 5.7% in the third quarter of 2011). The average passenger spend is up 2.7% on the first nine months of 2010.

Revenues from “Specialist retail” outlets amount to 22.9 million euros, registering an increase of 9.1% in absolute terms and of 3.6% in terms of average revenue per passenger. The “Luxury” category again performed well, rising 9.2% in terms of average revenue per passenger, as did the “Souvenir” and “Eyewear” categories (up 11.1% and 9.1%, respectively, in terms of revenue per passenger).
The "Food & Beverage" segment registered revenue growth of 6.4%, whilst revenue per passenger is up 1.1%. September saw a positive performance, with revenues up 10.2% and the average passenger spend rising 5.1%. The improvement was accompanied by a notable improvement in the results of customer satisfaction surveys, with food and beverage customers assigning higher scores to the offerings at both Rome airports (surveys conducted by an external company in August 2011).

The “Other royalties” category reports revenues of 4.7 million euros, marking an increase of 10.1% on the same period of 2010 and of 4.5% in terms of revenue per passenger.

In terms of marketing, the *Frasi celebri* (or “Famous quotes”) campaign continued to direct customers towards airport restaurants and bars with the highest quality and most innovative food offerings. The related layout includes signs providing directions to the outlets and showing the number of minutes it takes to reach them.
Special offers run by sub-concessionaires continue to be publicized in the ADR newsletter, on the Company’s intranet, and in the new publication, “Shopping, Eat&Drink News”, the newsletter for airport operators.

The management of car parks generated revenues of 24.0 million euros, marking an increase of 3.7%. The rise is lower than the increase in the potential market represented by outbound passengers (up 6.6%). The average outbound passenger spend is thus down 2.8%, although there has been an ongoing recovery since the beginning of the year. This is borne out by the fact that revenues for the third quarter of 2011 are up 4.6% on the same period of 2010 to 8.8 million euros.
The new free short-stay car parks that entered service at Fiumicino and Ciampino from July were used by approximately 350,000 vehicles during the quarter, with 70% taking advantage of the 30-minute free parking. This has generated a significant increase in revenues from the “Meeters & Greeters” segment (17%).

The downturn in sales of advertising space, managed by ADR SpA in directly managed retail outlets and by the subsidiary undertaking, ADR Advertising SpA, throughout the airport, intensified during the third quarter of 2011, extending the decline seen in recent years. Revenues for the third quarter of 2011 amount to 5.0 million euros and are down 15.6% on the same period of 2010. Revenues of 14.9 million euros for the first nine months of the year are down 11.1%.

Food services, relating to management of the canteens used by airport operators, recorded revenues of 5.6 million euros during the first nine months of 2011, marking an increase of 6.7%, thanks to growth in the number of meals sold. Revenues for the third quarter of 2011 (1.8 million euros) are in line with the comparative period.

Revenues in the form of contract work in progress refer substantially to the receipt of payments for state-funded works being carried out in departure area F (the former Pier C), after changes in the related work in progress. These revenues total 4.0 million euros, compared with the 5.5 million euros of the first nine months of 2010.

Revenues from other activities, amounting to 17.2 million euros in the first nine months of 2011, reported the following performances with respect to the same period of the previous year:
- revenues from maintenance provided to third parties, amounting to 6.8 million euros (down 20.2%);
- revenues from cleaning services and biological waste treatment, totaling 2.8 million euros (down 10.3%);
- other sales revenues (fuel, consumable materials, etc.), amounting to 2.2 million euros (up 18.4%).

Environmental protection

ADR's Environmental Report was prepared during the third quarter of 2011, whilst maintenance and development of the Environmental Management System (EMS) continued according to plan.

In September, the certifying body, Bureau Veritas Italia, carried out checks prior to the renewal of certification of ADR's ISO 14001 Environmental Management System. The checks confirmed the system's compliance with the related legislation.

The method for quantifying CO_2 emissions at Fiumicino airport between 2008 and 2010 received Airport Carbon Accreditation, based on the ISO 14064 standard, during the period under review.

CNR (Italy's scientific research institute) began monitoring air quality at Fiumicino and Ciampino in June.

Quality

During the third quarter of 2011 monitoring of the levels of service provided at Fiumicino and Ciampino airports was carried out in accordance with the 2011 Quality Plan. This was based on daily monitoring of the levels of quality provided for the main passenger services: check-in, carry-on baggage security checks, baggage reclaim and the punctuality of outgoing flights.

During the period under review, which is the most critical part of the year, Fiumicino airport recorded significant improvements in the quality of check-in and baggage reclaim and in the punctuality of outgoing flights, compared with the third quarter of 2010:

- 94.1% of domestic passengers completed check-in procedures within the defined standard of 10 minutes (compared with 83.1% in the same period of 2010), while 84.4% of international passengers completed check-in procedures within 20 minutes (75.7% in the same period of 2010), compared with the set standard of 90%;
- 91.8% of passengers waited no more than 12 minutes for carry-on baggage security checks, around 1 percentage point above the service standard published in the Service Charter (93.1% in the same period of 2010);
- the percentage of flights with baggage reclaim times within the set limits was 83.1% for the first and 84.5% for the last piece of baggage (75.0% and 79.7%, respectively, in 2010), compared with the set standard of 90%;
- the percentage of outgoing flights with delays of more than 15 minutes was 28.3% which, whilst not meeting the standard published in the Service Charter (25%), marks an improvement of around 6 percentage points compared with the figure for 2010.

An analysis of quality trends at Ciampino airport shows overall compliance with the Service Charter indicators, with improvements in passenger check-in, baggage reclaim and the punctuality of outgoing flights:

- 93.2% of passengers completed check-in procedures within the defined standard of 20 minutes, marking a substantial improvement on the 80.7% registered in the same period of 2010 (the standard is 90%);
- 99.8% of passengers waited no more than 14 minutes for carry-on baggage security checks, around 9 percentage point above the service standard published in the Service Charter (98.6% in the same period of 2010);
- the percentage of flights with baggage reclaim times within the set limits was 95.6% for the first and 96.6% for the last piece of baggage (85.6% and 85.3%, respectively, in 2010), compared with the set standard of 90%;
- the percentage of outgoing flights with delays of more than 15 minutes was 16.6%; the airport thus respected the defined standard for outgoing flights (17%), registering a 12-point improvement with respect to 2010.

Group capital investment

During the quarter under review capital investment amounted to 14.2 million euros, making a total of 47.6 million euros in the first nine months of 2011 and down on the same periods of 2010 (22.2 million euros and 83.2 million euros, respectively), during which the new transit baggage handling system was being installed.

The following table shows the main investments carried out during the first nine months of the year.

(in millions of euros)	Jan.-Sept. 2011	Jan.-Sept. 2010	Δ
The boarding Area E/F (Pier C and 3° BHS)	8.9	14.1	(5.2)
Works on Luggage plants and new machinery RX	7.1	5.1	2.0
Fiumicino - Maintenance works on electrical network and air conditioning	3.9	5.9	(2.0)
Fiumicino - electrical maintenance	3.6	0.0	3.6
Maintenance works and optimization of terminals	3.3	7.1	(3.8)
Interventions on runways and aprons	3.0	5.4	(2.4)
Ciampino: infrastructural works	2.8	3.8	(1.0)
Fiumicino - Maintenance works on plant electromechanical	1.8	5.5	(3.7)
Works on airport road network	1.7	0.0	1.7
Fiumicino: Maintenance works on civil works	1.6	2.7	(1.1)
HBS/BHS ex Cargo Alitalia	1.5	3.0	(1.5)
North Fiumicino: plan for long-term development	1.1	0.0	1.1
Fiumicino - Maintenance works on water supply and drainage	1.0	1.2	(0.2)
Works of commercial areas and parking	1.0	0.0	1.0
Upgrade of "Satellite" for A380	0.6	0.9	(0.3)
Maintenance works on building in subconcession	0.6	0.3	0.3
Acquisition of Plant and machinary	0.5	1.6	(1.1)
Urbanized area west / Aprons "W" 1st phase	0.2	0.6	(0.4)
New Airport (flights low-cost)	0.1	0.0	0.1
Baggage HBS transiting AZ	0.0	20.7	(20.7)
Others	3.3	5.3	(2.0)
TOTAL INVESTMENTS	**47.6**	**83.2**	**(35.6)**
including:			
- autofinancing	*43.6*	*77.4*	*(33.8)*
- state-funded	*4.0*	*5.8*	*(1.8)*

<u>Terminals</u>

Construction work continued on departure area F (formerly Pier C), albeit at a slower pace than in the previous year. The slowdown in work with respect to the schedule, in relation to the self-financed portion of the works, arose from the need to ensure that the Group is able to meet its upcoming financial commitments. This rebalancing was necessitated by the ongoing uncertainty regarding approval times relating to the planning agreement.

As of September 30, 2011 reimbursement of expenses regarding the state-funded portion of the works, amounting to 16.7 million euros, has been requested from the Civil Aviation Authority, of which 14.1 million euros has already been collected.

The following works are in progress:

- placement of the metal framework comprising the structure of the new pier;
- work relating to the new service tunnel linking the new pier to the existing technical center and the section of service tunnel that crosses the air-side road network in front of Terminal E;
- the construction of stairwells;
- the laying of floor tiles.

The new flight coordination and control room in departure area D (formerly Pier B) entered service in July.

Work on renovating and ensuring regulatory compliance in departure area C (formerly B11/B21) and in the area that connects departure area B (formerly Pier A) to departure area C was completed in March.
Work on enlarging and upgrading the security control area in the eastern side of Terminal 3 was completed during the third quarter, as was work on upgrading the adjacent restrooms and the offices used by handlers and airline companies and by ADR's Security staff located near to the new security control area.

As part of work on improving the image and functionality of terminals, the restrooms located in departure area D, next to gate D6, have been upgraded, as have the restrooms located in the arrivals area on the eastern side of Terminal 1. The upgrade of restrooms located in the baggage reclaim area in Terminal 1 is in progress.

The upgrade of the new retail outlet managed by the Parent Company, ADR SpA, (shop 30) located in departure area B has been completed; the shop was inaugurated and opened to the public on March 28, 2011.

As part of the planned additions to signage both inside and outside terminal buildings, aimed at improving passenger information, work on the new bus stop area was completed. Work on adding new signs within terminals is in progress (Airport Identity – departure area B).

Infrastructure works have also been carried out to modify the road network in front of terminals (Arrivals) in order to improve traffic flow, rationalize parking and avoid congestion. The Departures road network will also be modified by early 2012.

Baggage handling

In the second quarter of 2011 an important piece of baggage handling equipment, which was previously used on free loan, was purchased outright for use in Terminal 5.

Regarding the two baggage handling systems that serve Terminal 3 (formerly Terminals B and C):
- upgrading of the baggage handling system in the former Terminal C has been completed;
- installation of a fourth security screening line for the baggage handling system in the former Terminal B has been completed.

The executive design for the automated baggage handling system for Terminal 1 has been completed and work on upgrading the area that will house the new system (the former Alitalia cargo area) has come to an end, after being previously put on hold.

Infrastructure and buildings

Work on conversion of the former EDP centre located on the ground floor of Building E within ADR SpA's administrative headquarters was completed. The space now houses offices and meeting rooms.

Work on the upgrade of the third and fourth floors of the Epua II building was completed at the beginning of February. The upgraded facility will provide front desk and back office areas for the car hire companies, who are to transfer their operations, thus vacating the current space that is no longer adequate to their needs.

Work is in progress at ADR SpA headquarters to install a scale model display, located in the new offices on the ground floor of Building E.

Runways and aprons

Work on apron 703 in departure area G, in order to be able to accommodate the A380 aircraft, has been completed. The inaugural A380 flight was operated by Emirates on June 6, 2011.

Work on the third phase of the apron upgrade program has been completed.
Extraordinary maintenance of the northern section of runway 16L34R has begun, whilst the design for extraordinary maintenance to be carried out on the Delta taxiway has been completed.
The contract for the upgrade of runway 2 has been put out to tender.

The feasibility study for the radical upgrade of runway 3 has begun. The study, which will be completed at the end of this year, will result in identification of the best design criteria to be used for runway 3, with work due to start in the second half of 2013.
Work is in progress on the designs for the upgrade of the Charlie taxiway and for the strip on runway 16C/34C, in preparation for the runway's opening in parallel with work on runway 3.
Work on the executive design for the upgrade of aprons in quadrant 700-800 is nearing completion.
Implementation of the Pavement Management System is continuing in accordance with the Airport Manual.

At Ciampino airport a radical upgrade of the SierraBravo taxiway was completed ahead of schedule in mid-March. Work on aircraft aprons 400, 500 and 600 is in progress and is expected to be completed by the end of the year.
Work on reorganizing the road network in front of the terminal for passenger pick-up and drop-off was completed in September.

Infrastructure planning and development

Last July the Civil Aviation Authority approved the design for completion of the infrastructure for "Fiumicino South 2012-2021", submitted by ADR SpA in May 2011 and to be carried subject to signature of the Planning Agreement. The design defines all the airside and landside infrastructure to be built at a cost of approximately 1.7 billion euros, which will ensure the airport is ready to cope with the expected increase in traffic over the short to medium term. ADR SpA has carried out a environmental impact study for the purposes of obtaining the various environmental and urban planning permits envisaged in the approved design. The study was submitted to the Civil Aviation Authority on August 8, 2011 and will shortly be submitted to the Ministry of the Environment, the Cultural Affairs Ministry and Lazio Regional Authority, to enable the Environmental Impact Assessment (EIA) to start.

Preparation of the Master Plan for Leonardo da Vinci airport by Scott Wilson, supported by experts from Changi Airport, is proceeding. The preliminary report, containing traffic forecasts and specifying the position of the new runways, was finalized during the period under review. In selecting one of the two runway options, ADR SpA consulted the Civil Aviation Authority and ENAV (the entity responsible for air traffic control in Italy) regarding the suitability and limitations of each option. The preliminary report is under approval by ADR SpA. Details of the terminal, apron, accessibility and real estate sub-systems will be finalized during the last quarter of the year.

Information Technology

During the third quarter of 2011 the following activities aimed at upgrading and ensuring the reliability of company application systems and ICT infrastructures were carried out:

- makeover of the Company's websites: following the launch of the new website, www.adr.it, the sites for ADR Tel SpA, ADR Engineering SpA and ADR Advertising SpA were released. The rollout of mobile tools for use via cell phone is in progress;
- A-CDM (Airport Collaborative Decision Making): having completed the analysis stage, the Company is in the process of implementing the project to develop the IT platform to support the new airport operating system, agreed upon at European level by Eurocontrol, which brings together all the processes specific to the various players who take part in running the airport (the management company, air traffic controllers, handlers, airlines, etc.) in one global system;

- telecommunications network technical facilities: at the same time as upgrade and clean-up activities, the elimination of SPOFs (single points of failure) continued with a view to increasing redundancy and boosting the reliability of the telephone and data transmission network. This long-term project provides for completion of all activities regarding four of the nine existing primary technical facilities by the end of 2011. Facility management began during the third quarter, involving the control and monitoring of technical facilities;
- car parks system: work on the ICT network for the car parks system, in keeping with changes in the airport road network for arrivals was completed; work on automating the system for car rental vehicles and integrating it with the existing car park access system, whilst also enabling access to ADR's car parks for vehicles equipped with Telepass devices, is in progress;
- IT network upgrade: the upgrade of the IBM Websphere platform, used in developing and executing the principal airport applications, is nearing completion;
- "NET" billing: the upgrade of the SAP application used in the automated billing of services provided by the "NET" baggage handling system has been completed;
- management of extinguishers: the process of selecting an application to manage extinguishers is in progress.

Group personnel

Group headcount as of September 30, 2011

Changes in the headcount between the end of 2010 and September 30, 2011 are analyzed by category below[1]:

Headcount	09.30.2011	12.31.2010 (*)	Δ
Managers	45	46	(1)
Supervisors	179	201	(22)
White-collar	1,838	1,771	67
Blue-collar	697	628	69
Total Group	**2,759**	**2,646**	**113**
including:			
on permanent contracts	1,893	1,940	(47)
on temporary contracts	866	706	160

(*) including CIGS: n° 90 for ADR SpA - n° 2 for ADR Engineering - n° 1 for ADR Tel

The Group's headcount (people at work on the last day of the month) is up 113 (permanent staff down 47, fixed-term staff up 160) compared with December 31, 2010, primarily reflecting the peak summer season. In the case of both ADR SpA and ADR Assistance Srl (see the following table), this results in a natural increase in operations and a related increase in the use of fixed-term staff through to September 30, with the number only tending to drop off in the last quarter of the year.

The above change breaks down by company as follows:

[1] The tables include staff laid off on a temporary basis, who benefit from the Special Income Support Fund, but not staff made redundant.

	09.30.2011			12.31.2010 (*)			Δ 2011 vs 2010		
Headcount	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**
ADR S.p.A.	1,662	678	2,340	1,704	604	2,308	(42)	74	32
ADR Engineering S.p.A.	34		34	36		36	(2)		(2)
ADR Tel S.p.A.	16		16	16	1	17		(1)	(1)
ADR Advertising S.p.A.	7	2	9	7	1	8		1	1
ADR Assistance S.r.l.	174	186	360	177	100	277	(3)	86	83
Total Group	**1,893**	**866**	**2,759**	**1,940**	**706**	**2,646**	**(47)**	**160**	**113**

(*) including CIGS: n° 90 for ADR SpA - n° 2 for ADR Engineering - n° 1 for ADR Tel

ADR SpA saw a reduction in permanent staff (down 42), due to opposing factors:
- staff made redundant (down 93);
- staff leaving the Group due to resignation, death and dismissal (down 16);
- application of the law regarding the conversion of fixed-term staff (up 51);
- the conversion of people on training contracts and internships (up 3);
- the recruitment of new staff to work in Finance, Legal Affairs, Commercial, ICT, Internal Audit, Board Relations and Strategic Planning (up 11);
- an intercompany transfer from ADR Assistance Srl (up 1);
- the re-employment of a member of staff by court order (up 1).

The loss of 3 permanent staff at ADR Assistance Srl is due to the dismissal of two staff and the intercompany transfer of one person.

The loss of 2 permanent staff at ADR Engineering SpA is a result of the Restructuring Plan for 2009 - 2014.

Average Group headcount for the year to September 30, 2011

The average headcount[2] between January and September 2011 is 2,401.4 full-time equivalents, broken down by category and type of contract as follows:

Average Group headcount	Jan-Sep 2011	Jan-Sep 2010	Δ
Managers	42.7	45.6	(2.9)
Supervisors	178.6	167.8	10.8
White-collar	1,627.0	1,571.3	55.7
Blue-collar	553.1	560.8	(7.7)
Total Group	**2,401.4**	**2,345.5**	**55.9**
including:			
on permanent contracts	1,799.8	1,722.3	77.5
on temporary contracts	601.6	623.2	(21.6)

and broken down by Group company:

	Jan-Sep 2011			Jan-Sep 2010			Δ 2011 vs 2010		
Average Group headcount	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**
ADR S.p.A.	1,573.7	510.1	2,083.8	1,495.9	544.6	2,040.4	77.8	(34.4)	43.4
ADR Engineering S.p.A.	34.0		34.0	33.0	0.4	33.4	1.0	(0.4)	0.6
ADR Tel S.p.A.	15.5	0.5	16.0	14.3	2.4	16.8	1.1	(1.9)	(0.8)
ADR Advertising S.p.A.	7.0	1.3	8.3	7.0	2.0	9.0		(0.7)	(0.7)
ADR Assistance S.r.l.	169.7	89.6	259.3	172.1	73.8	245.9	(2.4)	15.8	13.4
Total Group	**1,799.8**	**601.6**	**2,401.4**	**1,722.3**	**623.2**	**2,345.5**	**77.5**	**(21.6)**	**55.9**

[2] Net of staff laid off on a temporary basis, who benefit from the Special Income Support Fund.

Comparison with the same period of the previous year shows an increase of 55.9 full-time equivalents in the Group's workforce, of which ADR SpA accounts for a large part.

The Parent Company recorded an overall increase of 43.4 full-time equivalents due to:
- the effect of the programs launched in 2010 and continued in 2011, linked primarily to the extension/upgrade of a number of airport infrastructures (the Net building, the BHS and Terminal 3) and an increase in airport security staff (up 25.8 full-time equivalents);
- further initiatives launched during the year and related to maintenance of check-in islands, improved levels of service to the public and the transfer of certain airlines to other terminals (up 17.6 full-time equivalents).

The increase in staff on permanent contracts at ADR SpA (up 77.8 full-time equivalents) compared with the previous year is primarily due to the impact of personnel either recruited or converted from fixed-term contracts in 2010 (up 29.0 full-time equivalents), in addition to increases during the current year (up 48.8 full-time equivalents), due largely to the application of legislation regarding the conversion of fixed-term staff. The increase in permanent contracts, due to conversions, was offset by a decrease in the number of staff recruited on fixed-term contracts.

Compared with the same period of the previous year, Group productivity is up 2.6% (based on the number of passengers/full-time equivalents), reflecting the fact that the increase in the headcount (up 2.4%) was lower than the rise in passenger traffic (up 5.0%).

Other significant events during the quarter

Legal and regulatory context

- Planning Agreement process

On July 18, 2011 the Civil Aviation Authority's Board of Directors approved the principles that will allow the Authority and ADR SpA to finalize the text of the planning agreement governing management of the capital's airport system.
On July 29, 2011 the Authority's Director General formally notified ADR SpA of "*the dispatch of the new text that, following consultation with ADR SpA, includes insubstantial agreed-upon changes to the Concession Agreement governing management of the capital's airport system and to the Planning Agreement, pursuant to art.17, paragraph 34* bis *of Law Decree no. 78 of July 1, 2009, as converted with amendments into Law no. 102 of August 3, 2009, including the principles and criteria applicable to its revision*".
Agreement has been reached with the Civil Aviation Authority regarding the documentation needed in order to initiate consultation with users (the investment program for 2012-2044, the traffic plan and the quality and environment plan) and the Financial Plan for 2012-2044 has been sent to the Authority.
On November 2, 2011 the Authority sent its explanatory report on the Planning Agreement, together with the resolution passed by its Board of Directors, to the Ministry of Infrastructure and Transport, the Ministry of the Economy and Finance, the Council of Ministers and the Company.
The process now requires the relevant ministries to express a positive opinion on the new Concession Agreement and final approval to be given in a Decree to be issued by the Council of Ministers.

- Airport fees

On October 6, 2011 the Council of Ministers, based on a number of recommendations contained in the required parliamentary reports, approved the legislative decree implementing Directive 2009/12/EC, regarding airport fees, prepared on the basis of the authority granted by "Community Law 2009".
On October 13, 2011 press reports and statements from the Chairman of the Civil Aviation Authority indicated that the Head of State had decided not to enact the legislative decree in the form adopted by the Council of Ministers on October 6, 2011 due to that fact that it grants excess powers and is not in keeping with the European directive.

- Changes to municipal surtaxes for 2011

Law 130/2011, which converted with amendments Law Decree no. 107 of July 12, 2011 into law, regards overseas military intervention and implementation of UN resolutions 1970 and 1973 (contain in the Official Gazette of August 5, 2011). The new law has altered the allocation of the revenue raised by the application of municipal surtaxes to boarding fees paid by passengers departing from Italian airports. Art. 4 *bis* of the law provides that, for 2011 alone and up to the limit of 10 million euros, the municipal surtaxes introduced by art. 2, paragraph 11.a) of Law no. 350/2003 (amounts to be transferred to the Ministry of Internal Affairs for reallocation to municipalities in which airports are located) should be used to finance measures designed to support and relaunch sectors of the local economy in provinces that have suffered as a result of the limits imposed by military operations undertaken in accordance with UN Resolution 1973, which have seriously affected activity at a number of civil airports. The method of implementing the legislation will be defined in a subsequent decree to be issued by the Council of Ministers within 60 days of entry into force of the law (October 4, 2001).

- New regulations governing the control of liquids

Regulation (EU) no. 720/2011 of the European Commission of July 22, 2011, regarding amendment of Regulation (EC) no. 272/2009 which supplements the common basic standards on civil aviation security in relation to the gradual introduction of the screening of liquids, aerosols and gels at European Union airports, was published in the Official Journal of the European Union on July 23, 2011.

The most important aspect of this regulation provides for a single launch date (April 29, 2013) for the screening of liquids carried by all passengers regardless of their point of origin, deleting the intermediate deadline of April 29, 2011 initially established for the detection of explosives in liquids, gels and aerosols carried by passengers originating in a third country and in transit at an EU airport.

The Regulation also requires Member States and airports “to take all necessary preparatory steps, including operational trials, well ahead of the 2013 deadline” and that “experience from trials should be shared in order to assess the situation in respect of the new controls by July 2012”. In accordance with these new regulations and deadlines, ADR SpA must identify the most effective operating solutions and acquire the necessary equipment to carry out the prescribed checks.

- New regulations governing the refueling of aircraft

The Ministerial Decree of June 30, 2011 regarding new regulations to be complied with during refueling of aircraft, including those with passengers on board, was published in Official Gazette no. 169 of July 22, 2011. The Ministerial Decree came into force on July 23, 2011, the date marking the beginning of the two-year transitory period (until July 23, 2013) during which airports must fall into line with the new regulations. During the transitory period "at airports, in order to keep safety standards unchanged, aircraft will continue to be refueled with passengers on board, pursuant to the Ministerial Decree of September 30, 1985, in the presence of the firefighting service” (article 9, paragraph 2).

The Ministerial Decree of September 30, 1985, which previously regulated this matter, will thus only be repealed from July 23, 2013.

As a result, on July 18, 2011 the Civil Aviation Authority’s Board of Directors ratified the change to amendment no. 6 of the “Regulations for the construction and operation of airports”, allowing aircraft to be refueled with passengers on board in compliance with the Ministerial Decree of June 30, 2011.

- Increase in IRAP

Law no. 111 of July 15, 2011, which converted with amendments Legislative Decree no. 98/2011, was published in Official Gazette no. 164 of July 16, 2011. Paragraph 5 of art. 23 provides for an increase of 0.30% in the basic rate of IRAP, which thus rises to 4.20%. The increase applies to all concessionaires, other than those engaged in the construction of toll motorways and tunnels. The increase will be applied to the Parent Company, ADR SpA, as of 2011, resulting in an additional annual charge of approximately 1 million euros.

- Inclusion of environmental crimes in the system of administrative liability for entities

Legislative Decree no. 121/2011 came into force on August 16, 2011. The decree applies European directives regarding criminal protection of the environment and pollution caused by ships, and has added art. 25 *undecies* to Legislative Decree no. 231/2001, relating to the "administrative" liability of entities for the commission of certain environmental crimes. Given that the new legislation has an impact on several of ADR SpA's business processes, a detailed assessment of the risks of committing the new crimes has begun, together with checks on the existence of and/or the need for control procedures and protocols, in order to proceed to make changes to the Company's 231/01 Organizational Model.

Litigation

With regard to the litigation relating to the fees applied to flights to and from the Swiss Confederation, on July 21, 2011 was served with a writ of summons by Swiss International Airlines Ltd., which has filed a claim with the Court of Civitavecchia for repayment of the sum of 4.6 million euros (equal to the alleged amount by which the carrier was overcharged for landing and takeoff fees between 2002 and 2009) plus interest, making a total of 5.2 million euros. On August 18, 2011 the Company was served with a similar writ regarding a claim for 3.2 million euros plus interest, making a total of 3.6 million euros, solely in relation to passenger boarding fees.
Further information on this litigation is provided in the Six-month report as of June 30, 2011.

Financial risk update

ADR SpA thus continues to be subject to the Trigger Event and Cash Sweep restrictions activated following Standard & Poor's lowering of the Company's rating to below contractually defined minimums on November 30, 2007 (BBB+/Baa3 - BBB-/baa2 stable) .

As more fully described in the Six-month report as of June 30, 2011, the Cash Sweep and Trigger Event have activated stricter requirements for the Company in its cash flow management activities, including, among other things, a) the obligation, as debt service dates approach, to allocate the residual cash available to the repayment/collateralization of repayable/non-repayable debt; and b) an embargo on the payment of dividends, and c) the obligation to identify, with the aid of an independent expert appointed by the Company's financial creditors, remedial measures designed to restore the minimum required rating under ordinary conditions.

ADR SpA has, however, been exempted from the restrictions by a series of waivers granted by its financial creditors over time, the latest of which, approved on September 28, 2011 and valid until March 20, 2012, exempts the Company from the Trigger Event restrictions with the exclusion of points a), b) and c) above.

In application of the above condition a), at the latest application date of September 2011, ADR SpA has set aside cash of 19.5 million euros as loan collateral (17.0 million euros) for Tranche A1 – maturing on February 20, 2013 – and to effect early repayment (2.5 million euros) of the Term Loan Facility, maturing on February 20, 2012.

As a result of application of this mechanism, which was already in force at the previous application dates, the loan collateral account to be used to repay Tranche A1 (with a face value of 500 million euros) amounts to 52.1 million euros as of September 30, 2011, whilst the remaining amount of the Term Loan Facility to be repaid in February 2012 amounts to 65.5 million euros, following the obligatory repayments already finalized.

With regard instead to the planned extension of the Revolving Facility, on August 22, 2011 ADR SpA obtained a revolving line of credit totaling 100 million euros from a syndicate of seven banks, comprising Banca Nazionale del Lavoro SpA, Barclays Bank Plc, Crédit Agricole Corporate & Invest Bank, Mediobanca – Banca di Credito Finanziario SpA (Mediobanca), Natixis SA, The Royal Bank of Scotland NV and UniCredit SpA. The facility expires on February 20, 2013. Mediobanca acted as the Facility Agent.

This new facility, secured by the same guarantees issued for ADR SpA's other borrowings, secures, until the relevant maturity date, the availability of a revolving facility without interruption with respect to the expiry of validity of the pre-existing facility obtained in 2005 and valid until August 22, 2011. The agreed borrowing costs may be considered in line with the best conditions available in the market for companies with similar ratings. The spread over EURIBOR may be further reduced should the Company, in the near future, manage to achieve an improvement in the ratings assigned by both agencies.

Despite the current difficulties in the financial markets, ADR SpA is beginning to look at different options for refinancing Tranche A1 (with a face value of 500 million euros) maturing on February 20, 2013. The eventual solution will also depend on the early conclusion and effectiveness of a "bankable" Planning Agreement with the Civil Aviation Authority.

GROUP FINANCIAL REVIEW

Reclassified consolidated income statement

(€000)

2010		Third Quarter 2011		Third Quarter 2010		Jan.- Sept. 2011		Jan.- Sept. 2010		change	%
591,848	Revenues from sales and services	176,072		167,514		464,318		444,464		19,854	4.5%
7,885	Contract work in progress	1,311		858		3,995		5,515		(1,520)	(27.6%)
599,733	A.- REVENUES	177,383	100.0%	168,372	100.0%	468,313	100.0%	449,979	100.0%	18,334	4.1%
7,713	Capitalized costs and expenses	1,395		1,843		2,945		6,237		(3,292)	(52.8%)
607,446	B.- REVENUES FROM ORDINARY ACTIVITIES	178,778		170,215 0		471,258		456,216		15,042	3.3%
(206,746)	Cost of materials and external services	(55,315)	(31.2%)	(54,088)	(32.1%)	(151,819)	(32.4%)	(152,194)	(33.8%)	375	(0.2%)
400,700	C.- GROSS MARGIN	123,463	69.6%	116,127	69.0%	319,439	68.2%	304,022	67.6%	15,417	5.1%
(120,893)	Payroll costs	(29,945)	(16.9%)	(29,195)	(17.3%)	(93,077)	(19.9%)	(90,014)	(20.0%)	(3,063)	3.4%
279,807	D.- GROSS OPERATING INCOME	93,518	52.7%	86,932	51.6%	226,362	48.3%	214,008	47.6%	12,354	5.8%
(110,082)	Amortization and depreciation	(28,971)		(28,028)		(86,743)		(82,273)		(4,470)	5.4%
(12,646)	Other provisions	(2,543)		(765)		(7,500)		(1,464)		(6,036)	412.3%
(6,076)	Provisions for risks and charges	(11,077)		324		(17,675)		(5,135)		(12,540)	244.2%
(1,415)	Other income (expense), net	7,520		(1,130)		7,483		(2,334)		9,817	(420.6%)
149,588	E.- OPERATING INCOME	58,447	32.9%	57,333	34.1%	121,927	26.0%	122,802	27.3%	(875)	(0.7%)
(72,650)	Financial income (expense), net	(18,007)	(10.2%)	(18,417)	(10.9%)	(53,812)	(11.5%)	(54,452)	(12.1%)	640	(1.2%)
(534)	Adjustments to financial assests	0		0		0		(4)		4	(100.0%)
76,404	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	40,440		38,916		68,115		68,346		(231)	(0.3%)
(17,582)	Extraordinary income (expense), net	(220)		(775)		(195)		(15,503)		15,308	(98.7%)
58,822	G.- INCOME BEFORE TAXES	40,220		38,141		67,920		52,843		15,077	28.5%
(39,877)	Income taxes for the period	(22,089)		(14,179)		(41,400)		(28,764)		(12,636)	43.9%
2,731	Deferred tax assets	4,902		(1,577)		7,035		(1,187)		8,222	(692.7%)
21,676	H.- NET INCOME FOR THE PERIOD	23,033		22,385		33,555		22,892		10,663	46.6%
	including:										
(637)	- Minority interest	171		(79)		479		(182)		661	(363.2%)
22,313	**- Group interest**	**22,863**		**22,464**		**33,076**		**23,074**		**10,002**	**43.3%**

Despite continued improvement with respect to the previous year, traffic growth at the Roman airport system has slowed.

Passenger traffic in the third quarter of 2011 is up 4.4%, reflecting a slowdown compared with the rate of increase seen in the first half (up 5.4%). Growth for the first nine months of the year is 5.0%.

Against this backdrop, the operating results for the third quarter of 2011 were again positive, having benefitted from the peak season period.

The ADR Group's revenues are up 5.4%, thanks to growth in both aeronautical and non-aeronautical activities (up 6.3% and 4.4%, respectively).

Gross operating income of 93.5 million euros is up 7.6% on the same period of the previous year, whilst the improvement in operating income is less marked (up 1.9%), reflecting greater provisions for risks and charges and doubtful accounts, partially offset by an increase in other net income.
Net income for the third quarter is 22.9 million euros, substantially in line with (up 0.4 million euros) the third quarter of 2010.

Moving on to an analysis of the performance for the first nine months of the year, profit margins, while benefiting from the increase in traffic, were affected by cost increases deriving from initiatives undertaken last year, and continued in 2011, aimed at improving the quality of airport services, such as baggage handling and security, as well as from the ever higher cost of provisions, primarily regarding the risks deriving from relations with customers and contractors.

The ADR Group's revenues for the first nine months of 2011 amount to 468.3 million euros, up 4.1% on the same period of the previous year due primarily to the aeronautical segment (up 5.7%) and, to a lesser extent, non-aeronautical activities (up 2.3%).

Revenues from aeronautical activities, which benefit directly from traffic growth, registered growth across all components. Fees rose 4.7%, partly due to the regulatory effect of their alignment with inflation, whilst security services registered revenue growth of 4.9%. Centralized infrastructure revenues are also up (13.5%), due to earnings generated by the new transit baggage handling system.

The performance of the non-aeronautical segment, which saw growth of 2.3%, was affected by the reduction of around 1.5 million euros in reimbursements of the cost of state-funded construction works in departure area F, relating to the portion funded by the Civil Aviation Authority. This reduction is connected with the decrease in work carried out during the period under consideration.

After stripping out this component, non-aeronautical revenues are up 3.1%, primarily due to increased sales through directly operated retail outlets (up 6.7%) and growth in income from retail sub-concessions and utilities (up 6.0%). Parking systems (up 3.7%) and canteens (up 6.7%) also recorded positive performances, whilst advertising revenues continued to fall (down 11.1%).

The contraction in Group capital investment is reflected in the decrease (down 3.3 million euros) in capitalized costs and expenses. Consequently, revenues from ordinary activities are up 3.3% with respect to the comparative period.

The total cost of materials and external services, which is down 0.2% (down 0.4 million euros) compared with the same period of 2010, in fact rose slightly (up 1.0%) if "costs relating to financed works", regarding the portion of state-funded works at departure area F, are stripped out. This performance is primarily due to a combination of:

- *raw materials and goods for resale*: an increase of 4.1 million euros in the cost of goods for resale (up 7.9%) and in the cost of purchasing electricity, due to the increase in the cost of oil, despite cutbacks in consumption;

- *external service costs*: a reduction of 4.5 million euros due to a decrease – in addition to "costs relating to financed works" – in engineering costs incurred by the subsidiary undertaking, ADR Engineering SpA, deriving from the contraction in capital investment, and in staff transport costs, partially offset by increases in maintenance costs (including those relating to the new Net platform and the related baggage tracking system) and in consultants' fees, especially in relation to tariffs and regulatory matters.

Payroll costs registered an increase of 3.4%, due to a rise in the average workforce (up 55.9) as a result of service improvements.

With the rise in operating costs (up 1.1%) less than the increase in revenues from ordinary activities (up 3.3%), gross operating income of 226.4 million euros is up 5.8% on the comparative period. The resulting margin is up from 47.6% to 48.3%.

Amortization and depreciation for the period is up 4.5 million euros due to assets entering service at the end of the previous year. Provisions for doubtful accounts and for risks and charges are up 18.6 million euros, reflecting unfavorable court sentences handed down following the legal actions brought by Volare in a.s. and Air Europe in a.s. and new disputes/potential liabilities.

The above cost increases were partly offset by an improvement in other net income (up 9.8 million euros), which in 2011 includes the sum of 8.0 million euros awarded to ADR SpA as final compensation (including interest) by the Council of State, which found in the Company's favor in the outstanding dispute with the Ministry of Infrastructure and Transport and the Civil Aviation Authority regarding the collection date for charges for 100% screening of hold baggage. Further information is provided in the section on "Events after 30 September 2011".

As a result of the above, operating income of 121.9 million euros is down 0.7%.

Net finance costs are down 1.2% (0.6 million euros), thanks to an increase in finance income, which benefited from a rise in interest rates. This was only partially offset by an increase in finance costs, again reflecting higher interest rates, the impact of which was contained by a reduction in the average exposure to banks.

As a result of the above performance, the ADR Group reports net income of 33.1 million euros for the first nine months of 2011, compared with net income of 23.1 million euros for the same period of the previous year, when the result was affected by recognition of an additional 14.0 million euros in extraordinary expenses in connection with ongoing litigation with the Customs Office.

Reclassified consolidated balance sheet
(€000)

30-09-2010		30-09-2011	31-12-2010	change
	A. - NET FIXED ASSETS			
1,924,745	Intangible fixed assets *	1,873,794	1,916,360	(42,566)
187,630	Tangible fixed assets	190,255	188,689	1,566
3,434	Non - current financial assets	2,783	2,938	(155)
2,115,809		2,066,832	2,107,987	(41,155)
	B. - WORKING CAPITAL			
22,123	Inventory	19,619	22,054	(2,435)
225,696	Trade receivables	197,747	177,246	20,501
53,857	Other assets	69,747	60,492	9,255
(168,562)	Trade payables	(140,811)	(156,387)	15,576
(71,008)	Allowances for risks and charges	(82,361)	(71,796)	(10,565)
(128,273)	Other liabilities	(152,723)	(120,990)	(31,733)
(66,167)		(88,782)	(89,381)	599
	C. - INVESTED CAPITAL, minus			
2,049,642	short-term liabilities (A+B)	1,978,050	2,018,606	(40,556)
28,491	D. - EMPLOYEE SEVERANCE INDEMNITIES	24,988	28,490	(3,502)
	E. - INVESTED CAPITAL, minus short-term			
2,021,151	**liabilities and E.S.I. (C-D)**	**1,953,062**	**1,990,116**	**(37,054)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
751,035	- Group interest	783,529	750,273	33,256
633	- Minority interest	658	179	479
751,668		784,187	750,452	33,735
1,461,899	G. - MEDIUM/LONG-TERM BORROWING	1,295,111	1,461,899	(166,788)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
17,826	.Short-term borrowing	82,857	23,856	59,001
(210,242)	.Cash and current receivables	(209,093)	(246,091)	36,998
(192,416)		(126,236)	(222,235)	95,999
1,269,483	(G+H)	1,168,875	1,239,664	(70,789)
2,021,151	**I. - TOTALE AS IN "E" (F+G+H)**	**1,953,062**	**1,990,116**	**(37,054)**
1,663,322	*(*) including the value of the concession totaling*	*1,614,038*	*1,651,001*	*(36,963)*

Consolidated invested capital of 1,953.1 million euros is down 37.1 million euros compared with the end of the previous year. This is entirely due to a reduction in fixed capital, only in part offset by a decrease in employee severance indemnities (3.5 million euros) after staff previously laid off on a temporary basis, who benefitted from the Special Income Support Fund, were made redundant.

The reduction in infrastructure investment by the Parent Company, ADR SpA, has affected net fixed assets, which are down 41.2 million euros compared with December 31, 2010 as amortization and depreciation have outstripped capital investment.

Working capital is substantially in line (up 0.6 million euros) with the end of the previous year, as changes in the various components have offset each other:

- a 20.5 million euro increase in trade receivables due not only to the increase in turnover, but also to seasonal trends, which are, however, less marked than in the same period of 2010, in view of the reduction in collection times compared with September 30, 2010;
- an increase of 9.2 million euros in "other assets", due primarily to the effect of higher deferred tax assets (up 7.0 million euros);

- a reduction of 15.6 million euros in trade payables, reflecting reduced infrastructure investment during the period;
- an increase of 31.7 million euros in "other liabilities", primarily due to:
  - an increase in tax liabilities of 17.1 million euros, reflecting estimated tax expense for the period, which also includes the impact of the increase in the IRAP rate by 0.30%, after payments made during the period;
  - an increase of 6.6 million euros in the amount payable for the fire fighting service, reflecting the estimated cost for the period;
  - an increase in deferred income (up 12.1 million euros) relating to the advanced billing of sub-concession fees.

In terms of the financial structure, the reduction in invested capital is reflected in net debt, which is down 70.8 million euros to 1,168.9 million euros as of September 30, 2011.

Equity, on the other hand, is up 33.7 million euros due to net income for the period (33.5 million euros) and the reclassification of 0.2 million euros from "other liabilities" to retained earnings, representing dividends, approved in previous years, on 85,058 ADR SpA shares, as approved by the Company's Board of Directors on May 9, 2011. Further details are provided in the Six-month report as of June 30, 2011.

Consolidated net debt
(€000)

30-09-2010		30-09-2011	31-12-2010	change
(2,758)	Titles - Bonds	(2,758)	(2,758)	0
264,638	Due to banks	97,850	264,638	(166,788)
1,200,019	Due to other financial institutions	1,200,019	1,200,019	0
1,461,899	**A- MEDIUM/LONG -TERM BORROWING**	**1,295,111**	**1,461,899**	**(166,788)**
10,065	Due to banks	74,991	9,758	65,233
7,761	Due to other financial institutions	7,866	14,098	(6,232)
17,826	**Short-Term Borrowing**	**82,857**	**23,856**	**59,001**
(55,932)	Receivables due from others	(56,131)	(55,905)	(226)
(154,310)	Cash on hand and in banks	(152,962)	(190,186)	37,224
(210,242)	**Cash and current receivables**	**(209,093)**	**(246,091)**	**36,998**
(192,416)	**B- NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)**	**(126,236)**	**(222,235)**	**95,999**
1,269,483	**NET DEBT (A+B)**	**1,168,875**	**1,239,664**	**(70,789)**

There has been a reduction in the medium/long-term component of net debt, which is down 166.8 million euros as a result of:
- the repayment of 92.8 million euros of the Term Loan Facility, with the repayment of 90.3 million euros on the March 2011 application date and of 2.5 million euros on the September 2011 application date;
- reclassification, to short-term debt, of the remainder of the Term Loan Facility, amounting to 65.5 million euros and falling due in February 2012, and of the 8.5 million euro portion of the Banca BIIS loan falling due in March and September 2012.

The short-term component of debt is, in contrast, up 96.0 million euros as a result of:

- an increase in bank borrowings of 65.2 million euros, including 65.5 million euros relating to reclassification of the remainder of the Term Loan Facility; the reclassification of the portions of the Banca BIIS loan falling due in 2012, totaling 8.5 million euros, was offset by payment of the portions of the BIIS loan, of an equal amount, falling due in March and September 2011;
- a 37.2 million euro reduction in cash on hand and in banks, primarily due to the above repayment of debt;
- a reduction in amounts due to other financial institutions (down 6.2 million euros), following the payment of interest.

The Group's cash on hand and in banks, totaling 153.0 million as of September 30, 2011, includes the 52.1 million euro balance of the "loan collateral" account which, at the September 2011 application date, contained 17.0 million euros set aside for collateralization of Tranche A1.

Consolidated statement of cash flows
(€000)

2010		Jan.-Sept. 2011	Jan.-Sept. 2010
161,896	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**222,235**	**161,896**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
21,676	Net income (loss) for the period	33,555	22,892
110,082	Amortization and depreciation	86,743	82,273
(3)	(Gains) losses on disposal of fixed assets	(2)	(3)
515	(Revaluations) write-downs of fixed assets	0	(3)
46,148	Net change in working capital	(599)	22,934
(33)	Net change in employee severance indemnities	(3,502)	(32)
178,385		116,195	128,061
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(57,844)	.intagible	(28,042)	(43,371)
(40,615)	.tangible	(17,726)	(34,048)
(86)	.financial	(11)	(15)
712	Proceeds from disposal, or redemption value of fixed assets	193	106
(97,833)		(45,586)	(77,328)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
(11,713)	Repayments of loans	(92,766)	(11,713)
(8,500)	Current portion of m/l term financial debt due to short term	(74,022)	(8,500)
0	Other changes	180	0
(20,213)		(166,608)	(20,213)
0	E.- DIVIDENDS PAID	0	0
60,339	F.- CASH FLOW FOR THE PERIOD (B+C+D+E)	(95,999)	30,520
222,235	**G.- NET CASH AND CASH EQUIVALENTS - closing balance (A+F)**	**126,236**	**192,416**

The ADR Group's operating cash flow for the first nine months of 2011 amounts to 116.2 million euros, compared with the 128.1 million euros of the comparative period, which benefitted from a greater contribution from working capital, reflecting an increase in trade payables, linked to a rise in capital investment, and in provisions for risks and charges relating to the dispute with the Customs Office.

These internally generated resources enabled the Group to fully cover the cost of net capital investment, which was reduced to 45.6 million euros compared with the 77.3 million euros of the previous year.

The remaining cash of 70.6 million euros, together with cash at the beginning of the period, was used to repay 92.8 million euros of the Term Loan Facility.

Adjusted for the portion of medium-/long-term loans falling due in the short term, totaling 74.0 million euros, the Group recorded a net cash outflow of 96.0 million euros in the first nine months, reducing net cash and cash equivalents to 126.2 million euros as of September 30, 2011.

Analysis of consolidated net debt

(€000)

2010		Jan.-Sept. 2011	Jan.-Sept. 2010
(1,320,215)	**A.- NET FINANCIAL BORROWING - opening balance**	**(1,239,664)**	**(1,320,215)**
279,807	EBITDA	226,362	214,008
28,611	Net change in operating working capital	(41,143)	3,443
(33)	Net change in employee severance indemnities	(3,502)	(32)
(1,418)	Other income (exp.), net	7,482	(2,331)
(14,345)	Extraordinary income (exp.), net (*)	(209)	(14,748)
(42,670)	Current taxes paid	(24,293)	(24,188)
1,155	Other assets/liabilities (included allowances for risks and charges)	5,840	6,986
251,107	**B.- OPERATING CASH-FLOW**	**170,537**	**183,137**
(98,545)	Capex (tangibles, intangibles and financial)	(45,779)	(77,434)
712	Proceeds from disposal, or redemption value of fixed asset	193	106
153,274	**C.- FREE CASH-FLOW**	**124,951**	**105,809**
(72,723)	Financial income (exp.), net	(54,342)	(55,077)
0	Other changes	180	0
80,551	**D.- NET CASH-FLOW**	**70,789**	**50,732**
(1,239,664)	**E.- NET BORROWING - closing balance (A+D)**	**(1,168,875)**	**(1,269,483)**

(*) Net, of provision restructuring costs

EVENTS AFTER SEPTEMBER 30, 2011

Passenger traffic using the Roman airport system in October rose 0.7% which, whilst positive, represents a slowdown in growth compared with the previous months. This performance was driven by growth in International traffic (up 1.8%), partly offset by a reduction in Domestic passengers (down 1.5%). In terms of available capacity, the amount of available seats is up 2.0% and tonnage is up 0.7%, whilst total movements are down 1.0%.
Passenger traffic at Fiumicino was substantially in line with October 2010 (up 0.3%), whilst the number of passengers using Ciampino is up 3.9%.

Compared with the same period of 2010, traffic using the Roman airport system in the period January-October 2011 registered the following performance, broken down into segments for Fiumicino and Ciampino, and domestic and international traffic:

Data for the year to October 31, 2011 and changes with respect to the same period of 2010[3]

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	326.523	280.191	46.332	128.444	198.079
D% vs PY	+0,9%	+0,8%	+1,4%	-2,0%	+2,8%
Mtow	25.585.036	23.229.180	2.355.856	8.061.319	17.523.717
D% vs PY	+1,1%	+0,6%	+6,1%	-0,7%	+1,9%
Total Pax	36.403.938	32.359.995	4.043.943	11.816.206	24.587.732
D% vs PY	+4,5%	+4,4%	+5,6%	+4,0%	+4,8%
Freight (Kg)	136.160.350	120.447.973	15.712.377	5.304.196	130.856.154
D% vs PY	-4,7%	-6,1%	+8,0%	+13,7%	-5,3%

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

	International	Intl' EU	Intl' Extra EU
Movements	198.079	134.701	63.378
D% vs PY	+2,8%	+4,7%	-1,0%
Mtow	17.523.717	9.471.610	8.052.107
D% vs PY	+1,9%	+4,8%	-1,3%
Total Pax	24.587.732	15.992.878	8.594.854
D% vs PY	+4,8%	+8,1%	-0,8%
Freight (Kg)	130.856.154	26.791.653	104.064.501
D% vs PY	-5,3%	+3,4%	-7,3%

Passenger traffic is up 4.5% as a whole, compared with the first ten months of 2010, reflecting increases in both available capacity (movements up 0.9%, available seats up 1.9% and tonnage up 1.1%) and in the load factor (up 1.8%), which rose to 71.4%.

[3] Provisional data.

These results were achieved thanks to growth in both Domestic and International traffic (up 4.0% and 4.8%, respectively). Within the latter component, EU traffic is up 8.1%, whilst non-EU traffic is down 0.8%.

Fiumicino airport has seen an increase in passenger traffic (up 4.4%) substantially on a par with the performance of the airport system (up 4.5%), with the improvement again accompanied by an increase in available capacity (movements up 0.8%, available seats up 1.5% and tonnage up 0.6%). The higher rate of growth in passengers compared with the increase in available seats has resulted in a rise in the load factor (up 2.0%), which is shifted from the 68.7% of the previous year to the current 70.7%.
Ciampino airport has also recorded traffic growth during the year to date, registering an increase in passenger traffic of 5.6%.

With regard to the outstanding dispute with the Ministry of Infrastructure and Transport and the Civil Aviation Authority, relating to the date of application of fees for the 100% screening of hold baggage, the Council of State sentence deposited on October 27, 2011 rejected the appeal brought by the government bodies, confirming that the authorities were guilty of culpable delay in establishing the fee payable to ADR SpA (from June 3, 2003) compared with the date the legislation governing 100% hold baggage screening came into force (February 1, 2003). The Council of State ruling thus represents final confirmation of the sentence ordering the above bodies to pay ADR SpA the sum of 6.7 million euros in compensation plus interest, making a total of approximately 8.0 million euros, which the Company had, in any event, already collected between June and September 2011.
Given that this marks the final judgment in this case, the positive outcome has been recognised in the income statement in this quarterly report.

OUTLOOK

We expect to see a further modest slowdown in traffic growth in the last few months of the year, resulting in a marginal contribution to the Group’s operating results.

Ongoing efforts designed to improve operating efficiency are expected to ensure that EBITDA will remain substantially in line with the figure for 2010, provided that what are currently only potential difficulties with airport operators do not become critical in nature.

However, thanks to a level of investment aimed substantially at maintaining operating capacity and to constant attention to cost control, we expect to be able to finance the repayment of bank debt maturing at the beginning of 2012 from the Parent Company’s own resources.

Against this backdrop, we are making every effort to ensure rapid approval of the new Planning Agreement. As we have stressed many times before, this is essential to implementation of the Group’s infrastructure development plan, which will enable us to overcome the all-too-evident shortfall in capacity, and allow the Group to restore its credit rating to a level that will permit us to access the financing needed to realize our vision of the future.

THE BOARD OF DIRECTORS

ADR SPA: SEPARATE ACCOUNTS

RECLASSIFIED INCOME STATEMENT OF ADR SPA

(€000)

2010		Third Quarter 2011		Third Quarter 2010		Jan. - Sept. 2011		Jan. - Sept. 2010		change	change %
588,108	Revenues from sales and services	175,026		166,426		461,128		441,486		19,642	4.4%
8,232	Contract work in progress	1,291		863		3,969		5,817		(1,848)	(31.8%)
596,340	A.- REVENUES FROM ORDINARY ACTIVITIES	176,317	100.0%	167,289	100.0%	465,097	100.0%	447,303	100.0%	17,794	4.0%
(213,894)	Cost of materials and external services	(58,692)	(33.3%)	(56,627)	(33.8%)	(160,990)	(34.6%)	(157,230)	(35.2%)	(3,760)	2.4%
382,446	B.- GROSS MARGIN	117,625	66.7%	110,662	66.2%	304,107	65.4%	290,073	64.8%	14,034	4.8%
(105,911)	Payroll costs	(25,740)	(14.6%)	(25,310)	(15.1%)	(81,194)	(17.5%)	(78,941)	(17.6%)	(2,253)	2.9%
276,535	C.- GROSS OPERATING INCOME	91,885	52.1%	85,352	51.0%	222,913	47.9%	211,132	47.2%	11,781	5.6%
(110,133)	Amortization and depreciation	(28,953)		(27,865)		(86,696)		(81,866)		(4,830)	5.9%
(11,576)	Other provisions	(2,539)		(360)		(7,465)		(1,011)		(6,454)	638.4%
(5,514)	Provisions for risks and charges	(11,058)		350		(17,594)		(4,544)		(13,050)	287.2%
(1,642)	Other income (expense), net	7,540		(1,098)		7,412		(2,251)		9,663	(429.3%)
147,670	D.- OPERATING INCOME	56,875	32.3%	56,379	33.7%	118,570	25.5%	121,460	27.2%	(2,890)	(2.4%)
(71,899)	Financial income (expense), net	(17,991)	(10.2%)	(18,395)	(11.0%)	(53,763)	(11.6%)	(54,382)	(12.2%)	619	(1.1%)
(738)	Adjustments to financial assests	0		0		0		(4)		4	(100.0%)
75,033	E.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	38,884		37,984		64,807		67,074		(2,267)	(3.4%)
(18,006)	Extraordinary income (expense), net	(278)		(831)		(248)		(15,579)		15,331	(98.4%)
57,027	**F.- INCOME BEFORE TAXES**	**38,606**		**37,153**		**64,559**		**51,495**		13,064	25.4%
	Income taxes for the period:										
(38,301)	current taxes	(21,388)		(13,756)		(40,098)		(27,387)		(12,711)	46.4%
2,541	deferred tax assets (liabilities)	4,832		(1,589)		7,122		(1,881)		9,003	(478.6%)
(35,760)		(16,556)		(15,345)		(32,976)		(29,268)		(3,708)	12.7%
21,267	**G.- NET INCOME (LOSS) FOR THE PERIOD**	**22,050**		**21,808**		**31,583**		**22,227**		**9,356**	**42.1%**

RECLASSIFIED BALANCE SHEET OF ADR SPA

(€000)

30-09-2010		30-09-2011	31-12-2010	change
	A. - NET FIXED ASSETS			
1,958,890	Intangible fixed assets *	1,907,197	1,949,273	(42,076)
191,306	Tangible fixed assets	194,104	192,341	1,763
13,713	Non current - financial assets	10,021	10,176	(155)
2,163,909		2,111,322	2,151,790	(40,468)
	B. - WORKING CAPITAL			
21,985	Inventory	19,500	21,961	(2,461)
223,547	Trade receivables	196,170	176,983	19,187
46,329	Other assets	62,988	53,430	9,558
(174,392)	Trade payables	(147,726)	(157,485)	9,759
(70,231)	Allowances for risks and charges	(81,712)	(70,976)	(10,736)
(124,086)	Other liabilities	(147,304)	(118,822)	(28,482)
(76,848)		(98,084)	(94,909)	(3,175)
	C. - INVESTED CAPITAL, minus			
2,087,061	short-term liabilities (A+B)	2,013,238	2,056,881	(43,643)
27,289	D. - EMPLOYEE SEVERANCE INDEMNITIES	23,706	27,237	(3,531)
	E. - INVESTED CAPITAL, minus short-term			
2,059,772	**liabilities and E.S.I. (C-D)**	**1,989,532**	**2,029,644**	**(40,112)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
62,310	- Paid-up share capital	62,225	62,310	(85)
702,128	- Reserves and retained earnings (accumuled losses)	723,660	702,128	21,532
22,227	- Net income (loss) for the period	31,583	21,267	10,316
786,665		817,468	785,705	31,763
1,461,898	G. - MEDIUM/LONG-TERM BORROWING	1,295,111	1,461,898	(166,787)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
20,184	.Short-term borrowing	82,890	25,247	57,643
(208,975)	.Cash and current receivables	(205,937)	(243,206)	37,269
(188,791)		(123,047)	(217,959)	94,912
1,273,107	**(G+H)**	1,172,064	1,243,939	(71,875)
2,059,772	**I. - TOTALE AS IN "E" (F+G+H)**	**1,989,532**	**2,029,644**	**(40,112)**
1,690,729	*(*) including the value of the concession totaling*	1,640,633	1,678,205	(37,572)

STATEMENT OF CASH FLOWS OF ADR SPA

(€000)

CASH FLOWS STATEMENT
(Euros/thousand)

2010		**Jan. - Sept. 2011**	**Jan. - Sept. 2010**
159,079	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**217,959**	**159,079**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
21,267	Net income (loss) for the period	31,583	22,227
110,133	Ammortization and depreciation	86,696	81,866
(718)	(Gains) losses on disposal of fixed assets	(2)	(3)
719	(Revaluations) write-downs of fixed assets	0	(3)
43,119	Net change in working capital	3,175	25,058
(208)	Net change in employee severance indemnities	(3,531)	(156)
174,312		117,921	128,989
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(58,474)	.intagible	(28,844)	(44,407)
(41,346)	.tangible	(17,629)	(34,896)
(86)	.financial	(11)	(23)
4,687	Proceeds from disposal, or redemption value of fixed assets	259	262
(95,219)		(46,225)	(79,064)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
(8,500)	Current portion of m/l term financial debt due to short term	(74,022)	(8,500)
(11,713)	Repayments of loans	(92,766)	(11,713)
0	Other changes	180	0
(20,213)		(166,608)	(20,213)
0	E.- DIVIDENDS PAID	0	0
58,880	F.- CASH FLOW FOR THE PERIOD (B+C+D+E)	(94,912)	29,712
217,959	**G.- NET CASH AND CASH EQUIVALENTS - closing balance (A+F)**	**123,047**	**188,791**