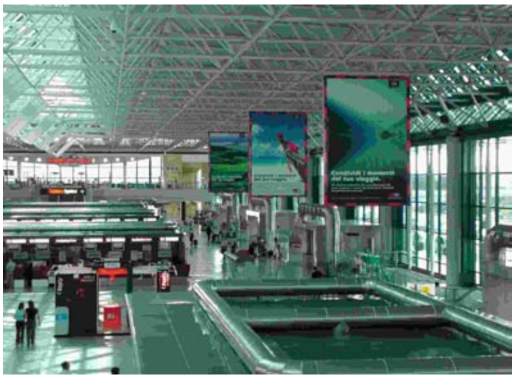
Aeroporti di Roma



QUARTERLY REPORT OF THE ADR GROUP as of September 30, 2004

Aeroporti di Roma Società per Azioni
Registered office in Fiumicino (Rome) - Via dell'Aeroporto di Fiumicino, 320
Fully paid-in capital stock €62,224,743

www.adr.it

CONTENTS

CORPORATE OFFICERS

Aeroporti di Roma S.p.A.

Board of Directors
(after the General Meeting and Board of Directors' meeting of March 24, 2003, the Board of Directors' meeting of January 16, 2004, the General Meeting of April 29, 2004 and the Board of Directors' meeting of May 3, 2004)

Chairman	Federico Falck *(from January 16, 2004) (*)* Achille Colombo *(until January 14, 2004) (**)*
Deputy Chairman	Paolo Savona *(*)*
Managing Director	Francesco Di Giovanni *(from May 3, 2004)*
Directors	Marcus Charles Balmforth *(*)* Martyn Booth Andrea Ciffo Federico Falck *(Chairman from January 16, 2004) (*)* Nicholas Moore Cesare Pambianchi John Stuart Hugh Roberts Pier Giorgio Romiti *(*)* Cesare Romiti Massimo Scarpelli Francesco Sensi Alessandro Triscornia *(until March 22, 2004)*
Secretary	Massimo Faccioli Pintozzi

(*) member of the Executive Committee until May 3, 2004
(*) member of the Executive Committee until January 14, 2004

Board of Statutory Auditors

	until the Shareholders' Meeting of June 4, 2004	*after the Shareholders' Meeting of June 4, 2004*
Chairman	Fabrizio Rimassa	Fabrizio Rimassa
Statutory Auditors	Francesco Ricco Giancarlo Russo Corvace Emanuele Torrani Luigi Tripodo	Roberto Ascoli Giuseppe Cappella Giorgio Palasciano Luigi Tripodo
Alternate Auditors	Roberto Ascoli Franco Fontana	Giorgio Bovi Guido Zavadini

General Manager	Enrico Casini *(until March 15, 2004)*

Independent Auditors	Deloitte & Touche S.p.A.

ADR GROUP: CONSOLIDATED ACCOUNTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in thousands of euros)

	Third Quarter 2004	Jan.-Sept. 2004	Third Quarter 2003	Jan.-Sept. 2003
Revenues from sales and services	154,217	416,359	142,058	378,049
Contract work in progress	633	737	607	5,230
A.- REVENUES	154,850	417,096	142,665	383,279
Capitalized costs and expenses	798	2,143	849	2,427
B.- REVENUES FROM ORDINARY ACTIVITIES	155,648	419,239	143,514	385,706
Cost of materials and external services	(40,977)	(114,160)	(38,706)	(112,914)
C.- GROSS MARGIN	114,671	305,079	104,808	272,792
Payroll costs	(37,139)	(117,035)	(35,565)	(112,186)
D.- GROSS OPERATING INCOME	77,532	188,044	69,243	160,606
Amortization and depreciation	(23,636)	(69,892)	(24,141)	(72,099)
Other provisions	(5,522)	(6,453)	(147)	(264)
Provisions for risks and charges	(1,468)	(7,691)	(2,562)	(3,550)
Other income (expense), net	1,298	(407)	(1,849)	(4,848)
E.- OPERATING INCOME	48,204	103,601	40,544	79,845
Financial income (expense), net	(24,639)	(73,384)	(24,957)	(72,582)
Adjustments to financial assests	1,742	3,936	1,836	9,151
F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	25,307	34,153	17,423	16,414
	0			
Extraordinary income (expense), net	(1,406)	(3,102)	123	(4,559)
G.- INCOME BEFORE TAXES	23,901	31,051	17,546	11,855
Income taxes for the period	(13,072)	(23,396)	(5,714)	(11,652)
Deferred tax assets	651	712	(1,476)	(1,771)
H.- NET INCOME FOR THE YEAR	**11,480**	**8,367**	**10,356**	**(1,568)**
including:				
- **Parent Company's Interest**	**10,829**	**6,304**	**9,236**	**(5,665)**
- Minority interest	651	2,063	1,120	4,097

RECLASSIFIED CONSOLIDATED BALANCE SHEET
(in thousands of euros)

	09-30-2004	06-30-2004	12-31-2003
A. - NET FIXED ASSETS			
Intangible fixed assets *	2,151,811	2,166,252	2,190,783
Tangible fixed assets	106,028	104,277	100,369
Non - current financial assets	130,325	140,791	127,611
	2,388,164	2,411,320	2,418,763
B. - WORKING CAPITAL			
Inventory	21,715	22,731	22,351
Trade receivables	158,682	159,712	137,205
Other assets	38,360	39,366	39,080
Trade payables	(112,965)	(118,342)	(121,207)
Allowances for risks and charges	(29,440)	(28,878)	(27,842)
Other liabilities	(68,910)	(66,088)	(52,305)
	7,442	8,501	(2,718)
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,395,606	2,419,821	2,416,045
D. - EMPLOYEE SEVERANCE INDEMNITIES	67,502	66,947	66,576
E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	**2,328,104**	**2,352,874**	**2,349,469**
financed by:			
F. - SHAREHOLDERS' EQUITY			
- Parent Company's interest	699,843	694,147	689,030
- minority interest	21,793	22,103	20,291
	721,636	716,250	709,321
G. - MEDIUM/LONG-TERM BORROWING	1,745,019	1,745,019	1,745,019
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
.Short-term debt	12,593	3,539	16,052
.Cash and current receivables	(151,144)	(111,934)	(120,923)
	(138,551)	(108,395)	(104,871)
(G+H)	1,606,468	1,636,624	1,640,148
I. - TOTALE AS IN "E" (F+G+H)	**2,328,104**	**2,352,874**	**2,349,469**
(*) including the value of the concession totaling	*1,959,025*	*1,971,346*	*1,995,988*

MANAGEMENT REPORT FOR THE THIRD QUARTER OF 2004

OPERATING REVIEW

Group operations

A review of operations during the third quarter of 2004 in the various areas of business in which the Group is involved is provided below.

Aviation activities

An analysis of traffic figures for the Roman airport system for the third quarter of 2004, compared with the same period of 2003, revealed the following performance, broken down by airport – Fiumicino and Ciampino – and segment – domestic and international:

Data for the period July-September 2004 *(The figures in brackets indicate the percentage change with respect to the previous year)*

Traffic component	SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	94,994	82,962	12,032	44,745	50,249
	(+5.1%)	*(+3.0%)*	*(+21.8%)*	*(-1.3%)*	*(+11.4%)*
Aircraft tonnage	6,797,165	6,299,663	497,502	2,492,464	4,304,701
	(+4.6%)	*(+3.7%)*	*(+17.7%)*	*(-4.9%)*	*(+11.0%)*
Total passengers	8,984,658	8,258,655	726,003	3,410,836	5,573,822
	(+9.7%)	*(+7.8%)*	*(+38.3%)*	*(-0.8%)*	*(+17.4%)*
Total freight (tons)	38,324	33,001	5,323	3,388	34,936
	(+8.2%)	*(+7.2%)*	*(+14.8%)*	*(-32.3%)*	*(+14.8%)*

International traffic is further broken down in terms of EU or non-EU traffic.

Traffic component	International	EU	Non-EU
Movements	50,249	34,535	15,714
	(+11.4%)	*(+19.5%)*	*(-3.0%)*
Aircraft tonnage	4,304,701	2,340,658	1,964,043
	(+11.0%)	*(+21.6%)*	*(+0.6%)*
Total passengers	5,573,822	3,616,993	1,956,829
	(+17.4%)	*(+25.2%)*	*(+5.2%)*
Total freight (tons)	34,936	10,522	24,414
	(+14.8%)	*(+62.3%)*	*(+2.0%)*

Monthly trends in passenger traffic during the period under consideration (for the whole Roman airport system) break down as follows:

July up 11.6%
August up 9.3%
September up 8.3%

Continued growth at Fiumicino confirms the airport's ranking as the best performing of Europe's leading airports (ACI Europe data – August 2004). Such growth was primarily due to improved load factors and increased capacity (movements rose 3.0% and aircraft tonnage 3.7%), which resulted in an overall increase of 7.8% in the total number of passengers.

New services launched during the third quarter of 2004 included an Alitalia route to Boston and the start-up of a route to Copenhagen operated by Maersk and one to Lugano operated by Darwin Airline.

Passenger traffic at Ciampino airport rose by 38.3% during the third quarter of 2004, compared with the same period of 2003. Growth continued to be concentrated in the low-cost segment, which saw an increase in services with the opening in July of a daily flight to Dortmund operated by EasyJet, and two new daily flights operated by Ryanair at the end of September.

Overall traffic performance during the first nine months of 2004 and changes with respect to the same period of 2003 are shown in the following table:

Data up to September 30, 2004 *(The figures in brackets indicate the percentage change with respect to the previous year)*

Traffic component	SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	264,726	231,830	32,896	128,597	136,129
	(+4.4%)	*(+2.6%)*	*(+18.7%)*	*(-1.2%)*	*(+10.2%)*
Aircraft tonnage	18,740,143	17,365,961	1,374,182	7,303,167	11,436,976
	(+3.0%)	*(+1.8%)*	*(+20.3%)*	*(-2.3%)*	*(+6.7%)*
Total passengers	23,226,637	21,380,381	1,846,256	9,519,983	13,706,654
	(+10.7%)	*(+8.8%)*	*(+39.7%)*	*(+1.2%)*	*(+18.5%)*
Total freight (tons)	113,605	98,079	15,526	10,520	103,085
	(+4.2%)	*(+3.9%)*	*(+6.3%)*	*(-30.8%)*	*(+9.9%)*

International traffic is further broken down in terms of EU or non-EU traffic.

Traffic component	International	EU	Non-EU
Movements	136,129	92,592	43,537
	(+10.2%)	*(+15.9%)*	*(-0.2%)*
Aircraft tonnage	11,436,976	6,226,746	5,210,230
	(+6.7%)	*(+16.1%)*	*(-2.7%)*
Total passengers	13,706,654	8,892,883	4,813,771
	(+18.5%)	*(+22.3%)*	*(+12.1%)*
Total freight (tons)	103,085	30,159	72,926
	(+9.9%)	*(+43.6%)*	*(+0.2%)*

Analysis of the above data confirms the growth trend seen during the first half of the year compared with the same period of 2003, which was negatively impacted by the war in Iraq and the SARS epidemic.
Passenger traffic rose by 10.7%, only partly on the back of increased capacity (with movements up 4.4% and aircraft tonnage up 3.0%).

Aviation revenues during the third quarter amounted to 98.6 million euros (91.6 million euros in the third quarter of 2003), with a total of 264.7 million euros during the first nine months of the year (240.9 million euros during the corresponding period of 2003).

During the third quarter of 2004, revenues from airport fees, which are directly correlated with airport traffic, rose by 8.0%, confirming the trend reported during the first half of the year (up 7.9%).

Management of centralized infrastructures generated revenues of 9.8 million euros in the third quarter of 2004, up 14.4% compared with the same period of 2003. This was due to good traffic performance, and also to the positive impact of new intercontinental flights from June.
Revenue growth during the first nine months of 2004 came in lower at 5.1%. This was due to the fact that the new "night parking" fees for use of loading bridges were implemented in August 2003, and only partly affected revenues during the period January-September 2003.

During the period January-September 2004, the automated baggage handling system processed around 4,325,000 pieces of baggage (up 18.5% compared with the same period of 2003), with the number of misdirected pieces of luggage totaling 0.205% (0.068% in 2003).

For details of the performance of passenger and ramp services and baggage handling, please refer to the section on ADR Handling SpA (ADRH).

With regard to security activities carried out by the Parent Company, ADR, in compliance with EU regulations, training activities regarding the issue of a security certificate were begun during the quarter. This certificate has become obligatory for all airport staff who, as they operate beyond customs control, need an airport entry permit.

Security checks on the carry-on baggage of transit passengers originating in Italy and heading for destinations in Schengen countries were abolished as of May 21, 2004, pursuant to Civil Aviation Authority Ruling no. 5 of May 20, 2004.

During the third quarter of 2004, security activities generated revenues of 14.7 million euros, up 3% compared with 2003. Revenues for the first nine months of the year, totaling 39.2 million euros, are not comparable with the same period of the previous year (28.9 million euros) as the new 100% security screening service for hold baggage was charged to carriers only as of June 3, 2003, even though the service was provided from February 1, 2003.

Regarding operational safety activities, the Civil Aviation Authority certification team completed checks at Fiumicino on compliance with the certification obtained in 2003.

In order to avoid operating difficulties during peak traffic periods, the layout of certain parking areas was reorganized; this enabled an increase in the number of available aircraft aprons.

A working group was set up with the Civil Aviation Authority, the local airport authority and leading carriers to agree on changes to infrastructure and procedures aimed at improving airport capacity and punctuality in 2005.

Preparation of documentation began at Ciampino Airport regarding Civil Aviation Authority certification which, pursuant to "Airport Construction and Operating Regulations", should be completed by November 2004.

Real estate management

Revenues from sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amounted to 19.5 million euros during the first nine months of 2004, up 7.8% compared with the same period of 2003.

In particular, key developments during the period included:
- sub-concession of an area of 1,400 square meters to the freight operator, Alha, for storage use;
- an increase in the office and storage space used by Nuance;
- the drawing up of a contract with Vodafone, which establishes a new pricing policy for mobile telephone operators;
- start-up of the sub-concession of the "Catering Ovest" premises to LSG Sky Chefs.

Revenues from royalties at Fiumicino totaled 13.1 million euros, compared with 12.2 million euros in the same period of the previous year. This rise was primarily due to greater earnings from aviation fuel and also to higher fees, introduced as of June 2003, resulting from a new type of commercial agreement with chauffeur-driven hire car operators. Royalties also benefited from improved performance of the airport hotel and of the services provided by aircraft catering suppliers.

Management of the parking systems at Fiumicino and Ciampino airports brought in revenues of 7.2 million euros in the third quarter and of 19.3 million euros in the period January-September 2004, up by 14.9% and 18.2%, respectively, compared with the same periods of 2003. This increase was due to price trends and, to a lesser extent, passenger traffic performance, even though the latter experienced limited growth in the domestic component.

Maintenance activities to guarantee the reliability of airport infrastructure, including the new Cargo City, continued during the quarter.

Procedures are underway to put the contract for maintenance of airside green spaces at Fiumicino and Ciampino out to tender. The new contract is expected to be awarded during the last quarter of 2004.

During the period under consideration, the two-year contract for the cleaning of Lot 3 at Fiumicino (airport buildings) was awarded; activities will begin in November. Procedures are underway to put out to tender contracts for the management of airport canteens and two-year contracts for the cleaning of Lot 1 at Fiumicino (Terminals A and B) and Lot 4 at Ciampino.
In addition, activities continued regarding the award of a new contract for external cleaning and waste collection.

Non-aviation activities

The third quarter of 2004 saw a rise of 0.6% in revenues from direct sales, which meant the figure for the nine months to September 30 was up 5.1% on the same period of 2003.

The slowdown in sales is partly due to the continued weakness of the dollar against the euro, which contributed to reduced spending by non-Schengen international passengers, and also to the reduction in outlets caused by the delayed opening of a new shop in the non-Schengen area (which started operations at the end of August) and inefficiency in stock management logistics.

Negative factors contributing to the decline in performance reported mainly in the non-Schengen area, especially at the Satellite, included increased average waiting times for security and passport checks. The process of identifying the necessary corrective measures began.

With a view to boosting revenues, the introduction of new products, which do not interfere with the core offering, is being considered in all areas.

Revenues from outlets managed by sub-concessionaires registered an increase of 15.3% compared with the third quarter of 2003. The retail sector posted a rise of 17.9%, achieved thanks to the opening of new outlets (Imaginarium, Parah) and to certain Nuance shops (Cult, Emporio Armani, Delizie, Giramondo), which were closed for renovation during the same period of 2003. The food and beverage sector was up by 14.2% and the "Other royalties" sector by 5.0% (the new currency exchange businesses, Travelex and Maccorp, which replaced the previous concessionaire in April, are gradually starting up operations).

The refreshment supplier Cisim Food (in liquidation since April 2003) is continuing to operate normally for the time being. Appraisal of potential replacements for this supplier is in progress.

Revenues from the sale of advertising space grew by 12.5% with respect to the third quarter 2003 (up 6.5% during the first nine months of 2004), primarily due to significant commercial improvements in the domestic terminal and the Schengen area and to efforts designed to slow the downturn in sales in the non-Schengen area.

Technical and IT services

During the third quarter of 2004, management and maintenance activities of existing infrastructures and facilities were continued to guarantee reliability and provide quality services in line with customer expectations and leading European airports.

The most important initiatives carried out during the period include:

- construction of the control platform for heating and air conditioning equipment, which is nearing completion;
- continuation of activities to upgrade hold baggage screening at Terminals "B" and "C"; the start-up of work on construction of a second-level security screening system for Terminal "C";
- the launch of procedures to award a contract for upgrading of the BHS (Baggage Handling System) located in the Europa Pier;
- continuation of ALCE project activities regarding the domestic flight baggage handling area:
- the signing of contracts regarding the management and improvement of the baggage handling system (BHS);
- the start-up of work on upgrading AVL equipment to guarantee landings on runway head 16R in CAT III and take-offs on runway head 25 with RVR< 350;
- replacement of optical guidance systems in the Europa Pier with laser technology.

Work on the technological and functional upgrading of IT systems led to implementation of the following systems during the third quarter of 2004:

- *New Handling Cargo System (HCS):* the system was launched at the same time as the start-up of the Cargo City, which will be fully up and running by the end of 2004.
- *New "Sales Cycle" Management System:* Work carried out was aimed at automating data feed for key corporate processes. During the quarter, work began on the new freight system (HCS) interface with the active billing SAP SD module. In particular, the "ready cash" freight facility was activated.
- *New technologies for the development of applications:* The purpose of this project is to introduce new technological standards (operating systems, languages, support modules) for the development of applications. Activities continued on construction of a software module for the airport database (ADBM – Airport Data Base Machine), which will be completed by the end of 2004 with application of the new technology in the re-engineeering of airport systems.
- *New airport operations management system (UFIS):* The acquisition and personalization of management modules for airport infrastructure and passenger handling, as well as the acquisition of a wireless module for the system (Grams), which will enable real-time gathering of operational data, continued. Completion of these activities is expected by the end of the first half of 2005.

Environmental protection

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

In September, following expiry of certification, the certifying body, Dasa - Rägister, carried out at a check at Ciampino airport. Full compliance with EMS standards was confirmed and certification was renewed for a further three-year period.

Ongoing monitoring of electromagnetic fields at Fiumicino, and the second phase of air quality monitoring, which is scheduled to be completed by the end of 2004, continued.

Preparation of ADR's first Environmental Report continued at both airports. This document will be distributed internally and externally.

Quality

The second phase of customer satisfaction surveys at Fiumicino, carried out between July 24 and August 27, 2004 and involving 2,942 interviews with passengers, reported an improvement in the overall score from passengers compared with the same phase of 2003 (4.83 compared with 4.81), but a drop in comparison with the score of 4.89 reported during the first phase of the year (with possible scores ranging from 1-very bad to 6-excellent).

Fiumicino is still reckoned to be the best Italian airport, while with respect to other leading European airports it fell by one place to seventh compared with the previous phase, whilst remaining in the same place with respect to the same phase in 2003.

The levels of customer satisfaction reported were primarily due to decreases at Terminal C (4.83 against 4.93 last spring) and the departures area, in particular the Satellite (4.80 compared with 4.91). On the contrary, at Terminals A and B the most penalized area was arrivals. Terminal B registered the best performance (4.85 against 4.87), while Terminal A achieved 4.83 compared with 4.78 during the previous phase.
Overall, the service components that had a negative impact on customer satisfaction were waiting times and the availability of facilities and equipment.

In addition, it should be pointed out that satisfaction with Terminals A and B improved in comparison with the summer of 2003 when scores of 4.81 and 4.76, respectively, were achieved.

Daily surveys by ADR personnel of the quality levels of the main services provided at Fiumicino continued.

The surveys reported an average-to-good overall level for the services provided at Fiumicino, although they were in gradual decline compared with the first half of the year and in line with levels of customer satisfaction. Indeed, some critical areas remain regarding indicators for aviation activities, where performance is not up to Service Charter standards.

A more detailed analysis of quality levels reveals that:

- Baggage reclaim times met the standard set in 77.5% of cases for the first piece of baggage and 78.1% for the last, compared with 90.6% and 91.1%, respectively, during the first half of the year (the standard is 90%);
- The percentage of incoming flights arriving more than 15 minutes late was 21.7% against 27.1% in the first half of 2004, while the percentage of outgoing flights leaving more than 15 minutes late was 30% against 27.4%.
  Consequently, the "recovery of airport transit time" indicator (the difference between delays to incoming and outgoing flights with respect to scheduled times) fell below the projected figure (plus 1%), and the "percentage of delayed outgoing flights" indicator exceeded the set standard of 25% by five points;
- The average passenger check-in waiting time was 10 minutes and 4 seconds, greater than the figure reported for the first half of 2004 (7 minutes and 34 seconds) and below the standard stipulated in the Service Charter (6 minutes).

Group investment

During the quarter under consideration the ADR Group carried out investment totaling 11.5 million euros, with a total of 38.2 million euros in the first nine months of 2003 (6.5 million euros and 37.0 million euros, respectively, in the same periods of 2003).

The following infrastructure development projects are underway within the framework of the implementation program:

- *infrastructure:* Cargo City freight movement system and works to upgrade warehouses and offices (emergency power supply; transfer of public authority and ADR offices; freight entry/warehouse security checkpoints; construction of offices - Level 2, common services building); 5th module of the multi-story car park; extension of long-stay car park - phase 2; construction of new first floor car rental company premises; extraordinary maintenance on airport road network;
- *Terminals:* Pier B, upgrading of outlet 5;
- *Plant:* second phase works on the tunnel network;
- *Runways:* repair works on sections of runway 16/C-34/C; doubling of Bravo taxiway - northern sector; PMS surveys of runways and taxiways;
- *Ciampino:* road network and car park maintenance; restructuring of departures area (phase 2).

The following works were also completed:

- *Infrastructure:* works to upgrade Cargo City warehouses and offices (explosives store; layout of green spaces; cold storage facilities; battery charging unit; supply of 4 freezer cabinets, terminals and time clocks, furniture and electric pallet trucks); upgrading of long-stay shuttle bus/chauffeur-driven hire car/taxi parking area; works on road signs; replacement of MV control panels and electric insulation of landside transformers;
- *Terminals:* ALCE project, insulation of x-ray building (phase one A);
- *Ciampino:* restructuring of retail areas (phase two);
- *Runways:* runways and aprons, completion of a metal grid to recover litter and rubbish.

Future works soon to be started include:

- *infrastructure:* completion of work on upgrading Cargo City warehouses and offices (freight customers' car park; customer cash desks and barriers; freight employees' car park; insulation of electricity substation control panels); extraordinary maintenance of airport road network (phase two); extension of ground-level car park; extension of short-stay air terminal car park; reconstruction of customs control point number 5;
- *Terminals:* Pier A, replacement of false ceilings and lighting equipment; ALCE project, insulation of x-ray building (phase two); former ceremonial area, supply of IT terminals; Terminal "C", insulation of public authority offices and preparation of new retail outlets; Terminal "C", development of retail areas;
- *Runways:* repair of perimeter road network and access runways; construction of aircraft aprons in Southeast area (phase one); repair of ECHO aprons (phase one); Runway 2 and ALFA taxiway - joint sealing; implementation of noise monitoring system; urgent works on DELTA taxiway;
- *Ciampino:* extraordinary maintenance of section of runway 15/33.

Group personnel

The average Group headcount for the first nine months of 2004, compared with the same period of the previous year, is shown in the following table:

Category	Jan-Sep 2004	Jan-Sep 2003	Change
Managers	61	66	(5)
Office staff	2,106	1,990	116
Ground staff and other	1,301	1,279	22
total	**3,468**	**3,335**	**133**

The headcount as of September 30, 2004, including staff on temporary contracts, was 4,128, broken down as follows:

Category	09.30.2004	06.30.2004	12.31.2003	change vs. Jun 2004	change vs. Dec 2003
Managers	59	60	64	(1)	(5)
Supervisors	253	254	239	(1)	14
White collar	2,181	2,109	1,988	72	193
Blue collar	1,635	1,595	1,403	40	232
Total	**4,128**	**4,018**	**3,694**	**110**	**434**
Including:					
on permanent contracts	*2,894*	*2,925*	*2,904*	*(31)*	*(10)*
on temporary contracts	*1,234*	*1,093*	*790*	*141*	*444*

Category	09.30.2004	06.30.2004	12.31.2003	change vs. Jun 2004	change vs. Dec 2003
ADR SpA	2,335	2,303	2,256	32	79
ADR Handling SpA	1,735	1,655	1,381	80	354
ADR Engineering SpA Unipersonale	30	32	31	(2)	(1)
ADR Tel SpA	17	17	15	0	2
ADR Advertising SpA	11	11	11	0	0
total	**4,128**	**4,018**	**3,694**	**110**	**434**

Compared with June 30, 2004, Group personnel increased by a total of 110 (up 2.7%). Staff on permanent contracts decreased by 31 (down 1.1%), while those on temporary contracts increased by 141 (up 12.9%).

In particular, the decrease in staff on permanent contracts was due to redundancies and resignations (22 redundancies and 9 resignations).

The increase in the number of staff on temporary contracts (up 45 at ADR SpA, up 96 at ADRH) is due to the higher level of activities during the summer period and new projects. In particular, passenger traffic registered an average monthly increase of more than 9%, while movements handled by ADRH registered an average increase of 4.3%.

Training courses during the quarter involved 18,188 hours, representing a total of 2,274 days, and involved the participation of 225 newly hired trainees. In addition, sales training took place primarily at Palermo and Catania airports with the provision of 9 courses and participation by 68 trainees.

On the organizational front, initiatives were undertaken in two particularly sensitive areas: the Parent Company's Non-aviation Business Unit, where a Project Management & New Opportunities Unit was set up; and the Freight Division, where organizational and managerial initiatives were implemented to improve service levels.

On June 24 2004, an agreement was reached with the trade unions regarding ADRH at Fiumicino airport. This means that blue collar staff can now carry out a range of ramp handling activities, thereby resulting in increased productivity.

Absenteeism due to illness fell by 4.8% compared with the same period of 2003, while absenteeism due to accidents registered a sharp decline (down 16.8%) compared with the previous year. This improvement was significantly due to a strong occupational safety training initiative, which paid particular attention to accidents caused by the "human factor". During the quarter 1,035 training hours were provided on occupational safety, with participation by 230 members of staff.

Main Group companies

ADR Handling SpA

During the third quarter of 2004, all components of the traffic served at Fiumicino airport by ADRH registered an increase compared with the same period of 2003, as shown in the following table:

Traffic component	3rd quarter 2004 Handling at Fiumicino	3rd quarter 2003 Handling at Fiumicino	*% change* Handling at Fiumicino
No. of aircraft movements	28,594	23,740	20.4%
Aircraft tonnage	2,662,345	2,407,797	10.6%
No. of passengers	2,950,846	2,509,993	17.6%
Traffic units	3,049,357	2,600,801	17.2%

This improvement derives from the overall increase in traffic at Fiumicino airport as well as expansion of ADRH's customer portfolio.
Changes to the customer portfolio during the third quarter of 2004 were as follows:

- Acquisition of new carriers: Air Contractors from April 1, 2004 (ramp handling services); Darwin Airline from September 6, 2004 (ramp handling services); Eurofly from July 14, 2004; Helvetic from August 4, 2004; and Mistral from September 13, 2004 (mail freight);
- Loss of customers: Farnair Europe (operations suspended on August 29, 2004).

The performance during the first nine months of 2004 confirmed the growth trend in traffic handled by ADRH and increased market share in all components:

	Jan.-Sep. 2004		Jan.-Sep. 2003		*% change*	
Traffic component	Handling at Fiumicino	*% of total Fiumicino*	Handling at Fiumicino	*% of total Fiumicino*	Handling at Fiumicino	*% of total Fiumicino*
No. of aircraft movements	75,379	*32.5%*	64,352	*28.5%*	+ 17.1%	*+ 4.0%*
Aircraft tonnage	7,125,359	*41.2%*	6,631,608	*38.9%*	+ 7.4%	*+ 2.3%*
No. of passengers	7,503,452	*35.1%*	5,979,011	*30.4%*	+ 25.5%	*+ 4.7%*
Traffic units	7,862,959	*35.3%*	6,329,289	*30.7%*	+ 24.2%	*+ 4.6%*

For the period January-September 2004, Ciampino airport also reported traffic which, in terms of movements, tonnage and passengers, was up on the same period in 2003 and above expectations:

Traffic component	Jan.-Sep. 2004	Jan.-Sep. *2003*	*% change*
No. of aircraft movements	32,896	27,713	18.7%
Including: Scheduled	*13,732*	*9,134*	*50.3%*
Charter	*1,258*	*1,991*	*(36.8%)*
Express couriers	*3,165*	*3,446*	*(8.2%)*
General aviation	*14,741*	*13,142*	*12.2%*
Aircraft tonnage	1,374,202	1,141,932	20.3%
No. of passengers	1,846,260	1,322,050	39.7%
Freight	15,513	14,599	6.3%

During the quarter, EasyJet, Wizzair and Ryanair expanded their operations. From July 21 EasyJet increased its daily flights from 2 to 4 (1 new daily flight to Germany, 1 new daily flight to East Midlands), whilst from September 20 Ryanair added 3 daily flights to Holland, Spain and France. From July 31 Wizzair added an extra flight to Budapest.

With respect to initial projections, the growth of low-cost traffic has consolidated, while charter traffic, which has almost disappeared, is now occasional and no longer has a seasonal connotation.

Service quality indicators[1] during the period under consideration are shown below:

	3rd quarter 2004	3rd quarter 2003	Target for 2004
Left-behind	0.43	0.55	0.60
Airport punctuality	98.99%	99.69	99.50 %

Finally, in relation to the zero minute airport punctuality standard with a target of 98%, the result achieved during the third quarter of 2004 stood at 98.52%.

ADRH also compares its baggage reclaim performance with the targets set in ADR SpA's Service Charter.

	3rd quarter 2004	3rd quarter 2003	Target for 2004
Baggage reclaim domestic flights - Service Charter first bag*	95.26%	Not available	90.0%
Baggage reclaim domestic flights - Service Charter last bag*	95.99%	Not available	90.0%
Baggage reclaim international flights - Service Charter first bag*	96.06%	Not available	90.0%
Baggage reclaim international flights - Service Charter last bag*	93.15%	Not available	90.0%
Baggage reclaim - Service Charter first bag ***	Not available	95.62%	90.0%
Baggage reclaim - Service Charter last bag***	Not available	96.82%	90.0%

* *New standard 2004*: baggage reclaim starts within 22 minutes and finishes within 30 minutes of flight arrival; to be respected for 90% of flights.
** *New standard 2004*: baggage reclaim starts within 30 minutes and finishes within 38 minutes of flight arrival; to be respected for 90% of flights.
*** *Standard 2003 on all flights:* baggage reclaim starts within 26 minutes and finishes within 34 minutes of flight arrival; to be respected for 90% of flights.

Service quality levels at Ciampino airport are not yet recorded using a pre-established schedule and methods. Internal checks carried out on operations at Ciampino confirm that Service Charter indicators are substantially complied with.

Traffic growth registered at Fiumicino airport (movements up by 11,027) and the effect of extending handling to Ciampino airport (movements up by 32,896) resulted in an improvement in revenues, amounting to around 11 million euros, compared with the same period of the previous year. This figure, together with constant attention paid to cutting operating costs and the overall stability of payroll costs, led to a significant improvement in EBITDA (up 4,135 thousand euros on the same period of 2003).

The company reported a net loss of around 200 thousand euros, a decrease of 923 thousand euros compared with the same period of 2003. The company is expected to report a positive net result at year end.

[1] ***Key:***
LEFT-BEHIND: the figure indicates every 1.000 passengers boarded, the number of pieces of baggage not loaded together with their "owner", the responsibility for which can be attributed to the handler.
AIRPORT PUNCTUALITY: indicates the percentage of departing flights which did not experience a delay of more than 15 minutes, the responsibility of which can be attributed to the handler.
BAGGAGE RECLAIM: the figure shows the percentage of flights for which the time standards for baggage reclaim were respected, exclusively taking account of the responsibilities held by the handler. The standards refer to placement of the last bag on the belt within a certain number of minutes of the ATA (Actual Time of Arrival).

ADR Engineering SpA

The company reported net income of 219 thousand euros for the period January-September 2004, up 94 thousand euros on the same period of 2003. This increase was primarily due to an improvement in net sundry income and expense and in extraordinary items.

EBITDA was substantially in line with the first nine months of 2003 (down 80 thousand euros), as a drop of 14.6% in the value of production was offset by a proportional reduction in operating costs (down 14.1%).

ADR Tel SpA

The company reported net income of 339 thousand euros for the period January-September 2004. This figure may not be compared with the same period of the previous year as the company only started operating on April 1, 2003.

Revenues totaled 4,357 thousand euros, and EBITDA stood at 1,073 thousand euros, representing an EBITDA margin of 24.6%. EBIT amounted to 713 thousand euros.

ADR Advertising SpA

The company reported net income of 815 thousand euros for the period January-September 2004, after taxes of 532 thousand euros. Revenues totaled 16,551 thousand euros, while EBIT stood at 1,346 thousand euros, representing an EBIT margin of 8.1% compared with 7.8% for the first half of the year.

A comparison with figures for the corresponding period of 2003 is not significant as the company only started operating on March 1, 2003, following the signing of a contract regarding the lease of ADR's advertising unit.

ACSA Ltd

At the end of the period January-September 2004, the company, which is 20% owned by ADR IASA Ltd, posted net income of 263.5 million rands (32.7 million euros, at average exchange rates), compared with 503 million rands in the same period of 2003 (57.8 million euros).

This significant reduction derives from the prudent recognition in ACSA's accounts of a sum of 127 million rands before the related tax effect (15.5 million euros at the average exchange rate for the period). This regards a reduction in the fees previously posted by the company in the years ended March 31, 2002 and March 31, 2003, as provided for in a document issued by the "Regulating Committee", appointed by the South African government. The company is currently in dispute with the government over this matter.

Moreover, the result for the first nine months of 2003 benefited from a gain on the sale of land owned by the company at Durban airport (115 million rands – 13.2 million euros at the average exchange rate for the period January-September 2003).

Other significant events during the third quarter of 2004

Legal and regulatory context

On July 21, 2004, two decrees dated March 31, 2004, were published in the Official Gazette, which confirmed and extended until December 31, 2004 the current tariffs for passenger and carry-on baggage security checks and for 100% screening of hold baggage, as determined by the Ministerial Decree of March 14, 2003.

In July 2004 ADR lodged an appeal with the Lazio Regional Administrative Court against the letter, dated April 30, 2004, in which the Civil Aviation Authority ruled, with immediate effect, "that carriers should set up procedures to collect the 1-euro surtax on passenger boarding fees as of June 1, 2004".

On September 8, 2004 Legislative Decree no. 237, "Urgent works in the civil aviation sector", was issued (published in the Official Gazette dated September 10, 2004).
This Legislative Decree responds to the need for the Italian regulatory framework to comply with the directives contained in EC Regulation no. 549/2004 issued by the European Parliament and Council Session of March 10, 2004, and which came into force on April 20, 2004. The Regulation contains general principles for the creation of a Single European Sky. Art. 2 of the Legislative Decree includes directives regarding the provision of airport services at airports, attributing responsibility for allocating aircraft aprons and ensuring the regular movement of other apron vehicles and personnel to airport operators. Parliamentary debate is in progress to convert this decree into law and, given the number of amendments submitted, new directives regarding airport operators may be added.

Moreover, on September 9, 2004 the Board of Directors of the Parent Company, ADR, approved the "Organizational, management and control model", introduced pursuant to Legislative Decree no. 231/2001. The model is designed to prevent the commission of crimes pursuant to Legislative Decree no. 231/01. On the same date, in accordance with Legislative Decree no. 231/01, ADR's Board of Directors appointed the Company's internal audit manager to supervise implementation and compliance with the law.
In the meantime, activities regarding adoption of this model by other Group companies continued.

GROUP FINANCIAL POSITION AND OPERATING RESULTS

Reclassified Consolidated Income Statement
(in thousands of euros)

	Third Quarter 2004	Jan.-Sept. 2004	Third Quarter 2003	Jan.-Sept. 2003
Revenues from sales and services	154,217	416,359	142,058	378,049
Contract work in progress	633	737	607	5,230
A.- REVENUES	154,850	417,096	142,665	383,279
Capitalized costs and expenses	798	2,143	849	2,427
B.- REVENUES FROM ORDINARY ACTIVITIES	155,648	419,239	143,514	385,706
Cost of materials and external services	(40,977)	(114,160)	(38,706)	(112,914)
C.- GROSS MARGIN	114,671	305,079	104,808	272,792
Payroll costs	(37,139)	(117,035)	(35,565)	(112,186)
D.- GROSS OPERATING INCOME	77,532	188,044	69,243	160,606
Amortization and depreciation	(23,636)	(69,892)	(24,141)	(72,099)
Other provisions	(5,522)	(6,453)	(147)	(264)
Provisions for risks and charges	(1,468)	(7,691)	(2,562)	(3,550)
Other income (expense), net	1,298	(407)	(1,849)	(4,848)
E.- OPERATING INCOME	48,204	103,601	40,544	79,845
Financial income (expense), net	(24,639)	(73,384)	(24,957)	(72,582)
Adjustments to financial assests	1,742	3,936	1,836	9,151
F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	25,307	34,153	17,423	16,414
	0			
Extraordinary income (expense), net	(1,406)	(3,102)	123	(4,559)
G.- INCOME BEFORE TAXES	23,901	31,051	17,546	11,855
Income taxes for the period	(13,072)	(23,396)	(5,714)	(11,652)
Deferred tax assets	651	712	(1,476)	(1,771)
H.- NET INCOME FOR THE YEAR	**11,480**	**8,367**	**10,356**	**(1,568)**
including:				
- **Parent Company's Interest**	**10,829**	**6,304**	**9,236**	**(5,665)**
- Minority interest	651	2,063	1,120	4,097

Traffic growth in all components (movements up 5.1%; aircraft tonnage up 4.6%; passengers 9.7%) drove the Group's activities during the third quarter of 2004, a period which is also high season in the air transport sector.

The Group posted net income of 11.5 million euros for the period (of which 10.8 million euros is attributable to the Parent Company), up 10.9% on the third quarter of 2003, and representing a net profit margin of 7.4%.

Revenue growth of 8.5% was accompanied by a lower overall increase in operating costs (up 5.2%). Consequently, EBITDA (77.5 million euros) rose by 8.3 million euros compared with the third quarter of 2003, representing an EBITDA margin of 50.1% (48.5% in 2003).

EBIT rose by 18.9%, representing an increase in the EBIT margin from 28.4% to 31.1%, despite provisions of 5.5 million euros to take account of risks primarily in relation to airlines.

Overall performance during the first nine months of 2004 was stronger than during the same period of 2003, the first part of which was penalized by the war in Iraq and the SARS epidemic, as well as the delayed remuneration (only as of June) of the security screening of checked baggage, launched in February.

Revenues grew by 10.1%, if the state-financed works nearing completion are excluded.

Aviation activities generated additional revenues of 23.8 million euros (up 9.9%), including particularly significant contributions from security activities (up 35.6%, partly due to the impact in 2003 of the above-mentioned hold baggage checks), fees (up 8.0%) and also handling activities. In terms of the latter, 2004 is the first year since market liberalization that growth has been reported (up 4.6%). Partly deriving from favorable traffic trends, this is also due to ADRH's acquisition of additional market share.

Non-aviation activities also posted an increase of around 10%, thanks to the development of sub-concessions and utilities (up 13.2%), car park management (up 18.2%) and the sale of advertising space (up 6.5%). Sales by directly managed retail outlets rose by 5.1% (up 0.6% in the third quarter). Such increase was less than traffic growth (passengers were up by 10.7%) due to a drop in the average spend per passenger, which has been registered in all major European airports as a result of the change in passenger profiles.

Consumption of materials and external services and payroll costs increased less than revenues (up 5.3% excluding the works component, and up 4.3%, respectively) thanks to appreciable improvements in efficiency. This is demonstrated by the value of revenues per average number of personnel, which rose from 72 to 76 euros, and the number of passengers per employee, which stood at 6,697 compared with 6,290 for the first nine months of 2003.

EBITDA totaled 188 million euros, up by 17.1%. This was an improvement of three percentage points in terms of the EBITDA margin, which rose to 45.1% from 41.9% in 2003.

EBIT of 103.6 million euros rose by 29.8%, despite higher provisions for risks and charges, which were only partly offset by lower amortization and depreciation and sundry net income.

The contribution made to net income by the South African subsidiary undertaking, ACSA, reflected in "adjustments to the value of financial assets", decreased (3.9 million euros compared with 9.1 million euros in the period January-September 2003) primarily due to two components: the 2003 result benefited from gains deriving from the sale of a plot of land, while the 2004 result was penalized by the effects of a reduction in revenues regulated by a new tariff policy, which is still under discussion with the local authority.

For the period January-September 2004 the Group reported net income of 8.4 million euros (of which 6.3 million euros is attributable to the Parent Company), compared with a loss of 1.6 million euros posted for the same period of 2003 (of which 5.7 million euros was attributable to the Parent Company).

Reclassified Consolidated Balance Sheet
(in thousands of euros)

	09-30-2004	06-30-2004	12-31-2003
A. - NET FIXED ASSETS			
Intangible fixed assets *	2,151,811	2,166,252	2,190,783
Tangible fixed assets	106,028	104,277	100,369
Non - current financial assets	130,325	140,791	127,611
	2,388,164	2,411,320	2,418,763
B. - WORKING CAPITAL			
Inventory	21,715	22,731	22,351
Trade receivables	158,682	159,712	137,205
Other assets	38,360	39,366	39,080
Trade payables	(112,965)	(118,342)	(121,207)
Allowances for risks and charges	(29,440)	(28,878)	(27,842)
Other liabilities	(68,910)	(66,088)	(52,305)
	7,442	8,501	(2,718)
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,395,606	2,419,821	2,416,045
D. - EMPLOYEE SEVERANCE INDEMNITIES	67,502	66,947	66,576
E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	**2,328,104**	**2,352,874**	**2,349,469**
financed by:			
F. - SHAREHOLDERS' EQUITY			
- Parent Company's interest	699,843	694,147	689,030
- minority interest	21,793	22,103	20,291
	721,636	716,250	709,321
G. - MEDIUM/LONG-TERM BORROWING	1,745,019	1,745,019	1,745,019
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
.Short-term debt	12,593	3,539	16,052
.Cash and current receivables	(151,144)	(111,934)	(120,923)
	(138,551)	(108,395)	(104,871)
(G+H)	1,606,468	1,636,624	1,640,148
I. - TOTALE AS IN "E" (F+G+H)	**2,328,104**	**2,352,874**	**2,349,469**
(*) including the value of the concession totaling	*1,959,025*	*1,971,346*	*1,995,988*

Compared with June 30, 2004, the Group's invested capital as of September 30, 2004 stood at 2,328.1 million euros, a decrease of 24.8 million euros. This is almost entirely due to the fixed asset component.

Fixed assets fell due to amortization and depreciation for the period, while with regard to financial assets, the value of the South African subsidiary undertaking, ACSA, was negatively affected by the distribution of dividends in September and the depreciation of the local currency as reflected in the exchange rate of June 30, 2004.

Working capital was substantially in line with the previous quarter as the decrease in trade payables was counterbalanced by an increase in "Other liabilities" due to the tax burden for the period and a reduction in "Other assets" due to lower deferred tax assets.

The Group's net debt stood at 1,606.5 million euros, a decrease of 30.2 million euros with respect to June 30 due to the greater liquidity held by the Group (up 39.2 million euros). The increase in short-term debt is exclusively related to the volume of interest falling due on outstanding loans during the period.

Compared with December 31, 2003 the decrease in invested capital amounts to 21.4 million euros, due to the combined effect of a reduction in fixed assets and an increase in working capital.

The decrease in capital assets was influenced by amortization and depreciation of fixed assets, while financial assets increased due to the good results achieved by ACSA and the favorable exchange rate with the South African rand compared with December 31, 2003, which was partly offset by the distribution of dividends.

The growth in working capital (up 10.2 million euros) mainly derives from trade receivables (up 21.5 million euros), which are down with respect to September 30, 2003, despite an increase in revenues of 8.8% compared with the first nine months of 2003.

The Group's net debt reported a decrease of 33.7 million euros, which was partly offset by an increase of 14.3 million euros in consolidated shareholders' equity arising from income for the period and the positive impact on the foreign currency exchange reserve of the favorable exchange rate with the South African rand with respect to the previous year.

Consolidated Statement of Cash Flows
(in thousands of euros)

	Jan.-Sept. 2004	Jan.-Sept. 2003
A.- CASH AND CASH EQUIVALENTS-OPENING BALANCE	**104,871**	**81,340**
B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Net income (loss) for the year	8,367	(1,568)
Amortization and depreciation	69,892	72,099
(Gains) losses on disposal of fixed assets	(137)	(23)
(Revaluations) write-downs of fixed assets	(4,032)	(9,276)
Net change in working capital	(10,160)	(70,754)
Net change in employee severance indemnities	926	(2,609)
	64,856	(12,131)
C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Investment in fixed assets:		
.intagible	(21,249)	(43,851)
.tangible	(15,928)	(4,414)
.financial	0	(64)
Proceeds from disposal, or redemption value of fixed asset	7,291	8,705
Other changes	(5,238)	(11,600)
	(35,124)	(51,224)
D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
New loans	0	480,000
Shareholders' contributions	0	0
Repayments of loans	0	(386,319)
Buy-back of shares	0	0
Other changes	0	751
	0	94,432
E.- DIVIDENDS PAID	(1,384)	(32,357)
F.- ALLOWANCE FOR EXCHANGE RATE VARIATIONS		
Change in allowance for exchange rate variations	5,332	11,955
G.- CASH FLOW FOR THE YEAR (B+C+D+E+F)	33,680	10,675
H.- CASH AND CASH EQUIVALENTS (NET BORROWING) - CLOSING BALANCE (A+G)	**138,551**	**92,015**

The Group's operating cash flow during the first nine months of 2004 amounted to 64.9 million euros, after payment of interest falling due.

A sum of 29.9 million euros was used to finance investment (self-financed infrastructure investment totaling 37.2 million euros net of gains on fixed assets of 7.3 million euros, primarily comprising the collection of dividends by ACSA), whilst 1.3 million euros was used to pay dividends to the Group's minority shareholders.

The remaining portion of operating cash flow, totaling 33.7 million euros, led to an increase in net cash and cash equivalents, which stood at 138.6 million euros at the end of the period.

SUBSEQUENT EVENTS

Traffic performance at the Roman airport system during the period January-October 2004, compared with the same period of the previous year, is shown below:

Data as of October 31, 2004 (The figures in brackets indicate the percentage change with respect to the previous year)

Traffic component	SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	295,973	259,261	36,712	143,592	152,381
	(+4.4%)	*(+2.8%)*	*(+17.5%)*	*(-1.3%)*	*(+10.5%)*
Aircraft tonnage	20,962,829	19,427,402	1,535,427	8,146,884	12,815,945
	(+3.3%)	*(+2.2%)*	*(+18.8%)*	*(-2.7%)*	*(+7.4%)*
Total passengers	26,065,441	23,982,072	2,083,369	10,657,313	15,408,128
	(+10.0%)	*(+8.1%)*	*(+38.2%)*	*(+0.5%)*	*(+17.8%)*
Total freight (tons)	128,095	110,612	17,483	11,693	116,402
	(+4.8%)	*(+4.6%)*	*(+6.1%)*	*(-32.0%)*	*(+10.9%)*

International traffic is analyzed below and broken down into EU or non-EU traffic.

Traffic component	International	EU	Non-EU
Movements	152,381	103,997	48,384
	(+10.5%)	*(+16.5%)*	*(-0.6%)*
Aircraft tonnage	12,815,945	6,991,908	5,824,037
	(+7.4%)	*(+16.7%)*	*(-1.9%)*
Total passengers	15,408,128	10,034,141	5,373,987
	(+17.8%)	*(+22.0%)*	*(+10.5%)*
Total freight (tons)	116,402	33,846	82,556
	(+10.9%)	*(+43.1%)*	*(+1.5%)*

The above data confirm the growth trend seen in the first nine months of the year. In October, passenger traffic using the Roman airport system was up 4.8% with respect to the same period of 2003.
As shown in the above tables, this performance largely derived from growth in EU traffic at both Fiumicino and Ciampino, and was only partly due to 10 new countries joining the EU (as of May 2004).

New services launched during October included a new daily flight between Ciampino and Prague, operated by Smart Wings.
At the end of October, EasyJet started operating 4 new daily flights from Ciampino: 1 to Newcastle, 1 to Bristol and 2 to Geneva.

On October 1, 2004 the Parent Company, ADR, entered into interest rate swap contracts with a notional value of 468 million euros until 2007 and 495 million euros until 2009. Under the contracts, ADR will receive a fixed rate of interest of 3.3% and will pay a floating rate with a cap of 6.0%.
This transaction will enable ADR to bring its exposure to fixed and floating interest rates more into line with projected short- to medium-term interest rate trends, thereby fixing the maximum sustainable risk.

Subsequent to September 30, 2004 the local tax authorities notified the subsidiary undertaking, ADRH, of a tax assessment pursuant to art. 51 of Presidential Decree no. 633/72 and art. 32 of Presidential Decree no. 600/73.

OUTLOOK

The encouraging signs emerging from traffic trends point towards a confirmation of the growth witnessed during the second half of the year, although at a slower pace than the first half, where indicators were affected by comparison with a particularly sluggish first six months of 2003.

The ADR Group will continue to pursue its financial targets, despite a backdrop of fuel price instability and economic uncertainty, and bearing in mind the ongoing doubts over the fate of the country's principal carrier.

ADR GROUP: BALANCE SHEET AND INCOME STATEMENT

CONSOLIDATED BALANCE SHEET: ASSETS

as of September 30, 2004

(in thousands of euros)
(Translation from the original issued in Italian)

	09/30/2004			12/31/2003		
ASSETS						
UNPAID SHARE CAPITAL DUE						
FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS						
▪ Incorporation and development costs		1,017			1,284	
▪ Industrial patents and intellectual property rights		522			571	
▪ Concessions, licenses,trademarks and similar rights		1,961,102			1,997,821	
▪ Goodwill arising on consolidation		4,117			4,404	
▪ Leasehold improvements in process and advances		18,550			38,522	
▪ Others		166,503			148,181	
			2,151,811			2,190,783
TANGIBLE FIXED ASSETS						
▪ Land and buildings		2,255			1,074	
▪ Plant and machinery		16,206			15,795	
▪ Industrial and commercial equipment		1,188			1,351	
▪ Fixed assets to be relinquished		70,765			74,375	
▪ Other assets		3,569			3,678	
▪ Work in progress and advances		12,045			4,096	
			106,028			100,369
FINANCIAL FIXED ASSETS						
▪ Equity investments in:						
- unconsolidated subsidiary undertakings	100			100		
- associated undertakings	123,814			120,291		
- other companies	1,895			1,895		
		125,809			122,286	
▪ Receivables due from others:						
. within 12 months	3			3		
. beyond 12 months	4,513			5,322		
		4,516			5,325	
			130,325			127,611
Total fixed assets			**2,388,164**			**2,418,763**
CURRENT ASSETS						
INVENTORY						
▪ Raw, ancillary and consumable materials		2,702			2,813	
▪ Contract work in progress		10,553			10,997	
▪ Finished goods and goods for resale						
- goods for resale	8,364			8,444		
		8,364			8,444	
▪ Advances		96			97	
			21,715			22,351
RECEIVABLES						
▪ Due from clients						
. within 12 months	150,955			136,742		
. beyond 12 months	6,842	157,797		0	136,742	
▪ Due from unconsolidated subsidiary undertakings		0			0	
▪ Due from associated undertakings		1,415			992	
▪ Due from tax authorities		1,600			4,109	
▪ Defered Tax assets		25,185			24,473	
▪ Due from others:						
- various						
. within 12 months	53,156			55,363		
. beyond 12 months	2,378			2,378		
- advances to suppliers for services to be rended	25			79		
		55,559			57,820	
			241,556			224,136
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
▪ Bank and post office deposits		100,369			68,954	
▪ Checks		20			0	
▪ Cash and notes in hand		622			433	
			101,011			69,387
Total current assets			**364,282**			**315,874**
ACCRUED INCOME AND PREPAID EXPENSES						
▪ Accrued income and other prepaid expenses			**5,620**			**3,685**
TOTAL ASSETS			**2,758,066**			**2,738,322**

CONSOLIDATED BALANCE SHEET: LIABILITIES AND SHAREHOLDERS' EQUITY

as of September 30, 2004

(in thousands of euros)

(Translation from the original issued in Italian)

	09/30/2004			12/31/2003		
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
SHARE CAPITAL:						
ordinary shares		62,225			62,225	
SHARE PREMIUM RESERVE		667,389			667,389	
REVALUATION RESERVES		0			0	
LEGAL RESERVE		12,445			12,445	
RESERVE FOR OWN SHARES		0			0	
STATUTORY RESERVES		0			0	
OTHER RESERVES		85			85	
RESERVE FOR FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		(8,116)			(12,625)	
RETAINED EARNINGS (ACCUMULATED LOSSES)		(40,489)			(38,462)	
GROUP NET INCOME (LOSS) FOR THE PERIOD		6,304			(2,027)	
			699,843			689,030
MINORITY INTEREST						
▪ Share capital, reserves and net income (loss) for the period		21,793			20,291	
			21,793			20,291
GROUP AND MINORITY INTEREST IN CONSOLIDATED SHAREHOLDERS' EQUITY			**721,636**			**709,321**
ALLOWANCES FOR RISKS AND CHARGES						
▪ For Taxes		412			650	
▪ Other		29,028			27,192	
Total allowances for risks and charges			**29,440**			**27,842**
EMPLOYEE SEVERANCE INDEMNITIES			**67,502**			**66,576**
PAYABLES						
▪ Due to banks						
. within 12 months	4,960			2,071		
. beyond 12 months	480,000			480,000		
		484,960			482,071	
▪ Due to other financial institutions:						
. within 12 months	7,633			13,777		
. beyond 12 months	1,265,019			1,265,019		
		1,272,652			1,278,796	
▪ Advances:						
- from clients						
. from the Ministry of Transport:						
. within 12 months	525			652		
. beyond 12 months	4,770			4,770		
. other	4,882			2,386		
- prepayment of invoices to be paid in installments						
. from clients	54			109		
		10,231			7,917	
▪ Due to suppliers:						
. within 12 months	95,244			105,714		
. beyond 12 months	6,521			6,550		
		101,765			112,264	
▪ Due to associated undertakings		1,003			1,060	
▪ Due to parent companies:						
. within 12 months	0			4		
		0			4	
▪ Taxes due:						
.within 12 months	23,837			5,828		
		23,837			5,828	
▪ Due to social security agencies		7,655			8,686	
▪ Other payables: various creditors						
. within 12 months	29,851			32,961		
. beyond 12 months	820			630		
		30,671			33,591	
Total payables			**1,932,774**			**1,930,217**
ACCRUED EXPENSES AND DEFERRED INCOME						
▪ Accrued expenses and other deferred income			**6,714**			**4,366**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,758,066**			**2,738,322**

MEMORANDUM ACCOUNTS

as of September 30, 2004
(in thousands of euros)
(Translation from the original issued in Italian)

	09/30/2004		12/31/2003	
General guarantees				
▪ Sureties	111		111	
▪ Other	378		184	
		489		295
Collateral guarantees		0		0
Commitments on purchases and sales		47,877		36,536
Other		893,964		893,654
		942,330		**930,485**

CONSOLIDATED INCOME STATEMENT

for the period Jan.-September 2004
(in thousands of euros)
(Translation from the original issued in Italian)

	Jan.-September 2004			Jan.-September 2003		
TOTAL REVENUES						
▪ Revenues from sales and services:						
- revenues from sales	35,969			34,119		
- revenues from services	380,359			343,859		
- revenues from contract work	1,197	417,525		10,536	388,514	
▪ Changes in contract work in progress		(460)			(5,306)	
▪ Capitalized costs and expenses		2,143			2,427	
▪ Other income and revenues:						
- revenue grants	31			71		
- profits on disposals	166			23		
- other	3,276			3,095		
		3,473			3,189	
			422,681			388,824
OPERATING COSTS						
▪ raw, ancillary and consumable materials and goods for resale		34,318			33,178	
▪ services		62,113			64,714	
▪ leases		17,653			16,509	
▪ payroll:						
- wages and salaries	84,321			80,644		
- social security	25,079			23,934		
- employee severance indemnities	6,665			6,800		
- *other*	1,118			1,067		
		117,183			112,445	
▪ Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	60,133			60,863		
- depreciation of tangible fixed assets	9,759			11,236		
- provisions for doubtful accounts	6,453			264		
		76,345			72,363	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		191			(1,353)	
▪ Provisions for risks		7,541			3,550	
▪ Other provisions		150			0	
▪ Sundry operating costs:						
- losses on disposals	29			0		
- license fees	80			119		
- other	3,477			7,454		
		3,586			7,573	
			(319,080)			(308,979)
Operating income			**103,601**			**79,845**
FINANCIAL INCOME AND EXPENSE						
▪ Income from equity investments:						
- dividends from other companies	26			0		
- other income from equity investments	0			0		
		26			0	
▪ Other financial income:						
- from long-term receivables						
. other	96			125		
- other						
. interest and commissions from others and sundry revenues	2,491			2,721		
		2,587			2,846	
▪ Interest expense and other financial charges:						
- interest and commissions to parent companies	0			191		
- interest and commissions to others and sundry charges	76,129			75,289		
		(76,129)			(75,480)	
▪ Profits and losses on Exchange						
- Profits	165			141		
- Losses	33			89		
		132			52	
Total financial income (expense), net			**(73,384)**			**(72,582)**

for the period Jan.-September 2004
(in thousands of euros)
(Translation from the original issued in Italian)

	Jan.-September 2004			Jan.-September 2003		
ADJUSTMENTS TO FINANCIAL ASSETS						
▪ Revaluations						
- of equity investments		3,936			9,151	
▪ Write-downs:						
- of equity investments		0			0	
Total adjustments			**3,936**			**9,151**
EXTRAORDINARY INCOME AND EXPENSE						
▪ Income:						
- gains on disposal	415			0		
- other	0			3,185		
		415			3,185	
▪ Expense:						
- taxes relating to previous period	146			2,010		
- other	3,371			5,734		
		(3,517)			(7,744)	
Total extraordinary income (expense), net			**(3,102)**			**(4,559)**
Income before taxes			**31,051**			**11,855**
Income taxes:						
- current		(23,396)			(11,652)	
- deferred tax assets		712			(1,771)	
			(22,684)			**(13,423)**
Net income (loss) for the period			**8,367**			**(1,568)**
of which:						
▪ minority interest			2,063			4,097
▪ Parent Company's share			**6,304**			**(5,665)**

ADR SpA: ACCOUNTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004

RECLASSIFIED INCOME STATEMENT OF ADR SPA

(in thousands of euros)

	Third Quarter 2004	Jan.- Sept. 2004	Third Quarter 2003	Jan.- Sept. 2003
Revenues from sales and services	133,781	361,855	126,392	339,292
Contract work in progress	466	978	638	5,179
A.- REVENUES FROM ORDINARY ACTIVITIES	134,247	362,833	127,030	344,471
Cost of materials and external services	(39,488)	(110,681)	(37,527)	(112,219)
B.- GROSS MARGIN	94,759	252,152	89,503	232,252
Payroll costs	(22,894)	(75,387)	(24,890)	(77,862)
C.- GROSS OPERATING INCOME	71,865	176,765	64,613	154,390
Amortization end depreciation	(23,220)	(68,761)	(23,581)	(69,985)
Other provisions	(4,878)	(5,431)	(110)	(110)
Provisions for risks and charges	(789)	(5,864)	(1,999)	(2,814)
Other income (expense), net	1,190	(470)	(1,945)	(4,928)
D.- OPERATING INCOME	44,168	96,239	36,978	76,553
Financial income (expense), net	(24,703)	(73,579)	(25,010)	(72,797)
Adjustments to financial assests	0	0	0	0
E.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXE	19,465	22,660	11,968	3,756
Extraordinary income (expense), net	(681)	2,795	360	(3,143)
F.- INCOME BEFORE TAXES	**18,784**	**25,455**	**12,328**	**613**
Income taxes for the period:				
current taxes	(11,022)	(18,755)	(4,902)	(9,642)
deferred tax assets (liabilities)	556	527	(141)	(101)
	(10,466)	(18,228)	(5,043)	(9,743)
G.- NET INCOME (LOSS) FOR THE PERIOD	**8,318**	**7,227**	**7,285**	**(9,130)**

RECLASSIFIED BALANCE SHEET OF ADR SPA
(in thousands of euros)

	09-30-2004	06-30-2004	12-31-2003
A. - NET FIXED ASSETS			
Intangible fixed assets *	2,184,598	2,198,744	2,224,059
Tangible fixed assets	103,598	102,055	90,712
Financial fixed assets	144,757	145,145	145,455
	2,432,953	2,445,944	2,460,226
B. - WORKING CAPITAL			
Inventory	19,829	21,013	20,244
Trade receivables	134,598	135,585	118,722
Other assets	27,239	28,229	30,600
Trade payables	(110,137)	(116,008)	(120,387)
Allowances for risks and charges	(26,827)	(26,944)	(27,056)
Other liabilities	(53,576)	(52,756)	(41,919)
	(8,874)	(10,881)	(19,796)
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,424,079	2,435,063	2,440,430
D. - EMPLOYEE SEVERANCE INDEMNITIES	47,712	47,312	47,450
E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	**2,376,367**	**2,387,751**	**2,392,980**
financed by:			
F. - SHAREHOLDERS' EQUITY			
- Paid-up share capital	62,225	62,225	62,225
- Reserves and retained earnings (accumuled losses	683,584	683,584	682,515
- Net income (loss) for the period	7,227	(1,091)	1,069
	753,036	744,718	745,809
G. - MEDIUM/LONG-TERM BORROWING	1,745,019	1,745,019	1,745,019
H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)			
.Short-term debt	18,659	7,206	16,831
.Cash and current receivables	(140,347)	(109,192)	(114,679)
	(121,688)	(101,986)	(97,848)
(G+H)	1,623,331	1,643,033	1,647,171
I. - TOTALE AS IN "E" (F+G+H)	**2,376,367**	**2,387,751**	**2,392,980**
(*) including the value of the concession totaling	1,991,305	2,003,829	2,028,877

ADR SpA: BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET: ASSETS

as of September 30, 2004
(in euros)
(Translation from the original issued in Italian)

ASSETS	09/30/2004			12/31/2003		
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS:						
• Incorporation and development costs		167,286			267,658	
• Industrial patents and intellectual property rights		522,016			552,685	
• Concessions, licenses,trademarks and similar rights		1,993,076,279			2,030,684,949	
• Leasehold improvements in process and advances		25,083,559			44,381,850	
• Leasehold improvements		165,747,789			148,172,325	
			2,184,596,929			2,224,059,467
TANGIBLE FIXED ASSETS:						
• Land and buildings		2,254,933			1,041,215	
• Plant and machinery		12,576,781			13,177,320	
• Industrial and commercial equipment		1,048,984			1,069,940	
• Fixed assets to be relinquished		71,026,352			67,586,679	
• Other assets		3,478,830			3,565,854	
• Work in progress and advances		13,212,589			4,271,400	
			103,598,469			90,712,408
FINANCIAL FIXED ASSETS:						
• Equity investments in:						
- subsidiary undertakings	138,863,589			138,863,589		
- associated undertakings	49,001			49,001		
- other companies	1,895,376			1,895,376		
		140,807,966			140,807,966	
• Receivables due from others:						
. within 12 months	3,099			3,099		
. beyond 12 months	3,946,238			4,642,725		
		3,949,337			4,645,824	
			144,757,303			145,453,790
Total fixed assets			**2,432,952,701**			**2,460,225,665**
CURRENT ASSETS						
INVENTORY						
• Raw, ancillary and consumable materials		2,701,740			2,812,616	
• Contract work in progress		8,733,028			8,952,365	
• Finished goods and goods for resale						
- goods for resale	8,363,832			8,444,427		
		8,363,832			8,444,427	
• Advances		30,499			34,170	
			19,829,099			20,243,578
RECEIVABLES						
• Due from clients						
. within 12 months	117,754,409			106,374,906		
. beyond 12 months	1,727,091			0		
		119,481,500			106,374,906	
• Due from subsidiary undertakings		15,726,633			13,062,655	
• Due from associated undertakings		529,585			529,543	
• Due from parent company		0			0	
• Tax authorities		989,819			2,873,475	
• Deferred tax assets		15,770,846			17,892,846	
• Due from others:						
- various						
. within 12 months	52,544,837			54,858,733		
. beyond 12 months	2,416,294			2,416,294		
- advances to suppliers for services to be rendered	32,328			100,434		
		54,993,459			57,375,461	
			207,491,842			198,108,886
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
• Bank and post office deposits		89,085,243			62,094,501	
• Checks		19,909			0	
• Cash and notes in hand		498,211			333,371	
			89,603,363			62,427,872
Total current assets			**316,924,304**			**280,780,336**
ACCRUED INCOME AND PREPAID EXPENSES						
• Accrued income and other prepaid expenses			**5,088,435**			**3,464,861**
TOTAL ASSETS			**2,754,965,440**			**2,744,470,862**

BALANCE SHEET: LIABILITIES ABD SHAREHOLDERS' EQUITY

as of September 30, 2004
(in euros)
(Translation from the original issued in Italian)

	09/30/2004			12/31/2003		
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
• SHARE CAPITAL						
ordinary shares			62,224,743			62,224,743
• SHARE PREMIUM RESERVE			667,389,495			667,389,495
• REVALUATION RESERVES			0			0
• LEGAL RESERVE			12,444,949			12,444,949
• RESERVE FOR OWN SHARES			0			0
• STATUTORY RESERVES			0			0
• OTHER RESERVES			1,747,554			1,747,554
• RETAINED EARNINGS (ACCUMULATED LOSSES)			2,001,607			932,531
• NET INCOME (LOSS) FOR THE YEAR			7,226,708			1,069,076
Total shareholders' equity			**753,035,056**			**745,808,348**
ALLOWANCES FOR RISKS AND CHARGES						
• For Taxes						
	412,000			650,000		
	0	412,000		0	650,000	
• Other		26,415,359			26,406,137	
Total allowances for risks and charges			**26,827,359**			**27,056,137**
EMPLOYEE SEVERANCE INDEMNITIES			**47,712,627**			**47,450,385**
PAYABLES						
• Due to banks						
. within 12 months	4,960,228			2,071,142		
. beyond 12 months	480,000,000			480,000,000		
		484,960,228			482,071,142	
• Due to other financial institutions:						
. within 12 months	7,633,228			13,776,639		
. beyond 12 months	1,265,018,896			1,265,018,896		
		1,272,652,124			1,278,795,535	
• Advances:						
- from clients						
. from the Ministry of Transport:						
. within 12 months	524,941			651,971		
. beyond 12 months	4,770,000			4,770,000		
. other	3,906,406			2,004,556		
		9,201,347			7,426,527	
• Due to suppliers:						
. within 12 months	85,950,783			98,287,325		
. beyond 12 months	6,519,988			6,549,021		
		92,470,771			104,836,346	
• Due to subsidiary undertakings:						
. within 12 months	13,561,721			7,931,227		
		13,561,721			7,931,227	
• Due to associated undertakings:						
. within 12 months	1,002,980			1,002,980		
		1,002,980			1,002,980	
• Due to parent companies:						
. within 12 months	0			4,120		
		0			4,120	
• Taxes due:						
. within 12 months	19,115,287			3,478,952		
. beyond 12 months	0			0		
		19,115,287			3,478,952	
• Due to social security agencies		4,842,138			6,023,703	
• Other payables: various creditors						
. within 12 months	23,330,580			28,410,686		
. beyond 12 months	820,488			629,513		
		24,151,068			29,040,199	
Total payables			**1,921,957,664**			**1,920,610,731**
ACCRUED EXPENSES AND DEFERRED INCOME						
• Accrued expenses and other deferred income			**5,432,734**			**3,545,261**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,754,965,440**			**2,744,470,862**

MEMORANDUM ACCOUNTS

as of September 30, 2004
(in euros)
(Translation from the original issued in Italian)

	30/09/2004		31/12/2003	
General guarantees:				
- Suereties	21,307,301		19,718,755	
- Other	791,505		672,000	
		22,098,806		20,390,755
Collateral guarantees		0		0
Commitments on purchases and sales		28,940,239		18,267,159
Other		893,164,162		893,297,236
TOTAL MEMORANDUM ACCOUNTS		**944,203,207**		**931,955,150**

INCOME STATEMENT

for the period Jan.- September 2004
(in euros)
(Translation from the original issued in Italian)

	Jan.- September 2004			Jan.- September 2003		
TOTAL REVENUES						
• Revenues from sales and services:						
- revenues from sales	37,182,867			34,957,280		
- revenues from services	324,641,093			304,263,964		
- revenues from contract work	1,197,392			10,536,238		
		363,021,352			349,757,482	
• Changes in contract work in progress		(219,336)			(5,356,968)	
• Other income and revenues:						
- revenue grants	30,910			70,510		
- profits on disposals	145,821			22,627		
- other	3,289,245			3,314,773		
		3,465,976			3,407,910	
			366,267,992			**347,808,424**
OPERATING COSTS						
• raw, ancillary and consumable materials and goods for resale		34,126,682			33,144,653	
• services		59,449,472			60,980,251	
• leases		16,998,354			19,664,408	
• payroll:						
- wages and salaries	54,364,670			56,239,401		
- social security	15,925,594			16,512,857		
- employee severance indemnities	4,511,996			4,883,403		
- other	889,752			711,917		
		75,692,012			78,347,578	
• Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	60,120,673			61,104,077		
- depreciation of tangible fixed assets	8,640,212			8,880,738		
- provisions for doubtful accounts	5,431,219			110,213		
		74,192,104			70,095,028	
• Changes in inventories of raw, ancillary and consumable materials and goods for resale		191,471			(1,353,308)	
• Provisions for risks		5,714,198			2,813,562	
• Other provisions		150,000			0	
• Sundry operating costs:						
- losses on disposals	18,586			0		
- license fees	80,279			118,636		
- other	3,416,825			7,444,447		
		3,515,690			7,563,083	
			(270,029,983)			**(271,255,255)**
Operating income			**96,238,009**			**76,553,169**
FINANCIAL INCOME AND EXPENSE						
• Income from equity investments:						
- dividends from subsidiary undertakings	0			0		
- dividends from other companies	25,700			0		
- other income from equity investments	0			0		
		25,700			0	
• Other financial income:						
- from long-term receivables						
. other	83,840			109,086		
- other						
. Interest and commissions from subsidiary undertakings	11,012			12,912		
. Interest and commissions from banks	1,478,821			2,099,363		
. Interest and commissions from clients	796,864			477,918		
. Interest and commissions from others	40,095			48,750		
		2,410,632			2,748,029	
• Interest expense and other financial charges:						
- interest and commissions due to parent company	0			191,142		
- interest and commissions due to subsidiary undertakings	36,457			80,813		
- interest and commissions due to banks	12,886,584			21,413,802		
- interest and commissions due to other financial institutions	42,170,438			35,299,050		
- interest and commissions due to others	20,275,769			18,059,077		
- provisions for overdue interest on written down receivables	777,580			517,070		
		(76,146,828)			(75,560,954)	
	160,613			39,152		
	28,852			23,109		
		131,761			16,043	
Total financial income (expense), net			**(73,578,735)**			**(72,796,882)**

for the period Jan.- September 2004
(in euros)
(Translation from the original issued in Italian)

	Jan.- September 2004			Jan.- September 2003		
ADJUSTMENTS TO FINANCIAL ASSETS						
• Write-downs:						
- of equity investments		0			0	
Total adjustments			**0**			**0**
EXTRAORDINARY INCOME AND EXPENSE						
• Income:						
- other	7,490,797			3,162,834		
		7,490,797			3,162,834	
• Expense:						
- taxes relating to previous years	145,810			1,489,345		
- other	4,549,903			4,816,955		
		(4,695,713)			(6,306,300)	
Total extraordinary income (expense), net			**2,795,084**			**(3,143,466)**
Income before taxes			**25,454,358**			**612,821**
Income taxes:						
- current		(18,754,651)			(9,641,852)	
- deferred tax assets (liabilities)		527,000			(101,000)	
			(18,227,651)			**(9,742,852)**
Net income (loss) for the period			**7,226,707**			**(9,130,031)**