

Quarterly Report as of September 30, 2010

(Translation into English from the original version in Italian)

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

www.adr.it

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CORPORATE OFFICERS

Aeroporti di Roma SpA

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

Board of Directors (2010-2012)

<i>Chairman</i>	Fabrizio Palenzona
<i>Deputy Chairman</i>	Massimo Pini
<i>Managing Director</i>	Giulio Maleci
<i>Directors</i>	Guido Angiolini Valerio Bellamoli (<i>until July 23, 2010</i>) Stefano Cao Beng Huat Ho Enzo Mei Gianni Mion (<i>from August 2, 2010</i>) Aldo Minucci Piergiorgio Peluso Clemente Rebecchini Paolo Roverato Marco Troncone
<i>Secretary</i>	Antonio Abbate

Board of Statutory Auditors(2010-2012)

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

General Manager	Franco Candido Giudice
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Independent Auditors	Deloitte & Touche SpA (<i>2007-2012</i>)
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HIGHLIGHTS

The following table summarizes 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 2009.

TRAFFIC PERFORMANCE

Traffic component	Q3 2010		9M 2010	
	SYSTEM (*)	% change (*)	SYSTEM (*)	% change (*)
Movements (no.)	104,970	+3.2%	289,727	(0.2%)
Aircraft tonnage	8,316,531	+6.4%	22,664,594	+3.1%
Total passengers (no.)	12,147,359	+7.2%	31,000,456	+5.4%
Total cargo (kg)	42,995,791	+17.9%	126,776,629	+24.6%

(*) Fiumicino + Ciampino

(*) compared with the same period of 2009

The following table shows the ADR Group's financial and operational highlights for the third quarter of 2010 and for the nine months ended September 30, 2010.

ADR GROUP

Key consolidated economic, financial and operational data (€000)	Q3 2010		Q3 2009	
Revenues	168,372		157,250	
EBITDA	86,932		80,575	
EBIT	57,333		50,536	
Net income (loss):				
minority interest	(79)		(148)	
Group share	22,464		19,267	
Investment (€000)	22,198		15,820	
	9M 2010	2009	9M 2009	
Revenues	449,979	561,814	420,304	
EBITDA	214,008	254,397	191,753	
EBIT	122,802	133,618	94,780	
Net income (loss):				
minority interest	(182)	(731)	(759)	
Group share	23,074	5,164	4,211	
Investment (€000)	83,247	69,754	39,382	
	Sep 30, 2010	Dec 31, 2009	Sep 30, 2009	
Invested capital	2,021,151	2,048,992	2,076,862	
Shareholders' equity (including minority interest)	751,668	728,777	727,797	
Group shareholders' equity	751,035	727,961	727,008	
Net debt	1,269,483	1,320,215	1,349,065	
Headcount at end of the period	2,770	2,541	2,638	
	9M 2010	2009	9M 2009	
Ratios				
Revenues/Average headcount (€000)	192	239	178	
No. of passengers/ Average headcount	13,217	16,415	12,445	

**ADR GROUP: CONSOLIDATED
ACCOUNTS**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€000)

2009		Third Quarter 2010		Third Quarter 2009		Jan.- Sept. 2010		Jan.- Sept. 2009	Change	%
561,814	A.- REVENUES	168,372	100.0%	157,250	100.0%	449,979	100.0%	420,304	29,675	7.1%
5,508	Capitalized costs and expenses	1,843		978		6,237		2,958	3,279	110.9%
567,322	B.- REVENUES FROM ORDINARY ACTIVITIES	170,215		158,228		456,216		423,262	32,954	7.8%
(191,024)	Cost of materials and external services	(54,088)	(32.1%)	(49,132)	(31.2%)	(152,194)	(33.8%)	(141,210)	(10,984)	7.8%
376,298	C.- GROSS MARGIN	116,127	69.0%	109,096	69.4%	304,022	67.6%	282,052	21,970	7.8%
(121,901)	Payroll costs	(29,195)	(17.3%)	(28,521)	(18.1%)	(90,014)	(20.0%)	(90,299)	285	(0.3%)
254,397	D.- GROSS OPERATING INCOME	86,932	51.6%	80,575	51.2%	214,008	47.6%	191,753	22,255	11.6%
(107,858)	Amortization and depreciation	(28,028)		(26,936)		(82,273)		(80,640)	(1,633)	2.0%
(5,935)	Other provisions	(765)		(415)		(1,464)		(4,352)	2,888	(66.4%)
(6,924)	Provisions for risks and charges	324		(338)		(5,135)		(8,210)	3,075	(37.5%)
(62)	Other income (expense), net	(1,130)		(2,350)		(2,334)		(3,771)	1,437	(38.1%)
133,618	E.- OPERATING INCOME	57,333	34.1%	50,536	32.1%	122,802	27.3%	94,780	28,022	29.6%
(68,660)	Financial income (expense), net	(18,417)	(10.9%)	(17,526)	(11.1%)	(54,452)	(12.1%)	(53,589)	(863)	1.6%
(43)	Adjustments to financial assets	0		0		(4)		0	(4)	ns
64,915	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	38,916		33,010		68,346		41,191	27,155	65.9%
(31,841)	Extraordinary income (expense), net	(775)		353		(15,503)		(18,163)	2,660	(14.6%)
33,074	G.- INCOME BEFORE TAXES	38,141		33,363		52,843		23,028	29,815	129.5%
(32,826)	Income taxes for the period	(14,179)		(13,537)		(28,764)		(26,569)	(2,195)	8.3%
4,185	Deferred tax assets	(1,577)		(707)		(1,187)		6,993	(8,180)	(117.0%)
4,433	H.- NET INCOME FOR THE PERIOD	22,385		19,119		22,892		3,452	19,440	563.2%
(731)	including:									
	- Minority interest	(79)		(148)		(182)		(759)	577	(76.0%)
5,164	- Group interest	22,464		19,267		23,074		4,211	18,863	447.9%

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€000)

30-09-2009		30-09-2010	31-12-2009	Change
	A. - NET FIXED ASSETS			
1,949,686	Intangible fixed assets *	1,924,745	1,948,422	(23,677)
167,347	Tangible fixed assets	187,630	168,907	18,723
3,417	Non - current financial assets	3,434	3,419	15
<u>2,120,450</u>		<u>2,115,809</u>	<u>2,120,748</u>	<u>(4,939)</u>
	B. - WORKING CAPITAL			
22,818	Inventory	22,123	21,464	659
211,946	Trade receivables	225,696	203,143	22,553
68,703	Other assets	53,857	48,179	5,678
(128,499)	Trade payables	(168,562)	(140,437)	(28,125)
(47,681)	Allowances for risks and charges	(71,008)	(54,763)	(16,245)
<u>(139,316)</u>	Other liabilities	<u>(128,273)</u>	<u>(120,819)</u>	<u>(7,454)</u>
<u>(12,029)</u>		<u>(66,167)</u>	<u>(43,233)</u>	<u>(22,934)</u>
2,108,421	C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,049,642	2,077,515	(27,873)
31,559	D. - EMPLOYEE SEVERANCE INDEMNITIES	28,491	28,523	(32)
<u>2,076,862</u>	E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D) financed by:	<u>2,021,151</u>	<u>2,048,992</u>	<u>(27,841)</u>
	F. - SHAREHOLDERS' EQUITY			
727,008	- Group interest	751,035	727,961	23,074
789	- Minority interest	633	816	(183)
<u>727,797</u>		<u>751,668</u>	<u>728,777</u>	<u>22,891</u>
1,490,611	G. - MEDIUM/LONG-TERM BORROWING	1,461,899	1,482,111	(20,212)
	H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
8,863	.Short-term borrowing	17,826	25,458	(7,632)
<u>(150,409)</u>	.Cash and current receivables	<u>(210,242)</u>	<u>(187,354)</u>	<u>(22,888)</u>
<u>(141,546)</u>		<u>(192,416)</u>	<u>(161,896)</u>	<u>(30,520)</u>
1,349,065	(G+H)	1,269,483	1,320,215	(50,732)
<u>2,076,862</u>	I. - TOTALE AS IN "E" (F+G+H)	<u>2,021,151</u>	<u>2,048,992</u>	<u>(27,841)</u>
<u>1,712,606</u>	(*) including the value of the concession totaling	<u>1,663,322</u>	<u>1,700,285</u>	<u>(36,963)</u>

**MANAGEMENT REPORT FOR THE
THIRD QUARTER OF 2010**

OPERATING REVIEW

Operating environment

The third quarter of 2010 saw substantial traffic growth (up 7.2%), marking an upturn with respect to the previous six months (up 4.3%). In addition to the benefits deriving from the peak summer period, this also derived from an absence of negative external factors (it should be borne in mind that the first half of the year was affected, albeit marginally, by the effects of the volcanic ash cloud).

The number of passengers rose by 5.4% during the first nine months of the year, which may be considered a satisfactory result, especially given the economic situation which has yet to return to pre-recession levels.

Turnover and profit margins both rose in the third quarter. Specifically, revenues totaling 168.4 million euros are up 7.1%, while EBITDA, amounting to 86.9 million euros, has risen 7.9%.

The results for the first nine months of the year show the same positive trend.

Revenues were up 7.1% at the end of the third quarter, essentially due to the contributions made by the non-aviation (up 7.8%) and business aviation (up 6.4%) segments. The latter's performance, however, is still mainly linked to traffic performance, as the hoped for increase in airport fees in support of airport system development did not occur during the period.

Net income of 22.5 million euros for the third quarter is up on the 19.3 million euros registered in the same period of 2009, thus enabling us to post net income of 23.1 million euros for the first nine months of the year, compared with the 4.2 million euros registered in the first nine months of 2009.

Once again the transitional fee payment regime introduced by the 2010 Finance Act had not been implemented at the end of the reporting period. Meanwhile, talks are ongoing with Italy's Civil Aviation Authority (ENAC) regarding the execution of a new Contract/Planning Agreement and definition of a new tariff system in preparation for the launch of the investment program. The continuation of this situation, whilst not yet affecting the current investment program (as of September 30 the Group had carried out investment worth 83.2 million euros, compared with 39.4 million euros in the previous year), has forced the Group to temporarily implement a prudent reduction in its capital expenditure, partly in order to conserve cash in consideration of upcoming debt repayment deadlines.

However, the ADR Group remains deeply committed to upgrading and modernizing the airport system serving Italy's capital city. In line with this objective, in October 2010 the airport design and engineering consultants, Scott Wilson, were commissioned to draw up the master plan for Fiumicino airport through to 2044.

As of September 30, 2010 net debt amounted to 1,269.5 million euros, down 50.7 million euros on December 31, 2009 and down 8.6 million euros on June 30, 2010. Net short-term cash and cash equivalents rose by 30.5 million euros, despite repayment of medium-term borrowings of 20.2 million euros.

Application of the waiver agreement with lenders last March led to the allocation of cash of 46.8 million euros in September for partial repayment of the bank loan (11.7 million euros) and the cash collateralization (cash to be used for debt repayment on maturity) of the Romulus Tranche A1 (35.1 million euros).

Group operations

The Group's operating activities generated total revenues of 450.0 million euros during the first nine months of the year. A breakdown is as follows:

(€m)	9M 2010	9M 2009	% change
airport fees	132.0	122.8	7.5%
centralized infrastructures	27.0	27.1	(0.4%)
security services	50.9	47.0	8.3%
other (*)	22.5	21.4	4.7%
AVIATION REVENUES	232.4	218.3	6.4%
sales through directly managed outlets	62.9	58.0	8.5%
sub-concessions and utilities:			
- sub-concession of spaces and utilities	44.	41.	6.2
retail sub-concessions	40.	35.	13.6%
	84.9	77.5	9.5%
car parks	23.2	20.7	11.9%
advertising	16.7	17.2	(2.5%)
food & beverage	5.2	5.0	5.2%
other	24.7	23.7	4.4%
NON-AVIATION REVENUES	217.6	202.0	7.8%
TOTAL REVENUES	450.0	420.3	7.1%

(*) includes PRM services

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.

Aviation activities

The third quarter of 2010 saw increased industrial activity in Italy, albeit still well below pre-crisis levels. Growth of 2.3% was registered in July, and further recovery is expected to have been registered in August and September. This performance raises the likelihood that GDP will grow more than 1% in 2010.

However, consumption remains weak, in the EU as well as the USA, primarily due to high levels of unemployment, which have a negative impact on consumer confidence and household purchasing power¹.

Despite this backdrop, traffic using the Roman airport system registered a good performance in the third quarter of 2010, as revealed by the following traffic data, broken down by airport – Ciampino and Fiumicino – and segment – domestic and international:

¹ Source: Confindustria Research Center

Data for the period July-September 2010

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	104.970	90.634	14.336	40.891	64.079
D% vs PY	+3.2%	+5.0%	-6.9%	-3.5%	+8.0%
Mtow	8.316.531	7.624.902	691.629	2.523.488	5.793.043
D% vs PY	+6.4%	+7.7%	-6.2%	-1.3%	+10.1%
Total Pax	12.147.359	10.886.550	1.260.809	3.710.522	8.436.837
D% vs PY	+7.2%	+9.1%	-6.7%	-0.1%	+10.8%
Freight (Kg)	42.995.791	38.694.323	4.301.468	1.375.520	41.620.271
D% vs PY	+17.9%	+20.0%	+2.1%	-9.5%	+19.1%

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

	International	Intl' EU	Intl' Extra EU
Movements	64.079	42.538	21.541
D% vs PY	+8.0%	+6.9%	+10.1%
Mtow	5.793.043	3.000.494	2.792.549
D% vs PY	+10.1%	+9.9%	+10.4%
Total Pax	8.436.837	5.293.979	3.142.858
D% vs PY	+10.8%	+9.8%	+12.4%
Freight (Kg)	41.620.271	7.841.863	33.778.408
D% vs PY	+19.1%	+5.1%	+22.9%

Monthly trends for passenger traffic using the Roman airport system are as follows when compared with the previous year:

July	up 5.8%
August	up 7.6%
September	up 8.3%

Traffic growth was driven by Fiumicino airport, which registered a 9.1% increase in passengers compared with the previous year. The largest increase was registered by the non-EU component, which rose 17.4%; the number of EU passengers also rose 8.0%, while domestic passengers fell back slightly (down 0.5%).

Capacity reported equally significant results, with aircraft movements up 5.0% and seats up 7.1%. New flights were also launched during the third quarter, including the following: easyJet to Toulouse, Dubrovnik, Heraklion, Ibiza, Mykonos, Palma de Mallorca and Spalato; Blu-Express to Corfu, Menorca, Heraklion, Santorini and Kos; Livingston to Mombassa; Vueling to Palma de Mallorca; Libyan Arab Airlines to Bengasi; and, finally, SriLankan Airlines, which stepped up its flights to Colombo.

In line with the first part of the year, Ciampino airport registered a 6.7% reduction in passengers with respect to the third quarter of 2009. This downturn is still due to the transfer of some easyJet flights to Fiumicino airport, which have not been entirely replaced by other carriers.

The overall performance of traffic at the Roman airport system during the first nine months of 2010 breaks down as follows:

Data for the period January-September 2010

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	289.727	248.764	40.963	117.624	172.103
D% vs PY	-0,2%	+0,8%	-6,1%	-6,8%	+4,8%
Mtow	22.664.594	20.679.518	1.985.076	7.275.849	15.388.745
D% vs PY	+3,1%	+4,0%	-5,8%	-4,7%	+7,2%
Total Pax	31.000.456	27.591.284	3.409.172	10.104.194	20.896.262
D% vs PY	+5,4%	+7,1%	-6,7%	-1,9%	+9,3%
Freight (Kg)	126.776.629	113.893.065	12.883.564	4.172.710	122.603.919
D% vs PY	+24,6%	+27,5%	+3,7%	-6,8%	+26,1%

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

	International	Intl' EU	Intl' Extra EU
Movements	172.103	114.849	57.254
D% vs PY	+4,8%	+3,1%	+8,3%
Mtow	15.388.745	8.067.232	7.321.513
D% vs PY	+7,2%	+5,4%	+9,3%
Total Pax	20.896.262	13.159.653	7.736.609
D% vs PY	+9,3%	+6,2%	+15,1%
Freight (Kg)	122.603.919	22.849.355	99.754.564
D% vs PY	+26,1%	+4,5%	+32,3%

A comparison of data for the first nine months of 2010 and the same period of the previous year reveals that passenger traffic grew by 5.4%, as a result of increases in both capacity (seats are up 2.0%) and load factor (up 2.2%).

In detail, Fiumicino airport reported passenger traffic growth of 7.1% for the first nine months of 2010. This performance was driven by greater capacity (seats up 3.1%) and the increase in load factor (up 2.6%).

Ciampino airport, however, registered a 6.7% decline in passengers compared with the previous year, in line with the decrease in capacity, in terms of both aircraft movements (down 6.1%) and available seats (down 6.8%).

In the third quarter of 2010 revenues from airport fees rose 9.1%, bringing the total increase for the first nine months of the year to 7.5% (132.0 million euros compared with 122.8 million euros in the period January-September 2009).

In particular, the two principal components reported the following performances:

- landing, take-off and parking fees: compared with a largely stable number of movements (down 0.2%), achieved thanks to the recovery registered in the third quarter of 2010, the 5.4% increase with respect to the first nine months of 2009 derives from the operation of aircraft with higher average capacity/tonnage and the fee adjustment applied on January 21, 2010 in line with the target inflation rate (up 1.5%);
- passenger boarding fees: total revenues increased by 7.6% on the back of a rise in the number of passengers boarded (up 5.5%), with a higher percentage contribution from non-EU routes (higher unit fee), and also in this case application of the fee adjustment (up 1.5%).

The management of centralized infrastructures, which is carried out directly by the Parent Company, ADR SpA, generated revenues of 10.3 million euros in the third quarter of 2010, substantially in line (down 0.3%) with the same period of 2009. A similar performance (down 0.4%) was registered in the first nine months of 2010, with revenues of 27.0 million euros reported.

This performance was due essentially to:

- a 1.4% decrease in loading bridge revenues compared with the first nine months of 2009, primarily due to the permanent closure of two aprons served by loading bridges (numbers 622 and 623) arising from airport development works, the reduction in aircraft movements registered in the first half of the year and the penalization of certain facilities resulting from works. In the third quarter of 2010 the greater number of aircraft movements and actions implemented to improve infrastructure management enabled us to make up for a part of the decrease registered in the first six months of the year (the reduction was cut from 3.4% to 1.4%);
- revenues from the use of baggage handling systems were substantially in line with the previous year (up 0.3%), as the greater number of passengers was almost entirely offset by a different distribution of outbound passengers in the various airport areas, which are subject to different unit fees for baggage handling.

During the third quarter of 2010 the security activities carried out by the Parent Company, ADR SpA (security checks on passengers and carry-on baggage, 100% screening of checked baggage, explosive detection checks, other security checks requested and surveillance of the airport system) generated revenues of 19.6 million euros, an increase of 8.6% on the same period of 2009. Overall growth in the first nine months of 2010, during which turnover of 50.9 million euros was registered, amounted to 8.3%. This rise derives from increases in the number of passengers, as well as from significant growth in revenues from other security services requested at Fiumicino airport.

Services regarding assistance to passengers with reduced mobility (PRM), provided via the subsidiary undertaking, ADR Assistance Srl, generated revenues of 9.9 million euros in the first nine months of 2010, up 9.2% on the previous year, due to the higher number of passengers, and a difference in the fees applied during the two periods under comparison. Revenues amounting to 3.9 million euros fell 13.3% in the third quarter of 2010, in connection with the higher fee charged in August and September 2009.

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

Real estate management

Revenues from retail sub-concessions, deriving from concession fees and charges for utilities at Fiumicino and Ciampino airports, amounted to 32.3 million euros in the first nine months of 2010, up 6.4% on the same period of 2009. This increase is largely due to the effect of the availability of units under sub-concession agreements at Office Tower 2, which were delivered at various times during the first quarter of 2009, and new contractual conditions agreed with Alitalia AZ-CAI, regarding sub-concession of the group of assets in the so-called Technical Area until December 31, 2010, as well as the entry into service of the portion of the cargo building allocated to Flightcare in its capacity as a cargo handler (up 10.7% in the third quarter of 2010).

Revenues from sub-concessions, calculated on the basis of the volume of activity carried out, amount to 12.0 million euros, registering a 5.2% increase compared with the same period of the previous year. This performance, whilst affected by a contraction in the hotel business, is largely due to revision of the fees charged to the oil companies that supply jet fuel for aircraft, in compliance with the Civil Aviation Authority's memorandum no. 27438 of April 24, 2009. In the third quarter of 2010 revenues rose 8.0% with respect to the same period of the previous year.

Non-aviation activities

Directly managed non-aviation activities registered an 8.5% increase in revenues in the first nine months of 2010, with total turnover of 62.9 million euros (up 10.9% in the third quarter of 2010, with turnover of 24.1 million euros).

The average passenger spend rose 3.0% to 4.10 euros, compared with overall traffic growth of 5.4%.

The best results were registered by the "Wines" (up 13.8%), "Fragrances" (up 11.9%) and "Spirits" (up 9.4%) segments, which also posted the most substantial increases in average spend.

No segment registered a decrease, except for "Toys" (down 20.0%), which was affected by the decision to hand over management of the outlet in the T1 departure area to a sub-concessionaire from January 2011.

The performance of the "Wines" segment was boosted by the decision to offer more up-market products and by trade marketing initiatives (Wine of the Month), which will be further stepped up in the last quarter of the year.

A particularly outstanding performance was registered by Shop 30 at Pier B (up 21.6%), thanks to the transfer of Sky Team flights. This initiative was detrimental to Shop 3 at T3, which nevertheless posted growth of 12.9%.

The data refer to the airport system as a whole, and therefore include the 8.8% decrease in revenues at the Ciampino airport shop.

Royalties from outlets managed by sub-concessionaires amount to 40.6 million euros, up 13.6% on 2009 (15.9% in the third quarter of 2010).

Total revenue (passenger spend) from outlets managed by sub-concessionaires amounts to 250.4 million euros (up 15.6%), with an average passenger spend of 16.33 euros (up 9.7%).

"Specialist Retail" earnings are up 12.1%, with the average spend up 6.4%.

The "Food & Beverage" segment registered revenue growth of 16.8%, with the average spend rising 10.8%.

Revenues from "Services" are up 9.5%, registering a 3.9% increase in average spend.

During the first nine months of the year three new shops (Golf Us, Burberry and Fattorie Garofalo), with a total surface area of approximately 200 square meters, were opened, as well as two new currency exchange outlets.

Management of parking systems registered earnings of 23.2 million euros in the first nine months of 2010, up 11.9% on 2009 (up 14.2% in the third quarter of 2010).

The passenger car parking and airport operator car parking segments registered the following performances:

- passenger car parking: revenues totaling 20.0 million euros (up 11.2%) and average spend (for outbound passengers) of 1.7 euros (up 6.6%); the increased in earnings derives from the new charges implemented in January 2010;
- airport operator car parking: revenues totaling 3.1 million euros (up 16.2%).

Regarding marketing and support for ADR's retail brands, a summer campaign was carried out for Easy Parking via radio, SMS and online for the booking online (BOL) service and the new call center. Signage inside car parks and outside the terminal has been standardized in line with the current graphic style. Two projects have been devised for multi-story and long-stay car park users, with a view to promoting online booking and drawing customers' attention to parking arrangements, raising awareness of security within the car parks.

A "Special offer of the month" marketing initiative was created to promote the Group's directly managed Good Buy Roma outlets. With an initial focus on the wine segment with "I love wine", the plan is to install advertising panels and display stands in retail outlets.

Regarding the Rome Airport Shopping Gallery (shops managed under sub-concession), the project aimed at facilitating "retail navigation" within the Satellite was expanded, with specific brand information displayed at each boarding gate.

It is important to point out that the third quarter of 2010 saw a reversal of the downturn in advertising revenues, which registered a rise of 8.4%, bringing the overall decrease for the first nine months of the year to 2.5% (down 7.5% in the first half of 2010). Revenues for the first nine months of the year amount to 16.7 million euros, including 2.1 million euros from direct advertising in retail outlets, and 14.6 million euros from the subsidiary undertaking, ADR Advertising.

Following the failure of one of its clients, AIA, to meet revised terms of payment, the subsidiary, ADR Advertising, has enforced the relevant guarantee of 1.5 million euros. The outcome of this action is awaited.

Technical and IT services

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

In particular, works completed during the quarter include the following:

- ADR shops: all equipment (cash registers and peripherals) has been replaced;
- makeover of the intranet site: a makeover of the Group's intranet site, based on new and modern corporate communication and cooperation tools, is in the release phase.

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

- review of ICT "operations": an "operations" transformation program is in progress which saw the launch of incident management procedures supported by the new outsourced call centre, and the launch of request fulfillment procedures for ICT user support. Implementation will involve a series of releases over the coming years;
- integrated HRO reporting: implementation is in progress;
- Oracle upgrade: work has begun on upgrading to the new version of Oracle for the Company's database;
- car park system: an upgrade of the infrastructure (server) for the fee collection system and implementation of a new operators' car parking area in the hangar area (entry point 5), as well as improvement of the online booking system's graphic interface, are underway;
- optimization of operations management for security personnel: preparations are underway ahead of the implementation phase.

Environmental protection

Studies of CO₂ (carbon dioxide) emissions at Leonardo da Vinci airport, as well as air quality monitoring and measurement of electromagnetic fields at Fiumicino and Ciampino airports, are in progress.

ADR's Environmental Report is nearing completion, including an update with 2009 data.

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

During the period under consideration, the certifying body, Bureau Veritas Italy, carried out checks to renew ISO 14001 Environmental Management System certification at Fiumicino and Ciampino airports, and confirmed their full legislative compliance.

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

Regarding the problem of noise abatement, on July 1, 2010 the Service Conference, set up by Lazio regional authority to define acoustic zoning for Ciampino airport, completed its work. This will result in ADR SpA being required to undertake certain activities aimed at implementing noise abatement plans.

Quality

During the third quarter of 2010 monitoring of the levels of service provided at Fiumicino and Ciampino airports was carried out by an external company (Customized Research and Analysis).

In accordance with the 2010 Quality Plan, approximately 15,000 objective controls were carried out, based on daily monitoring of the levels of quality provided for the main passenger services (baggage claim, check-in, carry-on baggage security checks, the punctuality of outgoing flights).

An analysis of quality trends at Fiumicino shows that:

- 93% of passengers waited no more than 12 minutes for carry-on baggage security checks, 3 percentage points above the service standard published in the Service Charter (90% of passengers) and 1 percentage point less than in the same period of 2009;
- the percentages of flights with baggage reclaim times within the set limits for the first piece of baggage were 55% for the domestic segment and 81% for the international segment. The percentages of flights with baggage reclaim times within the set limits for the last piece of baggage were 73% for the domestic segment and 82% for the international segment (the standard is 90%). Compared with 2009, baggage reclaim times deteriorated in the domestic segment whilst improving considerably in the international segment;
- the percentage of outgoing flights with delays of more than 15 minutes was 34% (the standard is 25%), marking a 10-point improvement with respect to 2009. The percentage of delayed flights attributable to the airport operator was 0.39%, up 0.25% on 2009 (the standard is 0.3%);
- 83% of passengers traveling on domestic flights (a one-point improvement on 2009) and 76% of passengers traveling on international flights (an 11-point drop with respect to 2009) completed check-in operations within the times set by the Service Charter (10 minutes and 20 minutes, respectively).

An analysis of quality trends at Ciampino shows that:

- 89% of passengers waited less than 15 minutes for carry-on baggage security checks, down on the 100% registered in 2009 (the Service Charter standard is 90%);
- the percentage of outgoing flights with delays of more than 15 minutes was 29% (21% in 2009). The airport did not respect the defined standard as regards both delays for outgoing flights (17%) and recovery of airport transit times (1%);
- the percentage of flights with baggage reclaim times within the set limits was 85% for the first (a one-point improvement on 2009) and 85% (two points up on 2009) for the last piece of baggage (the standard is 90%);
- 81% of passengers completed check-in operations within 20 minutes, a 34-point improvement on the previous year (the standard is 90%).

Whilst the set standards for a number of key services have yet to be met, 2010 has seen a general improvement with respect to the difficulties encountered in the previous year. Above all, improvements in the time it takes to deliver the last piece of baggage and in flight punctuality at Fiumicino have enabled the airport to provide adequate levels of service for passengers in spite of significant traffic growth.

In an effort to boost compliance with airport standards, during the period under review ADR SpA carried out 24,116 checks and reported 923 cases of non-compliance to the Civil Aviation Authority. In the worst cases, this resulted in sanctions for the offending operators.

Group investment

During the quarter under review the ADR Group carried out investment totaling 22.2 million euros, with a total of 83.2 million euros in the first nine months of 2010 (15.8 million euros and 39.4 million euros, respectively, in the same periods of 2009), primarily regarding departure area E/F and the new transit baggage handling system.

<i>in milioni di euro</i>	Jan.-Sept. 2010	Jan.-Sept. 2009	Δ
Baggage HBS transiting AZ	20.7	0.0	20.7
Boarding Area E / F (Pier C and Bhs Third)	14.1	7.1	7.0
Interventions on runways and aprons	7.1	2.5	4.6
Fiumicino - Maintenance works on plant electromechanical	5.9	2.2	3.7
Fiumicino - Maintenance works on electrical network and air	5.5	0.0	5.5
Works on runways and aprons	5.4	2.1	3.3
Works on Luggage plants and new machinery RX	5.1	2.8	2.3
Ciampino: infrastructural works	3.8	4.1	(0.3)
HBS/BHS ex Cargo Alitalia	3.0	2.1	0.9
Fiumicino: Maintenance works on civil works	2.7	3.0	(0.3)
Acquisition of Plant and machinery	1.6	0.0	1.6
Fiumicino - Maintenance works on water supply and drainage	1.2	0.0	1.2
Upgrade of "Satellite" for A380	0.9	0.0	0.9
Urbanized area west / Aprons "W" 1st phase	0.6	0.0	0.6
Maintenance works on building in subconcession	0.3	0.8	(0.5)
North Fiumicino: plan for long-term development	0.0	0.6	(0.6)
New Airport (flights low-cost)	0.0	0.8	(0.8)
Works on airport road network	0.0	1.0	(1.0)
Others	5.3	10.3	(5.0)
TOTAL INVESTMENTS	83.2	39.4	43.8
<i>including:</i>			
- autofinancing	77.4	36.2	40.6
- state-funded	5.8	3.2	3.2

Terminals

Work continued on departure area F (formerly Pier C), including the following:

- work on the foundations and on construction of a new service tunnel at the head of the pier;
- work above the pier basement;
- work relating to the new service tunnel linking the new pier to the existing technical center.

As part of work on improving the image and functionality of terminals, installation of a new group of rest rooms in the arrivals hall at Terminal 1 was completed. Two groups of rest rooms located in departure areas B and D were also renovated.

Work in departure area D on building a new air traffic coordination and control room were concluded, with final completion temporarily suspended in 2010.

Work on restructuring and ensuring regulatory compliance continued in departure area C (formerly B11/B21) and in the area that connects departure area B (formerly Pier A) to departure area C.

At Terminal 3 work was completed on the fast track lane for first class and business class passengers; work on renovating false ceilings in the transit galleries and upgrading the equipment they house was also completed. Work was completed at "station E" in Terminal 3 regarding extension of the area used for security checks for transit passengers.

Upgrading work is in progress on the BHS system at Terminal 3, with completion expected in the first few months of 2011.

Preliminary work is underway on apron 703 in departure area G to accommodate A380 aircraft. Completion is expected by the end of 2010.

Infrastructures and buildings

On July 8, 2010 the new system for checking and handling transit baggage, installed in part of the post office building in the NET ramp services area, which was restructured for this purpose, was inaugurated. The new system entered service on July 15, 2010.

Regarding the automated baggage handling system at Terminal 1, for which the executive design has been completed, restructuring works have been temporarily suspended in the area that will house the equipment (the former Alitalia cargo warehouse).

Runways and aprons

Structural upgrading of the aircraft aprons in sector "300" and part of sector "400", including replacement of steel storm drain grates with spheroidal cast iron ones, has been completed. In particular, upgrading work on aprons 311-314, in accordance with the new "open grade" technology, on aprons 301-312 and the NE and NH taxiways has been completed.

Work on the second phase of renovating aircraft apron pavements is nearing completion, which is expected in mid-October 2010. Also with regard to the upgrade of aircraft aprons, procedures for awarding the contract for phase 3 work are underway.

At Ciampino airport extraordinary maintenance work on the Alfa taxiway is nearing completion, which is expected by October 2010. A radical upgrade of the SB taxiway also began, which is expected to be completed by December 2010. A contract will soon be signed regarding the replacement of steel storm drain grates with spheroidal cast iron ones in the area that includes aircraft aprons 400, 500 and 600. Completion of the work is expected in March 2011.

Group personnel

Group headcount at September 30, 2010

The headcount as of December 31, 2009, compared with September 30, 2010, is broken down in the table below.

The breakdown does not include staff covered by redundancy schemes, but does include suspended staff who benefit from the Special Income Support Fund.

headcount	30.09.2010 (**)	31.12.2009 (*)	Δ
Managers	47	47	0
Supervisors	197	180	17
White-collar	1,834	1,716	118
Blue-collar	692	598	94
Total Group	2,770	2,541	229
<i>including:</i>			
on permanent contracts	1,925	1,891	34
on temporary contracts	845	650	195

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

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

The changes break down by company as follows:

	30.09.2010 (**)			31.12.2009 (*)			Δ		
	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total
Adr S.p.A.	1,688	693	2,381	1,658	571	2,229	30	122	152
Adr Engineering S.p.A.	36	0	36	33	1	34	3	(1)	2
Adr Tel S.p.A.	16	2	18	14	2	16	2	0	2
Adr Advertising S.p.A.	7	2	9	6	2	8	1	0	1
Adr Assistance S.r.l.	178	148	326	180	74	254	(2)	74	72
Total Group	1,925	845	2,770	1,891	650	2,541	34	195	229

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

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

Analysis of the increase of 229 staff reveals that the comparison regards two diverse periods in terms of traffic volumes (a 28% increase in passengers in September 2010 compared with December 2009). Indeed, the period under review recorded an increase of 195 seasonal staff. These people were primarily employed by ADR SpA (up 122) and ADR Assistance Srl (up 74).

Regarding the increase in the number of permanently employed staff, in particular at ADR SpA (up 30), the combination of the following three events should be borne in mind: the recruitment of staff with new expertise to implement planned initiatives and in support of the new organizational structure (22 staff); the permanent employment of staff hired on temporary contracts (20 staff) in operating areas or on placement contracts in other areas (7 staff); and staff leaving the Group due to resignation or dismissal (19 staff).

At ADR Tel SpA the increase in the temporary workforce (2 staff) derives from the conversion of placement contracts and the acquisition of staff with specialist technical skills.

Average Group headcount between January 1 and September 30, 2010

The average headcount between December 31, 2009 and September 30, 2010 is 2,345.5 full-time equivalents, broken down by category and type of contract as follows:

average Group headcount	Jan.- Sept. 2010	Jan.- Sept. 2009	Δ
Managers	45.6	47.4	(1.8)
Supervisors	167.8	204.4	(36.6)
White-collar	1,571.3	1,538.4	32.9
Blue-collar	560.8	572.5	(11.7)
Total Group	2,345.5	2,362.7	(17.2)
<i>including:</i>			
on permanent contracts	1,722.3	1,860.2	(137.9)
on temporary contracts	623.2	502.5	120.7

and broken down by company as follows:

	Jan.- Sept. 2010			Jan.- Sept. 2009			Δ		
	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total	Perm. Contract	Temp. Contract	Total
Adr S.p.A.	1,495.9	544.6	2,040.4	1,624.6	438.1	2,062.8	(128.7)	106.4	(22.3)
Adr Engineering S.p.A.	33.0	0.4	33.4	40.9	1.7	42.6	(7.9)	(1.3)	(9.2)
Adr Tel S.p.A.	14.3	2.4	16.8	17.2	1.0	18.3	(2.9)	1.4	(1.5)
Adr Advertising S.p.A.	7.0	2.0	9.0	8.9	0.9	9.9	(1.9)	1.1	(0.9)
Adr Assistance S.r.l.	172.1	73.8	245.9	168.5	60.7	229.2	3.6	13.1	16.7
Total Group	1,722.3	623.2	2,345.5	1,860.2	502.5	2,362.7	(137.9)	120.7	(17.2)

For the Group, the average headcount fell by 17.2 full-time equivalents.

In terms of ADR SpA, the reduction in the first nine months of the year (down 22.3 full-time equivalents) reflects a combination of factors: the effect of terminations of staff on permanent contracts, arising from the restructuring plan launched in June 2009 (down 128.7 full-time equivalents on permanent contracts); and greater use of staff on fixed-term contracts (up 106.4 full-time equivalents on fixed-term contracts) to handle increased traffic compared with the same period of the previous year (passengers up 5.4%), thus resulting in higher productivity (the ratio of passengers to full-time equivalents is up 6.5%).

For ADR Assistance Srl, the increase in the number of staff on permanent contracts derives from the effect of applying the second phase of the agreement with the labor unions (ADR Assistance Incorporation Agreement), which laid down terms for completion of the transfer of handlers' staff as of April 2009.

Organizational aspects

The procedural system with administrative and accounting implications pursuant to Law no. L.262/05, which regards sixteen corporate procedures, was formalized.

Industrial relations

In accordance with the provisions of the National Collective Labor Contract, dialog continued with the labor unions during the third quarter of 2010 aimed at converting temporary contracts to permanent contracts, via a program that will affect the mix of the Company's workforce as of January 2011.

In accordance with the provisions of the Agreement of 2006, the performance-related bonus was paid in August after joint analysis of the performance of the Company's results with the labor unions.

Particularly important is the agreement signed with the labor unions regarding the termination of staff transportation using company buses. During the dialog the Company pointed out the infrequent use of the service compared with its high cost. Conclusion of the agreement will enable savings of 1.9 million euros, with around 0.5 million euros already clawed back in the last quarter.

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

Regarding OHSAS 18001 certification that was awarded in December 2009, the first maintenance check revealed one or two areas for improvement, but not significant problems.

Other significant events during the third quarter

Legal and regulatory context

- Advanced payment of airport fees

On July 13, 2010 CIPE Resolution no. 96 of November 6, 2009 relating to an "Amendment of the directive regarding the regulation of fees for airport services offered on an exclusive basis" was published in the Official Gazette no. 161. This Resolution amends the "Directive regarding the regulation of fees for airport services offered on an exclusive basis" – appended to Approval Resolution no. 38/07 – to which an additional paragraph, "4.3 - Advance payment of airport fees", was added. The new paragraph substantially reiterates paragraphs 200 and 201 of art. 2 of the 2010 Finance Act, based on which ADR submitted an application to the Civil Aviation Authority in order to benefit from the advanced fee payment procedure.

Concerning the above advanced fee payment regulations, Law no. 122 of July 30, 2010 relating to "Conversion into law, with amendments, of Legislative Decree no. 78 of May 31, 2010 regarding urgent financial stability and economic competitiveness measures", was published in the Ordinary Supplement of the Official Gazette no. 176 of July 30, 2010. Art. 47, paragraph 3 *ter*, amends paragraph 200 of art. 2 of the 2010 Finance Act, thereby also authorizing advanced payment of fees regarding airport systems considered as a whole.

- Legislative developments regarding planning agreements

Law no. 122 of July 30, 2010, relating to "Conversion into law, with amendments, of Legislative Decree no. 78 of May 31, 2010 regarding urgent financial stability and economic competitiveness measures", was published in the Ordinary Supplement of the Official Gazette no. 176 of July 30, 2010. Art. 47, paragraph 3 *bis*, regards amendments of the so-called "exempted planning agreement" regulations

pursuant to art. 17, paragraph 34 *bis*, of Legislative Decree no. 78/2009, converted with amendments by Law no.102/09, which specifically:

- a) extends this option to airports with passenger traffic of more than 8 million per annum (rather than 10 million), as well as to operators with airports in different regions;
- b) provides for a 60-day period – from the date of signature of the planning agreement with the Civil Aviation Authority – within which the Prime Ministerial Decree that approves the exempted agreement must be adopted.

- **Administrative surcharge on boarding fees**

Law no. 122 of July 30, 2010 relating to “Conversion into law, with amendments, of Legislative Decree no. 78 of May 31, 2010 regarding urgent financial stability and economic competitiveness measures”, which was published in the Official Gazette no. 176 of July 30, 2010, brought certain amendments to the administrative surcharge on boarding fees for outbound passengers from Rome's airports, as provided for by Legislative Decree no. 78/2010.

The administrative surcharge, amounting to “up to 1 euro per passenger”, will be applied as of 2011 by the commissioner responsible for administrative management, after approval by Rome City Council. A Memorandum of Understanding, governing collection and payment of the surcharge, is currently being drawn up with the Extraordinary Commissioner appointed by the government and the Municipality of Rome.

- **Amendments to environmental regulations**

Legislative Decree no. 128 of June 29, 2010, "Amendments and additions to Legislative Decree no. 152 of April 3, 2006, regarding environmental regulations, pursuant to art. 12 of Law no. 69 of June 18, 2009", was published in the Official Gazette no. 186 of August 11, 2010. Legislative Decree no. 128/2010 is the third amendment of the Environmental Regulations (Legislative Decree no. 152/2006), which amends Part I (General conditions), Part II (Environmental Impact Assessment, Strategic Environmental Assessment and Integrated Pollution Prevention Control) and Part V (Atmospheric emissions).

- **Legislative amendments regarding tenders**

On September 7, 2010 the Special anti-mafia plan contained in Law no. 136 of August 13, 2010 and published in the Official Gazette of August 23, 2010, came into force.

Specifically, art. 3 requires the tracking of payments relating to contract tenders via obligatory use of bank or post office accounts for payment, including the imposition of fines for any infringements.

Moreover, under penalty of the contract being declared null and void, ADR SpA is obliged to include specific clauses in its contracts reminding contractors and/or sub-concessionaires to comply with obligations regarding the tracking financial transactions, or face cancellation of the contract.

On September 16, 2010 the Administrative Justice Code, contained in Legislative Decree no. 104/2010, came into force.

Of particular interest to ADR is the regulation governing the so-called “Condemnatory action” (art.30). This remedial action provides parties who have incurred damages as the result of an administrative measure with an additional form of recourse to protect their own interests. Interested parties may legitimately bring a condemnatory action, including beyond the customary period for contesting an administrative decision (30 days from the date of the decision), within 120 days of either the date of acknowledgement of the prejudicial measure, or the date on which the event that gave rise to the damages took place.

Another innovation introduced by art. 61 of the Code enables submission of a request to the Regional Administrative Court for the application of precautionary measures to protect a party's interests even before the appeal.

Corporate transactions

On August 6, 2010 the General Meeting of Shareholders of Airport Invest BV, which is fully owned by ADR SpA, approved the advance winding up and liquidation of the company, and appointed Nationale Trust Maatschappij NV as liquidator.

The start of the company's liquidation was recorded in the Register kept at the Amsterdam Chamber of Commerce on August 19, 2010.

Litigation

- Tamoil Italia has cited ADR SpA and SEA, as third parties, in a case before the Civil Court of Milan, which was in turn brought against it by Blu Panorama to obtain reimbursement of a total amount of 0.65 million euros paid between 2003 and 2006 as fuel royalties. The case will be dealt with at a hearing on December 9, 2010.
- Regarding the dispute with the Tax Office relating to the consumption tax and related local surtaxes on electricity, on September 14, 2010 the Regional Tax Commission passed two sentences, both of which were in the Company's favor, regarding the hearing held on June 8, 2010, during which the eight appeals proposed by the Attorney General's Office to revise the sentences handed down in first instance were discussed.
- Regarding the dispute with the Customs Office relating to sales carried out at duty free shops from January 1, 1993 to January 31, 1998, ADR SpA, which firmly maintains its position that there are no grounds for the imposition of such taxation and is convinced of the substantial and formal legitimacy of its behavior, appealed to the Supreme Court against the unfavorable sentence no. 105/35/10 handed down by the Regional Tax Commission.

Financial risk update

Regarding the ratings assigned, ADR SpA continues to be subject to the trigger event and cash sweep restrictions already activated following Standard & Poor's lowering of its rating on November 30, 2007.

As described more extensively in the interim report for the six months ended June 30, 2010, the cash sweep and trigger event have led to greater restrictions on the Company's cash flow management. These include: a) the obligation, as debt service dates approach, to allocate the residual cash available for the repayment/collateralization of repayable/non-repayable debt; and b) an embargo on the payment of dividends.

Moreover, creditors are given the power to: i) obtain any information deemed necessary in relation to the event; ii) take part in devising a recovery plan and the related implementation schedule; iii) appoint an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating.

It should be borne in mind that due to continuation of the cash sweep and trigger event condition, during the first quarter of 2010 the Parent Company, ADR SpA, submitted a new waiver request, which breaks down as follows:

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

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

In compliance with the above-mentioned agreements, on the application date of September 2010 ADR SpA allocated a total of 46.8 million euros to service the two lines of credit. Specifically, 11.7 million euros was allocated for repayment of the bank loan and 35.1 million euros to collateralize the Romulus Tranche A1.

On September 3 2010 ADR SpA drew up another waiver request, which granted extension of the waiver, through to the application date of March 2011 (excluded), of all the restrictions arising from the trigger event, except for: application of the cash sweep, the dividend embargo, independent auditing of the rating recovery plan and financial reporting obligations, where requested by creditors.

GROUP FINANCIAL REVIEW

Reclassified consolidated income statement (€000)

2009		Third Quarter 2010		Third Quarter 2009		Jan.- Sept. 2010		Jan.- Sept. 2009	Change	%
561,814	A.- REVENUES	168,372	100.0%	157,250	100.0%	449,979	100.0%	420,304	29,675	7.1%
5,508	Capitalized costs and expenses	1,843		978		6,237		2,958	3,279	110.9%
567,322	B.- REVENUES FROM ORDINARY ACTIVITIES	170,215		158,228		456,216		423,262	32,954	7.8%
(191,024)	Cost of materials and external services	(54,088)	(32.1%)	(49,132)	(31.2%)	(152,194)	(33.8%)	(141,210)	(10,984)	7.8%
376,298	C.- GROSS MARGIN	116,127	69.0%	109,096	69.4%	304,022	67.6%	282,052	21,970	7.8%
(121,901)	Payroll costs	(29,195)	(17.3%)	(28,521)	(18.1%)	(90,014)	(20.0%)	(90,299)	285	(0.3%)
254,397	D.- GROSS OPERATING INCOME	86,932	51.6%	80,575	51.2%	214,008	47.6%	191,753	22,255	11.6%
(107,858)	Amortization and depreciation	(28,028)		(26,936)		(82,273)		(80,640)	(1,633)	2.0%
(5,935)	Other provisions	(765)		(415)		(1,464)		(4,352)	2,888	(66.4%)
(6,924)	Provisions for risks and charges	324		(338)		(5,135)		(8,210)	3,075	(37.5%)
(62)	Other income (expense), net	(1,130)		(2,350)		(2,334)		(3,771)	1,437	(38.1%)
133,618	E.- OPERATING INCOME	57,333	34.1%	50,536	32.1%	122,802	27.3%	94,780	28,022	29.6%
(68,660)	Financial income (expense), net	(18,417)	(10.9%)	(17,526)	(11.1%)	(54,452)	(12.1%)	(53,589)	(863)	1.6%
(43)	Adjustments to financial assets	0		0		(4)		0	(4)	ns
64,915	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	38,916		33,010		68,346		41,191	27,155	65.9%
(31,841)	Extraordinary income (expense), net	(775)		353		(15,503)		(18,163)	2,660	(14.6%)
33,074	G.- INCOME BEFORE TAXES	38,141		33,363		52,843		23,028	29,815	129.5%
(32,826)	Income taxes for the period	(14,179)		(13,537)		(28,764)		(26,569)	(2,195)	8.3%
4,185	Deferred tax assets	(1,577)		(707)		(1,187)		6,993	(8,180)	(117.0%)
4,433	H.- NET INCOME FOR THE PERIOD	22,385		19,119		22,892		3,452	19,440	563.2%
(731)	including:									
	- Minority interest	(79)		(148)		(182)		(759)	577	(76.0%)
5,164	- Group interest	22,464		19,267		23,074		4,211	18,863	447.9%

The recovery in traffic registered in the last two months of 2009 continued to strengthen during the first nine months of 2010.

The third quarter of 2010, which also benefited from the effects of the peak season, registered a particularly good traffic performance, with the number of passengers up 7.2% and movements up 3.2%.

Revenues are up 7.1% due to the higher volumes of non-aviation activities (up 8.5%) and, to a lesser extent, aviation activities (up 5.8%).

EBITDA, amounting to 86.9 million euros, is up 7.9% on the same period of the previous year, while EBIT has registered an increase of 13.4%.

Net income for the period amounts to 22.5 million euros, compared with the 19.3 million euros reported in the third quarter of 2009.

Thanks to the contribution of the third quarter, traffic at the Roman airport system in the first nine months of 2010, despite the negative repercussions of the Icelandic volcanic eruption in April, registered an overall 5.4% increase in passengers, while movements were substantially in line with the same period of the previous year (down 0.2%).

The volume of consolidated revenues stands at 450.0 million euros, registering an increase of 7.1% on the same period of 2009, thanks to growth in the aviation (up 6.4%) and non-aviation (up 7.8%) segments.

Aviation revenues fully benefited from the good traffic performance, with airport fees rising 7.5%, partly due to being brought into line with inflation, and security service revenues up 8.3%. Revenues deriving from assistance to passengers with reduced mobility are up 9.2%, reflecting the higher number of passengers served and an increase in the fees charged for this service.

Non-aviation revenues, which are up 7.8%, were boosted by an additional grant of 2.6 million euros for state-funded works compared with the same period of 2009. Without this component, non-aviation revenues are up 6.9%, primarily due to the rise in direct sales (up 8.5%) and an increase in income from sub-concessions and utilities, driven by the relaunch of the "Food & Beverage" segment and higher real estate rentals (the new office building and the Alitalia technical area). Management of parking systems also registered a good performance, with car parking revenue up 11.9% thanks to traffic growth and a new pricing policy. However, advertising revenue has continued to fall (down 2.5%).

Capitalized costs and expenses also grew, rising 3.3 million euros with respect to the same period of 2009, reflecting investment by the Group. "Revenues from ordinary activities" are therefore up 7.8%.

The cost of materials and external services is up by a total of 6.1%, which rises to 7.8% if "costs relating to financed works", regarding the portion of state-funded works at departure area F, are included. This is primarily due to the combined effect of:

- in terms of raw materials and goods for resale, an increase in the cost of goods for resale and in the cost of purchasing electricity, primarily due to price rises;
- in terms of external services, increased cleaning costs relating to service quality improvements, partly offset by lower maintenance costs and a reduction in the concession fee deriving from the abolition of increases to this fee as of 2010.

Payroll costs are substantially in line with the same period of 2009 (down 0.3%) due to a decrease in the average workforce (down 17.2), arising from the restructuring plan currently being implemented and an improved staff mix, partly offset by higher costs deriving from renewal of the labor contract, which came into force in January 2010.

The increase in operating costs (up 4.6%, compared with 7.8% growth in revenues) thus results in gross operating income of 214.0 million euros, up 11.6% on the same period of the previous year. This results in an increase in the gross operating profit margin from 45.6% to 47.6%.

Thanks to lower provisions for doubtful accounts and for risks and charges, totaling 6.0 million euros, operating income of 122.8 million euros is up 29.6% on the first nine months of 2009.

Net financial expense is up slightly (1.6%) on the same period of 2009, albeit accounting for a lower proportion of revenues (down from 12.8% to 12.1%). This derives from an increase in interest expense on Class A4 which has been charged at a fixed rate (6.4%) since December 2009, only partly offset by the reduction in financial charges for Classes A2 and A3, which are subject to a floating rate of interest, and lower swap differentials.

Pre-tax income was impacted by further provisions of 14 million euros being recognized in extraordinary expenses to cover charges arising from litigation with the Customs Office. The additional provisions were made following the Regional Tax Commission's decision to turn down the appeal lodged by the Parent Company, ADR. For further information see the interim report for the six months ended June 30, 2010.

Extraordinary items in the comparative period of 2009 included estimated restructuring charges of 19.5 million euros.

Consequently, the ADR Group reports net income of 23.1 million euros for the first nine months of 2010, compared with the 4.2 million euros registered in the same period of 2009.

Reclassified consolidated balance sheet (€000)

30-09-2009		30-09-2010	31-12-2009	Change
	A. - NET FIXED ASSETS			
1,949,686	Intangible fixed assets *	1,924,745	1,948,422	(23,677)
167,347	Tangible fixed assets	187,630	168,907	18,723
3,417	Non - current financial assets	3,434	3,419	15
<u>2,120,450</u>		<u>2,115,809</u>	<u>2,120,748</u>	<u>(4,939)</u>
	B. - WORKING CAPITAL			
22,818	Inventory	22,123	21,464	659
211,946	Trade receivables	225,696	203,143	22,553
68,703	Other assets	53,857	48,179	5,678
(128,499)	Trade payables	(168,562)	(140,437)	(28,125)
(47,681)	Allowances for risks and charges	(71,008)	(54,763)	(16,245)
(139,316)	Other liabilities	(128,273)	(120,819)	(7,454)
<u>(12,029)</u>		<u>(66,167)</u>	<u>(43,233)</u>	<u>(22,934)</u>
2,108,421	C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,049,642	2,077,515	(27,873)
31,559	D. - EMPLOYEE SEVERANCE INDEMNITIES	28,491	28,523	(32)
<u>2,076,862</u>	E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	<u>2,021,151</u>	<u>2,048,992</u>	<u>(27,841)</u>
	financed by:			
727,008	F. - SHAREHOLDERS' EQUITY	751,035	727,961	23,074
789	- Group interest	633	816	(183)
<u>727,797</u>	- Minority interest	<u>751,668</u>	<u>728,777</u>	<u>22,891</u>
1,490,611	G. - MEDIUM/LONG-TERM BORROWING	1,461,899	1,482,111	(20,212)
	H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
8,863	.Short-term borrowing	17,826	25,458	(7,632)
(150,409)	.Cash and current receivables	(210,242)	(187,354)	(22,888)
<u>(141,546)</u>		<u>(192,416)</u>	<u>(161,896)</u>	<u>(30,520)</u>
1,349,065	(G+H)	1,269,483	1,320,215	(50,732)
<u>2,076,862</u>	I. - TOTALE AS IN "E" (F+G+H)	<u>2,021,151</u>	<u>2,048,992</u>	<u>(27,841)</u>
<u>1,712,606</u>	(*) including the value of the concession totaling	<u>1,663,322</u>	<u>1,700,285</u>	<u>(36,963)</u>

As of September 30, 2010 the Group's invested capital amounts to 2,021.2 million euros, representing a decrease of 27.8 million euros compared with the end of the previous year, due to fixed assets and working capital.

Net fixed assets decreased by 4.9 million euros compared with December 31, 2009 as investments, although up on the period under comparison, were less than depreciation for the period.

Working capital has registered a sharp fall (down 22.9 million euros) with respect to December 31, 2009, primarily due to:

- an increase of 28.1 million euros in trade payables as a result of investment carried out;
- an increase of 16.2 million euros in provisions for risks and charges, which include further provisions (14.0 million euros) for litigation with the Customs Office;
- an increase of 7.4 million euros in "Other liabilities" as a result of the combined effect of an increase of 6.8 million euros in the amount due for firefighting services and the estimated cost for the period of accrued expenses relating to advanced billing of sub-concessionaire fees (up 9.0 million euros), partly offset by reductions in the amount due for the municipal surtax (down 3.1 million euros) and in amounts payable to staff (down 4.5 million euros).

The improvement in working capital was partly mitigated by an increase of 22.6 million euros in trade receivables, deriving from the non-collection of grants to cover the expenses incurred in carrying out partly state-funded works in departure area F, as well as from turnover growth. No payments were received from Alitalia under special administration, which has outstanding payables due to the Group amounting to around 28.1 million euros.

Working capital also includes 8.5 million euros in bad debts due from Eas-AzCai and Aviapartner Handling. These regard fees payable for utilizing common use assets in the provision of handling services, and to date disputed by the debtors on various grounds. In view of the results of the actions taken so far, the above amounts are not expected to be recoverable in the short term.

"Other assets" are also up 5.7 million euros, primarily due to higher tax credits deriving from payment of installments during the period of the tax assessment relating to the current litigation with the Customs Office (up 4.9 million euros).

In terms of funding, the reduction in invested capital is reflected in a 50.7 million euro decrease in net debt, which stands at 1,269.5 million euros as of September 30, 2010. Shareholders' equity, on the other hand, is up 22.9 million euros, reflecting the net income reported for the period.

Consolidated net debt (€000)

30-09-2009		30-09-2010	31-12-2009	Change
(2,758)	Titles - Bonds	(2,758)	(2,758)	0
293,350	Due to banks	264,638	284,850	(20,212)
1,200,019	Due to other financial institutions:	1,200,019	1,200,019	0
<u>1,490,611</u>	A- MEDIUM/LONG -TERM BORROWING	<u>1,461,899</u>	<u>1,482,111</u>	<u>(20,212)</u>
1,686	Due to banks	10,065	11,541	(1,476)
<u>7,177</u>	Due to other financial institutions	<u>7,761</u>	<u>13,917</u>	<u>(6,156)</u>
8,863	Short-Term Borrowing	17,826	25,458	(7,632)
(52,021)	Receivables due from others	(55,932)	(51,616)	(4,316)
<u>(98,388)</u>	Cash on hand and in banks	<u>(154,310)</u>	<u>(135,738)</u>	<u>(18,572)</u>
<u>(150,409)</u>	Cash and current receivables	<u>(210,242)</u>	<u>(187,354)</u>	<u>(22,888)</u>
<u>(141,546)</u>	B- NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)	<u>(192,416)</u>	<u>(161,896)</u>	<u>(30,520)</u>
<u>1,349,065</u>	NET DEBT (A+B)	<u>1,269,483</u>	<u>1,320,215</u>	<u>(50,732)</u>

A 20.2 million euros reduction in the medium/long-term component of net debt was reported, including the repayment of 11.7 million euros of the bank loan at the September application date, and the reclassification to short-term debt of the 8.5 million euros portion of the Banca BIIS loan falling due in March and September 2011.

The short-term component of debt has fallen 30.5 million euros overall, as a result of:

- a 1.5 million euros reduction in amounts due to banks, essentially due to the lesser short-term exposure of the subsidiary undertaking, ADR Advertising SpA (down 1.1 million euros); reclassification of portions of the Banca BIIS loan falling due in March and September 2011, amounting to 8.5 million euros, were offset by the repayment of portions of the BIIS loan falling due in March and September 2010, totaling the same amount;
- a reduction in amounts due to other financial institutions, following payment of interest;
- an 18.6 million euros rise in cash and current receivables, reflecting an increase in operating cash flow.

The Group's cash on hand and in banks, totaling 154.3 million at September 30, 2010, includes the balance of the "loan collateral" account which, at the September 2010 application date, contained 35.1 million euros allocated for collateralization of the Romulus Tranche A1.

Statement of consolidated cash flows (€000)

2009		Jan.-Sept. 2010	Jan.-Sept. 2009
<u>171,423</u>	A.- NET CASH AND CASH EQUIVALENTS - opening balance	<u>161,896</u>	<u>171,423</u>
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
4,433	Net income (loss) for the period	22,892	3,452
107,858	Amortization and depreciation	82,273	80,640
(23)	(Gains) losses on disposal of fixed assets	(3)	(18)
(3)	(Revaluations) write-downs of fixed assets	(3)	(3)
(38,230)	Net change in working capital	22,934	(69,434)
<u>(8,869)</u>	Net change in employee severance indemnities	<u>(32)</u>	<u>(5,833)</u>
<u>65,166</u>		<u>128,061</u>	<u>8,804</u>
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(45,534)	.intangible	(43,371)	(24,252)
(18,563)	.tangible	(34,048)	(11,888)
(2,764)	.financial	(15)	(2,762)
675	Proceeds from disposal, or redemption value of fixed assets	106	227
<u>(66,186)</u>		<u>(77,328)</u>	<u>(38,675)</u>
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
0	Repayments of loans	(11,713)	0
(8,500)	Buy-back of shares	(8,500)	0
<u>(8,500)</u>		<u>(20,213)</u>	<u>0</u>
<u>(7)</u>	E.- DIVIDENDS PAID	<u>0</u>	<u>(6)</u>
<u>(9,527)</u>	F.- CASH FLOW FOR THE PERIOD (B+C+D+E)	<u>30,520</u>	<u>(29,877)</u>
<u>161,896</u>	G.- NET CASH AND CASH EQUIVALENTS - closing balance (A+F)	<u>192,416</u>	<u>141,546</u>

After the payment of borrowing costs, the Group's operating cash flow amounted to 128.1 million euros in the first nine months of 2010, with a sharp rise compared with the same period of 2009, reflecting both improved profit margins and the improvement in working capital.

These internally generated resources enabled the Group to fully cover the growing cost of self-financed investment during the period, totaling 77.3 million euros, as well as an 11.7 million euros repayment relating to the bank loan.

Adjusted for the portion of medium-/long-term loans falling due in the short term, the Group recorded a net cash inflow of 30.5 million euros during the period, increasing net cash and cash equivalents to 192.4 million euros as of September 30, 2010.

Analysis of net debt

(€000)

2009		Jan.-Sept. 2010	Jan.-Sept. 2009
(1,321,946)	A.- NET FINANCIAL BORROWING - opening balance	(1,320,215)	(1,321,946)
254,397	EBITDA	214,008	191,753
(72,451)	Net change in operating working capital	3,443	(92,963)
(8,869)	Net change in employee severance indemnities	(32)	(5,833)
(85)	Other income (exp.), net	(2,331)	(3,789)
(23,719)	Extraordinary income (exp.), net	(14,748)	(7,617)
(40,201)	Current taxes paid	(24,188)	(27,849)
25,091	Other assets/liabilities (included allowances for risks and charges)	6,986	9,633
134,163	B.- OPERATING CASH-FLOW	183,137	63,335
(64,103)	Capex (tangibles, intangibles and financial)	(77,434)	(36,144)
675	Proceeds from disposal, or redemption value of fixed asset	106	227
70,735	C.- FREE CASH-FLOW	105,809	27,419
(68,997)	Financial income (exp.), net	(55,077)	(54,531)
(7)	Dividends paid	0	(6)
1,731	D.- NET CASH-FLOW	50,732	(27,119)
1,731		50,732	(27,119)
(1,320,215)	E.- NET BORROWING - closing balance (A+D)	(1,269,483)	(1,349,065)

EVENTS AFTER SEPTEMBER 30, 2010

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

Data as of October 31, 2010 and changes with respect to the same period of 2009²

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	323.713	278.036	45.677	131.099	192.614
D% vs PY	+0,2%	+1,3%	-6,0%	-6,6%	+5,4%
Mtow	25.310.616	23.091.212	2.219.404	8.119.264	17.191.352
D% vs PY	+3,4%	+4,3%	-5,6%	-4,5%	+7,5%
Total Pax	34.824.429	30.996.578	3.827.851	11.363.136	23.461.293
D% vs PY	+5,9%	+7,6%	-6,1%	-1,3%	+9,7%
Freight (Kg)	142.831.376	128.289.002	14.542.374	4.666.743	138.164.633
D% vs PY	+22,9%	+25,4%	+4,3%	-6,8%	+24,2%

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

	International	Intl' EU	Intl' Extra EU
Movements	192.614	128.595	64.019
D% vs PY	+5,4%	+3,8%	+8,6%
Mtow	17.191.352	9.035.026	8.156.326
D% vs PY	+7,5%	+6,2%	+9,0%
Total Pax	23.461.293	14.800.633	8.660.660
D% vs PY	+9,7%	+7,0%	+14,7%
Freight (Kg)	138.164.633	25.907.137	112.257.496
D% vs PY	+24,2%	+5,5%	+29,5%

Thanks to the contribution from the month of October (passengers up 10.0% and movements up 4.1%), in the first ten months of 2010 the Roman airport system saw passenger traffic rise 5.9% on the same period of 2009. This reflects increases in both capacity (movements up 0.2% and tonnage up 3.4%) and the load factor (up 2.3%).

This performance was driven by the rise in International traffic (up 9.7%), offset by a slight fall in the Domestic component (down 1.3%).

Fiumicino airport recorded passenger growth of 7.6% which, like the airport system as a whole, was also accompanied by increases in capacity (movements up 1.3% and tonnage up 4.3%) and the *load factor* (up 2.6%).

Ciampino has registered an overall decline in passengers of 6.1% since the beginning of the year.

² Provisional data.

OUTLOOK

The positive performance of traffic using the Roman airport system during the first nine months of 2010 is expected to continue for the remainder of the year.

Updated forecasts for the end of the year, based on the current state of affairs, lead us to expect that the Group will be able to build on the positive trend of the first nine months of 2010.

Net debt is forecast to remain substantially in line with the figure reported at the end of the third quarter.

Waiting for a new and satisfactory tariff system, governing the regulated component, that permits to restore investment grade rating and to raise the necessary funds on the financial markets to refinance existing debt and implement investment program, attention will be focused temporarily on eliminating the risks connected with the binding repayment plan for the debt falling due.

THE BOARD OF DIRECTORS