Aeroporti di Roma

QUARTERLY REPORT as of September 30, 2008

(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 capital stock €62,309,801
Company managed and coordinated by Gemina SpA

www.adr.it

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CORPORATE OFFICERS

Aeroporti di Roma SpA

Board of Directors
(after the General Meeting and the Board of Directors' meeting of September 21, 2007 and April 16, 2008)

Chairman	Fabrizio Palenzona
Deputy Chairman	Massimo Pini
Deputy Executive Chairman	Guido Angiolini *(from April 16, 2008)*
Managing Director	Maurizio Basile *(until April 16, 2008)*
Directors	Guido Angiolini *(until April 16, 2008)* Giovanni Castellucci *(from March 11, 2008)* Alessandro Grimaldi Gianni Mion Aldo Minucci Andrea Mondello *(from January 9, 2008)* Piergiorgio Peluso Clemente Rebecchini Paolo Roverato Claudio Sposito *(until February 27, 2008)*
Secretary	Antonio Abbate

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

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

General Manager	Maurizio Basile *(until April 16, 2008)*
Deputy General Manager	Emanuele Ludovisi *(from January 1, 2008)*
Independent Auditors	Deloitte & Touche SpA

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 2007.

TRAFFIC PERFORMANCE

Traffic component	Q3 2008		9M 2008	
	SYSTEM (°)	% CHANGE (*)	SYSTEM (°)	% CHANGE (*)
Movements (no.)	111,580	+4.0%	314,584	+4.2%
Aircraft tonnage	8,408,540	+8.2%	23,042,321	+7.8%
Total passengers (no.)	11,961,778	+6.8%	31,263,955	+7.0%
Total cargo (tons)	42,564	+8.1%	121,149	+6.7%

(°) Fiumicino + Ciampino
(*) compared with the same period of 2007

The following table summarizes key economic, financial and operational data for the ADR Group for the third quarter of 2008 and for the nine months ended September 30, 2008.

ADR GROUP

Key consolidated economic, financial and operational data *(€000)*	***Q3 2008***		***Q3 2007***
Revenues	164,860		153,891
EBITDA	81,308		78,728
EBIT	58,240		50,386
Net income for the period:			
minority interest	265		250
Group share	20,187		13,008
Investment (€000)	16,409		13,881
	9M 2008	**2007**	***9M 2007***
Revenues	434,563	556,616	417,185
EBITDA	193,171	256,335	196,186
EBIT	105,213	144,345	113,197
Net income for the period:			
minority interest	491	1,027	790
Group share	15,541	17,891	18,377
Investment (€000)	87,233	85,440	47,903
	Sep 30, 2008	***Dec 31, 2007***	***Sep 30, 2007***
Invested capital	2,069,657	2,055,473	2,081,289
Shareholders' equity (including minority interest)	748,049	733,039	733,289
Group shareholders' equity	746,609	731,068	731,554
Net debt	1,321,608	1,322,434	1,348,000
Headcount at the end of the period	2,807	2,321	2,629
Ratios	***9M 2008***	**2007**	***9M 2007***
Revenues/Average headcount (€000)	176	242	183
No. of passengers/Average headcount	12,689	16,659	12,846

ADR GROUP: CONSOLIDATED ACCOUNTS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€000)

2007		Q3 2008	Q3 2007	9M 2008	9M 2007
556,616	A.- REVENUES	164,860	153,891	434,563	417,185
5,309	Capitalized costs and expenses	2,158	1,055	6,760	3,410
561,925	B.- REVENUES FROM ORDINARY ACTIVITIES	167,018	154,946	441,323	420,595
(187,314)	Cost of materials and external services	(56,136)	(48,094)	(156,553)	(137,488)
374,611	C.- GROSS MARGIN	110,882	106,852	284,770	283,107
(118,276)	Payroll costs	(29,574)	(28,124)	(91,599)	(86,921)
256,335	D.- GROSS OPERATING INCOME	81,308	78,728	193,171	196,186
(98,070)	Amortization and depreciation	(25,955)	(24,660)	(77,860)	(72,682)
(5,524)	Other provisions	(909)	(607)	(1,942)	(4,705)
(7,311)	Provisions for risks and charges	0	(2,242)	(5,518)	(4,027)
(1,085)	Other income (expense), net	3,796	(833)	(2,638)	(1,575)
144,345	E.- OPERATING INCOME	58,240	50,386	105,213	113,197
(78,557)	Financial income (expense), net	(20,784)	(19,766)	(60,949)	(58,269)
65,788	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	37,456	30,620	44,264	54,928
(425)	Extraordinary income (expense), net	(3,831)	(1,636)	(5,452)	(2,189)
65,363	G.- INCOME BEFORE TAXES	33,625	28,984	38,812	52,739
(42,914)	Income taxes for the period	(12,334)	(16,928)	(31,603)	(35,584)
(3,531)	Deferred tax assets	(839)	1,202	8,823	2,012
18,918	H.- NET INCOME FOR THE PERIOD	20,452	13,258	16,032	19,167
	including:				
1,027	- Minority interest	265	250	491	790
17,891	**- Group interest**	**20,187**	**13,008**	**15,541**	**18,377**

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€000)

09-30-2007		09-30-2008	12-31-2007	Change
	A. - NET FIXED ASSETS			
2,019,448	Intangible fixed assets *	1,999,895	2,020,140	(20,245)
127,702	Tangible fixed assets	165,704	137,665	28,039
3,292	Non - current financial assets	3,432	3,121	311
2,150,442		2,169,031	2,160,926	8,105
	B. - WORKING CAPITAL			
18,326	Inventory	19,745	19,059	686
161,077	Trade receivables	197,144	149,913	47,231
41,375	Other assets	33,527	24,463	9,064
(130,957)	Trade payables	(162,803)	(148,422)	(14,381)
(31,017)	Allowances for risks and charges	(35,955)	(29,637)	(6,318)
(86,427)	Other liabilities	(113,023)	(82,986)	(30,037)
(27,623)		(61,365)	(67,610)	6,245
	C. - INVESTED CAPITAL, minus			
2,122,819	short-term liabilities (A+B)	2,107,666	2,093,316	14,350
41,530	D. - EMPLOYEE SEVERANCE INDEMNITIES	38,009	37,843	166
	E. - INVESTED CAPITAL, minus short-term			
2,081,289	**liabilities and E.S.I. (C-D)**	**2,069,657**	**2,055,473**	**14,184**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
731,554	- Group interest	746,609	731,068	15,541
1,735	- Minority interest	1,440	1,971	(531)
733,289		748,049	733,039	15,010
1,512,519	G. - MEDIUM/LONG-TERM BORROWING	1,493,369	1,512,519	(19,150)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
12,498	.Short-term borrowing	10,244	17,471	(7,227)
(177,017)	.Cash and current receivables	(182,005)	(207,556)	25,551
(164,519)		(171,761)	(190,085)	18,324
1,348,000	(G+H)	1,321,608	1,322,434	(826)
2,081,289	**I. - TOTALE AS IN "E" (F+G+H)**	**2,069,657**	**2,055,473**	**14,184**
1,811,174	*(*) including the value of the concession totaling*	*1,761,890*	*1,798,853*	*(36,963)*

MANAGEMENT REPORT FOR THE THIRD QUARTER OF 2008

MANAGEMENT REPORT

Background

A series of concurring critical events led to difficult operating conditions in the third quarter of 2008. This has resulted in significant ongoing risks for the business and will have an impact on performance in the last quarter of the year and in 2009.

The financial crisis that began in the United States, before spreading to other major markets around the world, has hit some of the key European and American financial institutions and caused sharp falls in share prices. It is now affecting the real economy and triggering the risk of recession.
The economic downturn, together with the high cost of fuel, in particular, has led to increasing difficulties for airlines.

In the first eight months of 2008 commercial passenger traffic at European airports grew by 2.4%, with a downturn reported only in the last two months.
The difficulties on the international front were compounded by additional factors in Italy, culminating in Alitalia SpA being put into special administration, a procedure that a few days later was also extended to include the other Group companies.
This had the immediate effect of freezing receivables due to ADR from the Alitalia Group, and subsequently led to the impossibility, under the procedure, of guaranteeing full payment in the short term for the services provided after the initiation of this procedure.

Moreover, these difficulties are affecting the whole of Italy's industrial sector. Other carriers are also directly and indirectly involved in the complex process of restructuring and re-launching Italy's flag carrier.
The ADR Group is closely following this external situation due to the inevitable risks – current and future – of negative impacts on our performance. Indeed, Alitalia's main operating base is still located at Fiumicino airport.

Nevertheless, in the first nine months of 2008 passenger traffic rose by 7.0% compared with the previous year (the increase fell to 6.8% in the third quarter), primarily thanks to the transfer of Alitalia's intercontinental flights from Malpensa to Fiumicino in the summer of 2008.
Domestic traffic rose by 4% from January through September, whilst EU flights grew by 2.8% and non-EU flights by 22.7%.

The following table breaks down air traffic at Fiumicino airport at December 31, 2007, at June 30 2008 (thus after Alitalia's transfer from Malpensa) and at September 30, 2008 (thus after the Alitalia crisis).

	December 2007	*June 2008*	*September 2008*
No. of destinations	162	177	173
No. flights per day	420	510	486
No. of carriers	119	118	117

Consolidated revenues for the first nine months of 2008 amount to 434.6 million euros, up 4.2% on the previous year.

Non-aviation revenues rose by 7.7%, slightly ahead of passenger traffic growth. Aviation revenues, which rose by 1.0%, are influenced by the sale of the cargo business; on a like-for-like basis, the increase would have been 7.7%.

The Group reports net income of 15.5 million euros for the first nine months, marking an improvement on the 4.6 million euros loss registered for the first six months of the year. It should be pointed out that it is currently impossible to assess the impact of the valuation of the receivables due from the Alitalia Group's special administration. Consequently, no provisions have been made in this quarterly report for doubtful accounts, with the expectation that the extent of the impairment will be definable at a later date. The potential risk, deriving from amounts due before instigation of the procedure, totals approximately 45 million euros, whilst the amounts due subsequently and outstanding at the end of the quarter total 9.6 million euros.

Investment rose up to 87.2 million euros, of which 60% was allocated to maintenance and modernization and 40% to the upgrading of existing infrastructures.
The latter primarily regarded the new Pier C, baggage handling systems, Terminal 5, runway upgrading and the new office building.
Moreover, the co-generation power plant built by Sistemi di Energia SpA, which will supply power to Fiumicino airport, is nearing completion and will enter service in the last quarter of the year.

Net debt of 1,321.6 million euros is substantially in line with the 1,322.4 million euros at December 31, 2007 and up on the 1,317.5 million euros at June 30, 2008. This is due to a contraction in EBITDA, the substantial investment program and an increase in receivables due from carriers, especially Italian airlines.

The current difficulties do not compromise the Company's growth potential, which is based, on the one hand, on the attractiveness of Rome and Italy, and on the other, on the large areas available for infrastructure development. The recent agreement signed with Changi Airports International Pte. Ltd, which runs one of the world's most modern airports, fits into this perspective. This agreement is aimed at drawing up a long-term development plan for the airport system in the Rome area.
As has been pointed out on previous occasions, implementation of such a plan requires adoption of a tariff system that enables self-financing of investment and a return on invested capital, as well as the construction of adequate transport infrastructure for accessing the region's airports.

Group operating review

A review of operations during the third quarter of 2008 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 2008, compared with the same period in 2007, reveals the following performance, broken down by airport – Fiumicino and Ciampino – and segment – domestic and international:

Data for the period July-September 2008

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	111.580	95.908	15.672	46.723	64.857
D% vs PY	+4,0%	+6,0%	-7,0%	+2,7%	+4,9%
Mtow	8.408.540	7.682.006	726.534	2.682.246	5.726.294
D% vs PY	+8,2%	+10,4%	-11,1%	+3,2%	+10,7%
Total Pax	11.961.778	10.645.003	1.316.775	3.862.752	8.099.026
D% vs PY	+6,8%	+9,4%	-10,4%	+2,4%	+9,0%
Freight (Kg)	42.564.246	37.798.368	4.765.878	2.630.037	39.934.209
D% vs PY	+8,1%	+11,3%	-11,6%	+11,5%	+7,9%
Mail (Kg)	3.312.355	3.312.355	0	1.797.829	1.514.526
D% vs PY	-16,6%	-16,6%	#DIV/0	-31,7%	+13,0%

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

	International	Intl' EU	Intl' Extra EU
Movements	64.857	44.233	20.624
D% vs PY	+4,9%	-1,8%	+22,7%
Mtow	5.726.294	3.050.795	2.675.499
D% vs PY	+10,7%	+2,8%	+21,4%
Total Pax	8.099.026	5.194.198	2.904.828
D% vs PY	+9,0%	+2,0%	+24,3%
Freight (Kg)	39.934.209	9.289.611	30.644.598
D% vs PY	+7,9%	-11,0%	+15,3%
Mail (Kg)	1.514.526	669.293	845.233
D% vs PY	+13,0%	+8,7%	+16,7%

The monthly trend in passenger traffic during the period under consideration (for the whole Roman airport system) breaks down as follows:

July	up 7.0%
August	up 9.5%
September	up 3.8%

There was a rise in the number of passengers at Fiumicino airport during the third quarter (up 9.4%) compared with the same period of 2007, due to both increased capacity (movements up 6.0% and aircraft tonnage up 10.4%) and an improvement in the load factor.

The decrease in the number of passengers (down 10.4%) at Ciampino airport in the third quarter of 2008 compared with the same period of 2007 is again due to the measures implemented by the Civil Aviation Authority to limit the airport's commercial aviation capacity (maximum of 100 movements per day).

An analysis of traffic figures for the Roman airport system for the first nine months of 2008, compared with the same period in 2007, reveals the following performance, broken down by airport - Fiumicino and Ciampino – and segment – domestic and international:

Data for the period January-September 2008

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	314.584	268.703	45.881	137.336	177.248
D% vs PY	+4,2%	+6,8%	-9,0%	+2,3%	+5,6%
Mtow	23.042.321	20.882.783	2.159.538	7.922.595	15.119.726
D% vs PY	+7,8%	+10,4%	-11,6%	+3,7%	+10,2%
Total Pax	31.263.955	27.583.416	3.680.539	11.023.933	20.240.022
D% vs PY	+7,0%	+10,2%	-12,1%	+4,0%	+8,8%
Freight (Kg)	121.149.368	106.233.711	14.915.657	6.802.341	114.347.027
D% vs PY	+6,7%	+10,5%	-14,3%	-14,7%	+8,3%
Mail (Kg)	11.876.879	11.870.059	6.820	7.230.056	4.646.823
D% vs PY	-39,2%	-39,2%	+1871,1%	-51,7%	+2,2%

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

	International	Intl' EU	Intl' Extra EU
Movements	177.248	124.465	52.783
D% vs PY	+5,6%	+0,3%	+20,7%
Mtow	15.119.726	8.462.515	6.657.211
D% vs PY	+10,2%	+3,4%	+20,2%
Total Pax	20.240.022	13.417.374	6.822.648
D% vs PY	+8,8%	+2,8%	+22,7%
Freight (Kg)	114.347.027	28.853.941	85.493.086
D% vs PY	+8,3%	-9,0%	+15,8%
Mail (Kg)	4.646.823	2.066.785	2.580.038
D% vs PY	+2,2%	-9,4%	+13,8%

A comparison of nine-monthly data for 2008 with that for 2007, at the level of the Roman airport system, shows upturns in passengers (up 7.0%) and capacity (movements up 4.2% and aircraft tonnage up 7.8%).

Fiumicino airport registered traffic growth of 10.2% which, as for the Roman airport system, was accompanied by an increase in capacity with movements up 6.8% and aircraft tonnage up 10.4%.
It should be pointed out that, especially in September, an overall reduction in traffic growth was registered due to the events linked to the worsening of the Alitalia crisis. This situation led to a rapid decrease in passengers' willingness to fly and the carrier reacted by cutting back operations in order to reduce costs.

At Ciampino, passenger volumes have fallen by an overall 12.1% since the start of the year.

During the third quarter of 2008 revenues from airport fees rose by 8.9%, bringing the overall increase for the first nine months of the year to 8.2% (127.6 million euros compared with 117.8 million euros in the first nine months of 2007).

The two principal components, landing and take-off fees and passenger boarding fees, reported the following performances in the first nine months of 2008:

- landing and take-off fees: the increase of 9.3% is essentially due to a rise in movements and aircraft tonnage;
- passenger boarding fees: total revenues rose by 8.0% on the back of an increase in the number of passengers boarded.

Moreover, the transfer of certain flights from Ciampino to Fiumicino airport led to changes in the revenue breakdowns regarding the two airports compared with the previous year.

The management of centralized infrastructures and terminal services, carried out directly by the Parent Company, ADR SpA, generated revenues of 10.6 million euros during the third quarter, representing an increase of 4.6%; in the first nine months of 2008 revenues totaled 27.9 million euros, which is up 5.4% on the previous year.
This performance was due essentially to two factors:

- a 9.9% rise in loading bridge revenues, primarily due to improved use of infrastructures (especially in the international segment), slightly offset by a reduction in fees for some types of aircraft introduced in the first quarter of 2007;
- a 2.0% decrease in revenues from baggage handling systems on the back of the complete transfer of Alitalia Schengen flights from Terminal B to Terminal A and the opening of Terminal 5 (infrastructures with a lower unit cost), which was partly offset by the positive effect of passenger traffic growth.

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 18.1 million euros in the third quarter and 48.8 million euros in the first nine months of the year, in line with the same periods of 2007. This performance resulted from the positive trend in passenger numbers deriving from traffic growth, which was offset by the negative effects of the reduction in certain checks ordered by the Civil Aviation Authority (the elimination of checks on transit passengers coming from countries included in the Schengen agreement, a review of additional measures regarding security forms) and a reduction in revenues from on demand cargo services due to the spin-off of the cargo business.

In compliance with EU legislation, on July 16, 2008 ADR SpA started carrying out activities to assist Passengers with Reduced Mobility (PRM) via the subsidiary undertaking, ADR Assistance Srl, which was set up for this purpose. From July 16 to September 30, 2008, provision of these services generated additional revenues of 2.6 million euros, which will be fully passed on to the service provider, ADR Assistance Srl. Moreover, in July the Fiumicino and Ciampino Airport Regulations were updated to include regulations for the new activities.

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.

The periodic updating of Airport Regulations continued, including:

- in January 2008 the contents of the Fiumicino Airport Regulations were expanded, completed and revised;
- in May 2008 information was added regarding Terminal 5 and the cargo handling procedures at Fiumicino were revised;
- new Directives ordered by the management of Ciampino airport were gradually added.

Real estate management

Revenues from retail sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amount to 29.3 million euros, registering a sharp increase of 9.6% compared with the first nine months of 2007 (up 12.5% in the third quarter of 2008).

This performance is largely due to the disposal of the cargo business which, as of January 1, 2008, resulted in the granting of a sub-concession to Cargo Merci Fiumicino Srl for the portion of the cargo building previously used directly by ADR SpA as an operating asset.

Revenues from other fees charged to third parties at Fiumicino and Ciampino amount to 7.6 million euros, marking a decrease of 6.6% with respect to the same period of the previous year; the decrease registered in the third quarter of 2008 amounts to 1.9%. This substantially derives from the reduction in the charges applied to the oil companies that supply jet fuel, in compliance with the Civil Aviation Authority directive of September 15, 2008, which was not offset by growth in revenues from hotels and other services.

Non-aviation activities

Revenues from direct sales grew by 10.3% in the first nine months of 2008 compared with the previous year (up 13.2% in the third quarter of 2008), against an increase of 7.3% in outgoing traffic. The average passenger spend rose by 2.8% compared with the first nine months of 2007.

Fiumicino registered revenue growth of 16.9%, equal to an increase in average passenger spend of 5.8%. This performance was achieved, in spite of the fall in the average passenger spend for dollar and sterling destinations arising from the strengthening of the euro against these currencies, due to the improved traffic mix deriving from the transfer of Alitalia flights from Malpensa, as well as the increase in the average domestic passenger spend resulting from the improved retail offering at Terminal A and Terminal B.

In terms of the different product segments, 'Luxury and Gift Items' reports the greatest revenue growth (21.2%), followed by 'Make-up' (20.7%) and 'Confectionery' (20.3%).

Ciampino airport registered a 29.8% decrease in revenues compared with the first nine months of 2007, greater than the drop in traffic (down 12.0%), with a consequent reduction of 19.3% in the average passenger spend. This performance primarily reflects the decrease in the average passenger spend on UK flights due to the above-mentioned strengthening of the euro against sterling.

Revenues from outlets managed by sub-concessionaires registered a total increase of 37.1 million euros (11.8%) in the first nine months of 2008 compared with the same period of the previous year (up 14.2% in the third quarter of 2008), thereby outstripping passenger traffic, which grew by 7.0%.

The “Retail” segment reported good results with revenue growth of 10.1% (up 1.9 million euros), whilst the “Food & Beverage” segment posted an excellent 14.9% rise in revenues (up 1.6 million euros) due to recent implementation of product improvement measures, including the opening of a new fish and wine bar, under the “Frescobaldi” brand, in the B11-B21 gate area in February 2008.
The item “Other royalties” also outstripped traffic growth with a rise of 11.1% (equivalent to around 0.4 million euros), primarily due to revision of the contracts with the VAT refund companies and the increase in revenues from baggage wrapping, which benefited from a tariff rise and increased contractual royalties. In July this segment also saw the opening of two “Be Relax” massage centers, one at Pier B and the other at the Satellite.

In the coming months the area including bars, restaurants and newsagents that is currently managed by the sub-concessionaire Cisim Food SpA, which is in special administration, will be transferred to other operators. This operation will subsequently enable complete renovation of the layout and services provided with a consequent improvement in service quality at 17 outlets at Fiumicino and 5 at Ciampino. Given the size of the operation, this will also have a significant impact on customer satisfaction.

Regarding the “Retail” segment at Ciampino, a lingerie shop will be opened, whilst at Fiumicino a “Zegna” shop will be opened in the B11-B21 gate area as well as a new “Gallo” retail outlet at Terminal C, a new fashion accessories outlet under the “Mati” brand at the C34-C49 gate area and a telephone accessories and services shop.
A “Piquadro” shop will soon be opened on the mezzanine at Terminal A.

Advertising revenues rose by 1.5% in the third quarter of 2008, bucking the downturn of 7.5% registered in the first half of the year due to the economic slowdown that has affected the advertising sector throughout Italy. In the first nine months of the year revenues amounted to 19.4 million euros, a decrease of 4.5% compared with the same period of 2007.

Management of parking systems registered revenues of 23.3 million euros, up 2.3% on the same period of the previous year, which is slightly more than the growth in the potential market for outgoing passengers (up 0.6%); revenues in the third quarter of 2008 fell slightly compared with the same period of 2007 (down 0.8%).
In the first nine months of the year the “passenger car parking” business registered revenue growth of 0.7% (corresponding to 0.1% of the average outgoing passenger spend) compared with 2007. The business segment performed well (average passenger spend up 3.4% on the first nine months of 2007), which partially offset the lackluster performances registered in the other segments, especially leisure and weekend traffic. The latter were penalized by off-airport competition and increased gasoline costs, which encourage leisure passengers to use alternative means of transport to get to the airport.

The “airport operator car parking” business registered growth of 6.3%, in connection with increased use of infrastructures.

The initiatives aimed at developing distribution channels (online booking, tour operators, business travel agencies, companies, airlines) continued to produce positive effects, with growth of more than 75% on the first nine months of 2007. This mitigated the negative effects of the increased competition from other operators and alternative means of transport.

<u>Technical and IT services</u>

During the third quarter of 2008 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 third quarter of 2008 include the following:

- SAP upgrading: the upgrading of SAP R/3 (to ECC 6) and BW (to BI Netweaver 7.1) was completed;
- PRM project: the project to develop and upgrade systems regarding assistance provided by ADR to Passengers with Reduced Mobility (PRM) relating to the upgrading of airport systems (UFIS RMS), infrastructures and management systems was completed. The project to launch a web portal dedicated to the new company in compliance with regulations regarding website access (the "Stanca Law") was completed. Both passengers and carriers will be able to use this website to book assistance services;
- commercial systems assessment and plan: the drawing up of a long-term development plan for retail systems and infrastructures with the business department was completed.

Important activities that were launched during the first half of 2008, or carried over from 2007, include the following:

- revamping of the "operating" area: analysis and definition of a management model for ICT and ADR Tel "operations" is nearing completion, to be followed by a pilot project that will be launched during the fourth quarter of 2008;
- automation of airport service billing procedures: analysis and implementation of systems for automating the billing procedures of the various airport and security services provided by ADR are in progress;
- FIDS (Flight Information Display System): information monitors that are obsolete, or to be phased out in accordance with the requirements of the company's signage project, are being replaced;
- integrated badge access control system: implementation of an integrated platform to control and monitor systems that are accessed via use of the airport badge has been completed, and the integration of existing systems with the new platform has been launched;
- fidelity cards: development of a system for managing fidelity cards has been completed, and the date of entry into service is under consideration by the business department;
- new Adr.it portal: the advanced preview function requested by internal users is being developed, as well as preliminary testing prior to the launch of the Adr.it portal, which has new graphics and a new content layout in compliance with existing regulations regarding website access (the "Stanca Law"). The launch of the pilot version has been completed; the old website will be replaced by the new one by the end of October.

Environmental protection

During the period, maintenance and development of the Environmental Management Systems (EMS) at Fiumicino and Ciampino continued according to plan.
Within the scope of training initiatives, scheduled courses were provided for the departments concerned by EMS.
EMS monitoring, conducted by ADR's internal environmental auditors, was carried out in accordance with annual planning, and contributed to highlighting areas where systems may be improved.
The ADR Environmental Report is being updated with 2007 data.

An air quality monitoring campaign was launched in collaboration with the National Research Council (CNR) at Fiumicino airport. This campaign will be completed by the end of the year and followed by electromagnetic monitoring at both airports.

Regarding noise abatement, initiatives to improve the compatibility of airport activities with the environment and the surrounding area continued.

Quality

Monitoring of the quality of the services provided at Fiumicino and Ciampino airports during the third quarter of the year was carried out in accordance with the 2008 Quality Plan. More than 11,500 objective controls were carried out, based on daily monitoring of the level of quality provided for the main passenger services (baggage claim, check-in, carry-on baggage security checks and restroom cleanliness).

An analysis of quality trends at Fiumicino airport shows that:

- 96% of passengers waited less than 12 minutes for carry-on baggage security checks, 6 percentage points above the service standard published in the Service Charter (90% of passengers);
- the percentage of flights with baggage reclaim times within the set limits was 72% for the first piece of luggage and 79% for the last (the standard is 90%);
- the percentage of outgoing flights with delays of more than 15 minutes was 43.4%, 18.4 percentage points above the standard (25%). The percentage of outgoing flights with delays caused by the airport operator remained low (1.56%), even though the set standard of 0.3% was not met;
- 90% of passengers traveling on domestic flights and 78% of passengers traveling on international flights completed check-in operations within the stipulated times (10 and 20 minutes respectively); international flights did not meet the standard set by the Service Charter (90%).

An analysis of quality trends at Ciampino airport shows that:

- 100% of passengers waited less than 15 minutes for carry-on baggage security checks, compared with the set standard of 90% published in the Service Charter;
- the percentage of outgoing flights with delays of more than 15 minutes was 24.8%, 7 percentage points above the standard set by the Service Charter (17%);
- the percentage of flights with baggage reclaim times within the set standards was 88% for the first piece of luggage and 86% for the last (the standard is 90%);
- 64% of passengers completed check-in operations within 20 minutes (the standard is 90%).

Analysis of the monitoring carried out reveals an overall failure to meet the standards set by the Service Charter, except for carry-on baggage security checks.
Compared with the same period of the previous year, carry-on baggage checks registered an improvement and baggage reclaim times remained substantially the same.

Group investment

During the quarter under consideration the ADR Group carried out investment totaling 16.4 million euros, with a total of 87.2 million euros in the first nine months of 2008 (13.9 million euros and 47.9 million euros, respectively, in the same periods of 2007).

Terminals

Work on improving the image and retail layout of terminals at Fiumicino, with civil and plant engineering works at the West Pier, is nearing completion.
Steps to raise comfort levels inside the airport included work on upgrading the technological station that serves Terminal C and the distribution systems for Terminals A and B.
Upgrading works were completed on the restrooms in the following areas: Terminal C (quota 10.00), Domestic Pier (in the basement and the Milan departures area) and Pier B departure gates.
As part of the initiative to combine access points and upgrade the arrivals gates of Terminals B and C, the new, high-capacity no. 8 baggage reclaim carousel entered service in August and upgrading works on the handlers' Lost & Found counters were completed.

On May 3, 2008 Terminal "T5" was opened to the public. This terminal, which is dedicated to dealing with passengers from "sensitive flights" (with a high number of security checks), will enable Terminal C to be relieved of this passenger traffic component that is more difficult to manage, especially during peak periods, thereby reducing the strain on the automated baggage handling system (BHS).

As regards handling and security checks on checked luggage, during the first half of the year the new back-up system for the BHS at Terminal B was completed and the northern X-Ray Screening building entered service with totally renovated baggage sorting carousels and the replacement of conventional x-ray machines with EDS (Explosive Detection System) equipment, namely automated detectors of explosive materials in compliance with the National Security Plan. A second back-up system for the D-E islands at Terminal C, a new building for handling and screening transit baggage, called Kilo3, and a second line to feed baggage claim carousel no. 11 at Terminal B will also enter service in 2008.

Work is underway on renovating the external and internal parts of the passenger information sign system.

Work continued on the construction of Pier C.

Upgrading works began on the reception facilities for Passengers with Reduced Mobility (PRM) at Fiumicino airport, whilst similar works at Ciampino airport were completed.

Infrastructures and buildings

Construction of the new co-generation (tri-generation) plant is in progress and should be completed by the end of 2008. Via this new self-production system, the airport will have its own independent source of electric power.

Construction of the new "Epua 2" office building is underway and is scheduled for completion by October 2008 with entry into service expected in December 2008.

Regarding the agreement between ADR and Alitalia to move the airline's cargo activity to Cargo City, the project to convert Cargo AZ to a BHS specifically for flights at Terminal A was completed in the first half of the year.
Work continued on expanding Alitalia's cargo warehouse at Cargo City.

The tender for the three-year contract regarding the operation and maintenance of air conditioning and water and sprinkler systems at Fiumicino airport (Global Service) is in the process of being awarded.

Runways and aprons

Work is nearing completion on upgrading the BA connecting runway, utilized by aircraft taking off from runway 2, to strengthen the paving. This runway is especially subject to heat and chemicals emitted by aircraft waiting to take off. Completion of these works has been postponed until October 2008 due to the closure of runway 1.

Works are in progress on runway 1 and the Alfa taxiway between the AC and AF connecting runways. The following works have been completed: structural upgrading of the runway paving, of the section of the Alfa taxiway between the AB connecting runway and the intersection with runway 2 and between connecting runways BD and BH, and of the relative connecting runways; upgrading of the runway's strip; construction of two new fast exits for landings from the south, thereby increasing the runway's landing capacity; implementation of the luminous sign system for operations carried out in conditions of low visibility for all runway infrastructure; and enlargement of the anti-dust sections of the taxiway and connecting runways to upgrade the whole of the runway to handle the new generation class F aircraft (A 380s). Works to be completed by the end of October 2008 include the upgrading of the Alfa taxiway between the intersection with the runway and the AD connecting runway and the related AVL signs.

At Ciampino airport, work on upgrading the area in front of the hangar is in progress, with completion expected by February 2009.

<u>Airport Development Plan</u>

In July the Airport Development Plan for 2008-2020 was submitted to the Civil Aviation Authority. This planning tool envisages infrastructure development at the airport in two phases – 2008-2013 and 2014-2020 – via a series of works aimed at optimizing the use of the grounds at Fiumicino airport. The preliminary inquiry at the Civil Aviation Authority will be completed with granting of the technical go-ahead. It will then be possible to submit an environmental impact study to set in motion the environmental impact assessment procedure.

Group personnel

<u>Group headcount at September 30, 2008</u>

The headcount as of June 30, 2008 was **2,807**, broken down by category and type of contract as follows:

CATEGORY	Sep 30, 2008	Dec 31, 2007	Change
Managers	61	57	4
Supervisors	216	210	6
White-collar	1,818	1,619	199
Blue-collar	712	435	277
Total Group	**2,807**	**2,321** (*)	**486**
including:			
on permanent contracts	1,892	1,655	237
on temporary contracts	915	666	249

(*) excluding the cargo business sold on December 31, 2007

and broken down by company as follows:

COMPANY	Sep 30, 2008			Dec 31, 2007			Change		
	Perm. contract	Temp. contract	TOTAL	Perm. contract	Temp. contract	TOTAL	Perm. contract	Temp. contract	TOTAL
ADR SpA	1,670	784	2,454	1,587	666	2,253(*)	83	118	201
ADR Engineering SpA	44	4	48	39	0	39	5	4	9
ADR Tel SpA	18	0	18	18	0	18	0	0	0
ADR Advertising SpA	10	1	11	11	0	11	(1)	1	0
ADR Assistance Srl	150	126	276	0	0	0	150	126	276
Total Group	**1,892**	**915**	**2,807**	**1,655**	**666**	**2,321**	**237**	**249**	**486**

(*) excluding the cargo business sold on December 31, 2007

This data represents a snapshot of the Group's operations at two different times of the year: September (high season) and December (low season).

Therefore, the change in the headcount recorded at September 30, 2008, compared with December 31, 2007, registers an increase of 486 (including 201 for ADR SpA, 276 for ADR Assistance Srl and the remainder for ADR Engineering SpA).
The increase in the headcount compared with the end of 2007 primarily derives from these events:

- comparison between two different times of the year (30% traffic growth between December 2007 and September 2008);
- entry into service of the new Terminal 5;
- incorporation in July of ADR Assistance Srl, a new Group company that provides assistance to passengers with reduced mobility. Pursuant to the social clause of the National Collective Labor Contract, as the company has taken over the service, it took on staff from amongst the handlers operating at Fiumicino and Ciampino airports;
- stepped-up design activities connected with the Airport Development Plan.

Regarding the contract mix, the increase in the number of staff on permanent contracts is linked to the recent legislation regarding the repetition of temporary contracts (Law no. 247/07), which has been gradually applied at ADR Group companies since January 2008. However, also compared with December 31, 2007, the increase in the number of staff on temporary contracts reflects the above-mentioned seasonal workforce.

Average Group headcount from January 1 to September 30, 2008

The following data, expressed as full-time equivalent*,* compare the changes that occurred in the first nine months of 2008 and 2007.

The average headcount between January 1 and September 30, 2008 is **2,297.70** full-time equivalents, broken down by category and type of contract as follows:

CATEGORY	9M 2008	9M 2007	Change
Managers	60.4	57.3	3.1
Supervisors	215.8	196.2	19.6
White-collar	1,536.10	1,450.4	85.7
Blue-collar	485.4	570.1	(84.7)
Total Group	**2,297.70**	**2,274.0** (*)	**23.7**
including:			0
on permanent contracts	1,681.60	1,741.4	(59.8)
on temporary contracts	616.1	532.6	83.5

(*) including the cargo business sold on December 31, 2007

and broken down by company as follows:

COMPANY	9M 2008			9M 2007			Change		
	Perm. contract	Temp. contract	TOTAL	Perm. contract	Temp. contract	TOTAL	Perm. contract	Temp. contract	TOTAL
ADR SpA	1,570.20	587.6	2,157.90	1,674.90	531.6	2,206.5 (*)	(104.7)	56.0	(48.6)
ADR Engineering SpA	43.4	3.5	46.9	37.4	0	37.4	6.0	3.5	9.5
ADR Tel SpA	17.8	0	17.8	20.2	0	20.2	(2.4)	0.0	(2.4)
ADR Advertising SpA	10.6	0.1	10.7	8.9	1	9.9	1.7	(0.9)	0.8
ADR Assistance Srl	39.6	24.9	64.4	0	0	0	39.6	24.9	64.4
Total Group	**1,681.60**	**616.1**	**2,297.70**	**1,741.40**	**532.6**	**2,274.00**	**(59.8)**	**83.5**	**23.7**

(*) including the cargo business sold on December 31, 2007

For the **Group**, the rise of 23.7 full-time equivalents in the average headcount is primarily connected with the incorporation of ADR Assistance.

For **ADR SpA**, the change derives from the following organizational and operational events:

- sale of the cargo business (down 246.8 full-time equivalents),
- implementation of the National Security Plan (up 65.2 full-time equivalents),
- the opening of Terminal 5 (up 50.1 full-time equivalents),
- an 8% increase in passenger traffic (up 43 full-time equivalents),
- new non-aviation initiatives (up 9.4 full-time equivalents),
- operational activities connected with the Customs Building (up 6.6 full-time equivalents),
- expansion of various organizational structures (up 23.8 full-time equivalents).

In the last quarter of 2008 the development of the workforce will be strongly influenced by the operating program of the new carrier, Compagnia Aerea Italiana (CAI), and the solutions it adopts regarding the organization of its operating bases.

Organizational aspects

The Group's structure was modified with the incorporation – in implementation of EC Regulation 1107/2006 – of ADR Assistance Srl, a company wholly owned by ADR SpA and dedicated to providing assistance to passengers with reduced mobility.

Regarding more strictly organizational matters, within the Central Infrastructure Development and Operations Department, ADR SpA restructured the Airport Systems Development and Technical Services Department. This initiative was aimed at defining an organizational structure that is more responsive to the need to improve support for the development of the long-term Investment Plan. Steps were also taken to increase integration within the Department by optimizing maintenance and investment processes.

Industrial relations

With the signing of an agreement on July 22, 2008, the performance bonus for 2007 was recognized.

Main Group companies

ADR Engineering SpA

This Group company, which provides design, works supervision and technical consultancy services in the field of airport engineering, reported net income of 429 thousand euros for the period January-September 2008, an increase of 74 thousand euros on the same period of the previous year.

Thanks to the greater volume of business (design and works supervision) commissioned by the Parent Company, ADR, in connection with the new infrastructure investment program, the company's revenues rose by 2,676 thousand euros to 8,005 thousand euros (up 50.2%).
Regarding the increase in operating costs, EBITDA stood at 1,028 thousand euros, up 11.6% on the first nine months of 2007.

ADR Tel SpA

This company, which builds and manages telecommunications systems at the Roman airport system, reports net income of 685 thousand euros for the first nine months of 2008, up 275 thousand euros on the same period of the previous year.

Revenues total 8,428 thousand euros, an increase of 1,825 thousand euros (27.6%) on the same period of 2007, primarily due to higher revenues deriving from works commissioned by the Parent Company to build infrastructure.

EBITDA amounts to 2,273 thousand euros, up 17.2% thousand euros on the same period of the previous year, whilst EBIT is up 28.9%.

ADR Assistance Srl

This company was incorporated on June 25, 2008 with initial share capital of 10,000 euros, fully subscribed by ADR SpA, with the purpose of managing ground airport assistance services to the disabled and persons with reduced mobility within the Roman airport system.
ADR Assistance Srl started operating on July 16, 2008 and became responsible for providing assistance services to passengers with reduced mobility at Fiumicino and Ciampino airports.
On August 5 the company's General Meeting approved a capital increase from 10 thousand euros to 6 million euros.
For its first period of operations (July 16 - 30 September 30, 2008) the company reports net income of 30 thousand euros.

ADR Advertising SpA

This company, which manages advertising space at the Roman airport system, reports net income of 629 thousand euros for the first nine months of 2008, down 391 thousand euros on the same period of the previous year.

Revenues, totaling 18,640 thousand euros, decreased by 1.8% due to the economic downturn in the advertising sector. Consequently, EBITDA also fell back significantly to stand at 1,418 thousand euros (2,082 thousand euros in the same period of the previous year).

Other significant events during the third quarter

Legal and regulatory context

- The Viterbo airport management concession

On September 10, 2008 an agreement was signed between Aeroporti di Roma and the Civil Aviation Authority regarding the planning of preliminary activities relating to the Addendum covering the concession to manage Viterbo airport. The agreement specifies the technical, economic, financial and administrative documentation to be prepared by ADR SpA, as well as the administrative procedures to be carried out by the Civil Aviation Authority ahead of the signing of the Addendum to the airport management concession already in force for Fiumicino and Ciampino airports. Amongst other things, the agreement requires the Civil Aviation Authority to instigate the procedure pursuant to art. 8 of Regulation (EEC) no. 2408/92 in order to incorporate Viterbo within the Roman airport system.

- Civil Aviation Authority Memorandum regarding assistance to disabled passengers and passengers with reduced mobility

On July 8, 2008 the Civil Aviation Authority adopted Memorandum GEN 02 on Regulation (CE) no. 1107/2006 of July 5 2006 regarding the rights of disabled persons and persons with reduced mobility when traveling by air (in force since July 26, 2008).

- Fuel surcharge

Following an investigation of ADR SpA, in a memorandum on September 15, 2008, the Civil Aviation Authority notified the fuel surcharge to be retroactively applied by ADR SpA as of January 1, 2008, pursuant to art. 11.13 of Law no. 248/05. Taking into account the projected traffic growth for this annual period, and the transfer of Alitalia flights from Malpensa to Fiumicino, the Civil Aviation Authority revised the surcharge to 3.62 euros per cubic meter, subject to adjustments to be made in 2009.

Cooperation agreement with Changi

Within the scope of the upgrading and modernization of Fiumicino airport, on August 6, 2008 the Board of Directors of ADR approved a proposal to collaborate with Changi International Airports, who will assist ADR in drawing up a strategic plan for the Roman airport system.
Changi International Airports is the operator of Singapore airport. With a capacity of 70 million passengers and traffic amounting to around 37 million passengers in 2007, it is universally recognized as one of the world's best airports in terms of infrastructure and service quality.

The Alitalia Group's admission to the special administration procedure

With Legislative Decree no. 134 of August 28, 2008, published in edition no. 201 of the Official Gazette of August 28, 2008, amendments were made to the content of Law no. 39 of February 18, 2004 (the "Marzano Law"), specifically aimed at the management of large companies undergoing difficulties, which operate in essential public service sectors.
This Decree, which was converted into Law no. 166 on October 27, 2008, saw immediate application with the inclusion of the airline, Alitalia – Linee Aeree Italiane SpA, within its regulations.
Indeed, as of August 29, 2008, via a government measure, Alitalia went into special administration (in application of the above Legislative Decree), subject to a declaration of insolvency. With immediate effect, the measure appointed Professor Augusto Fantozzi as Special Commissioner of Alitalia SpA.
The main innovations introduced by the new legislation include:

a) the power of the Commissioner to sell company assets without prior agreement with creditors;
b) the extension of powers to include companies which, whilst not legally owned by the Alitalia Group, are strongly influenced in terms of the impact on their turnover;
c) exemption for the purposes of Italian law of the application of antitrust legislation regarding operations that entail a combination risk;
d) the purchasers of assets sold by the Commissioner are not responsible for any obligations deriving from the period prior to the sales transaction;
e) creditors will be eligible for payouts in application of the general rules pursuant to bankruptcy legislation.

Consequently, in application of the specific innovations introduced by this legislative provision – in addition to the subsidiaries, Alitalia Express SpA and Volare SpA, which went into special administration as of September 15 – Alitalia Servizi SpA and Alitalia Airport SpA were placed under the Commissioner as of September 16, 2008, even though they do not legally belong to the Alitalia Group.

The Court of Rome declared Alitalia SpA to be insolvent on September 5 and the other Group companies on September 24, 2008. At the same time the Court indicated the following terms for the admission of creditors' claims: Alitalia SpA by November 16, 2008; Volare SpA and Alitalia Express SpA by January 13, 2009; and Alitalia Servizi SpA and Alitalia Airport SpA by January 19, 2009.

Update on financial risk

The rating agency, Standard & Poor's, reviewed ADR's rating in two distinct phases. This update exclusively regarded the outlook component of the BBB- rating awarded to the Group.
On September 11 the outlook was changed from "stable" to "negative", whilst on September 22 ADR was placed on "CreditWatch with negative implications". This status implies special attention and monitoring by the agency, as it is a rating with a high risk of a downgrade.
This change in the rating is almost entirely due, in the words of the agency, to the increased short-term risk deriving from negative developments regarding Alitalia (the company's bankruptcy) and the ensuing impact on ADR's operations and net debt.
"CreditWatch" status is normally maintained for limited periods, so it may be presumed that – unless the Alitalia crisis should take an unfortunate turn for the worse – the risk of a downgrade will shortly be diminished.

The Moody's rating agency, however, in consecutive notifications, has kept ADR's rating unchanged over the same period.

Given the rating awarded to ADR, pursuant to current loan agreement, the trigger event regime continues. The consequences of this regime, in terms of impact on the Company's operations, have been fully described in the Interim Report as of and for the six months ended June 30, 2008.

On September's "application date" the contractually determined financial control ratios were made official. Together with the interim figures update, they confirmed that values were above the minimum requirements for maintaining the Company's ordinary operations, except for the faculty to increase gross debt, which is in any case prevented by the aforementioned trigger event condition.

Litigation

With reference to the procedure in progress regarding certain airport tariffs, in which the Parent Company ADR is involved, following granting of the application for extension submitted by the Company on June 27, 2008, the Antitrust Authority, with its ruling of July 16, 2008, set a deadline for gathering evidence by September 30, 2008; therefore, on September 25, 2008, ADR submitted its final defense.
On September 30 the final hearing of the procedure was held by the Authority, at which representatives of IBAR, ICTS and AirOne attended.
The deadline for completing the preliminary inquiry was set at October 24, 2008.

Concerning the proceedings launched by the Antitrust Authority regarding certain advertising messages displayed by ADR SpA in its retail outlets at Fiumicino airport, which might be considered unfair pursuant to articles 20, 21 and 22 of the Consumer Code, at a hearing on July 31, 2008, the Authority approved extension of the deadline for completing the proceedings until October 31, 2008. On August 8, 2008 it notified the Company of its decision to reject the proposed commitments.
Following this decision, as the proceedings have not been completed, ADR SpA submitted its final defense on September 30, 2008.

GROUP FINANCIAL REVIEW

Reclassified consolidated income statement
(€000)

2007		Q3 2008	Q3 2007	9M 2008	9M 2007
556,616	A.- REVENUES	164,860	153,891	434,563	417,185
5,309	Capitalized costs and expenses	2,158	1,055	6,760	3,410
561,925	B.- REVENUES FROM ORDINARY ACTIVITIES	167,018	154,946	441,323	420,595
(187,314)	Cost of materials and external services	(56,136)	(48,094)	(156,553)	(137,488)
374,611	C.- GROSS MARGIN	110,882	106,852	284,770	283,107
(118,276)	Payroll costs	(29,574)	(28,124)	(91,599)	(86,921)
256,335	D.- GROSS OPERATING INCOME	81,308	78,728	193,171	196,186
(98,070)	Amortization and depreciation	(25,955)	(24,660)	(77,860)	(72,682)
(5,524)	Other provisions	(909)	(607)	(1,942)	(4,705)
(7,311)	Provisions for risks and charges	0	(2,242)	(5,518)	(4,027)
(1,085)	Other income (expense), net	3,796	(833)	(2,638)	(1,575)
144,345	E.- OPERATING INCOME	58,240	50,386	105,213	113,197
(78,557)	Financial income (expense), net	(20,784)	(19,766)	(60,949)	(58,269)
65,788	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	37,456	30,620	44,264	54,928
(425)	Extraordinary income (expense), net	(3,831)	(1,636)	(5,452)	(2,189)
65,363	G.- INCOME BEFORE TAXES	33,625	28,984	38,812	52,739
(42,914)	Income taxes for the period	(12,334)	(16,928)	(31,603)	(35,584)
(3,531)	Deferred tax assets	(839)	1,202	8,823	2,012
18,918	H.- NET INCOME FOR THE PERIOD	20,452	13,258	16,032	19,167
	including:				
1,027	- Minority interest	265	250	491	790
17,891	**- Group interest**	**20,187**	**13,008**	**15,541**	**18,377**

The ADR Group's operations in 2008 have seen continued traffic growth at the Roman airport system, albeit at a slackening pace. The third quarter of the year, coinciding with the air transport sector's peak season, registered a 6.8% rise in the number of passengers and a 3.8% increase in movements, bringing total growth over the first nine months of the year to 7.0% for passenger numbers and 4.2% for movements.

However, the good traffic performance was not accompanied by equally satisfying operating results. Given the ongoing lack of an increase in regulated tariffs, revenue growth was unable to offset the growing pressure of costs driven by spiraling inflation, as well as the rise in energy costs.

In the third quarter of 2008, which as mentioned is the high season, revenues rose by 7.1%, representing a 3.3% increase in "aviation" activities and an 11.6% rise in "non-aviation" activities.
Revenue growth is reflected in gross operating income, which increased by 3.3% to stand at 81.3 million euros; operating income rose more sharply (15.6%) thanks to lower provisions for doubtful accounts and the reversal of provisions for risks and charges, which are classified under sundry income and expense.
Due to the effect of higher net financial expense (up 1.0 million euros) and the 1.7 million euro fine imposed by the Antitrust Authority, classified under extraordinary expenses, net income for the period amounted to 20.2 million euros, compared with the 13.0 million euros of the third quarter of 2007.

During the first nine months of 2008, the volume of Group revenues grew by 4.2%, thanks to the contribution of "non-aviation" (up 7.7%) and, to a lesser extent, "aviation" (up 1.0%) activities.

The performance of "aviation" earnings was also affected by the Group's disposal of the cargo handling business, which generated revenues of 12.7 million euros in the first nine months of 2007. However, this impact was offset by growth in revenues from airport fees (8.2%), centralized infrastructures (5.4%), as well as from the provision of assistance to passengers with reduced mobility – launched in July via the subsidiary undertaking, ADR Assistance Srl – which generated earnings of 2.6 million euros.

The positive performance of the "non-aviation" segment (up 7.7%) was especially due to increased revenues from "sub-concessions and utilities" (up 8.3%) driven by the good results achieved – thanks to improvements in the quality of the goods and services on offer – by the "retail" and "food and beverage" segments, and the increase in sub-concession fees deriving from the sub-concession of the cargo business to a third party operator at the beginning of 2008.
Sales by directly managed retail outlets also benefited from an improved retail offering, as well as the passenger mix deriving from the transfer of Alitalia flights, registering revenue growth of 10.3%. This is greater than the 7.3% increase in outgoing traffic.
Revenues from the management of car parks (up 1.3%) are slightly higher than the number of outgoing passengers (up 0.6%), whilst advertising space decreased by 4.5% reflecting the downturn that is affecting the whole advertising sector.

Compared with the same period of 2007, the consumption of materials and external services rose more than revenues (up 13.9%) due to the higher cost of purchasing goods for resale and external services, and especially the increased cost of utilities deriving from hikes in electricity and gas prices.

Payroll costs rose by 5.4% due to an increase in the average headcount of 24, a different staff mix, and the effect of the settlement of certain non-recurring items during the first half of the year.

Consequently, EBITDA amounts to 193.2 million euros, down 1.5% on the same period of 2007.

EBIT, amounting to 105.2 million euros, registered a decrease of 7.1% due to higher amortization and depreciation, provisions for risks and charges and net sundry expenses, only partly offset by lower provisions for doubtful accounts.
As reported in the section "Background", it should be pointed out that, regarding the receivables due from the special administration of the Alitalia Group, no provisions have been made for doubtful accounts in this quarterly report in the expectation that, at a later stage of the procedure, it will be possible to determine the amount of the impairment. The potential risk, deriving from amounts due before instigation of the procedure, amounts to around 45 million euros, whilst the amounts due subsequently and outstanding at the end of the quarter total 9.6 million euros.
The sharp rise in interest rates, due to the turmoil in the financial markets, is reflected in the cost of borrowing. This effect is only partly mitigated by the partial restructuring of debt, which was carried out in the first quarter and completed in June, via refinancing at more favorable conditions and for total borrowing amounting to less than 19 million euros. Therefore, net financial expense rose by 2.7 million euros compared with the same period of 2007.

Pre-tax income was negatively impacted by the 1.7 million euro fine imposed by the Antitrust Authority, arising from the proceedings regarding application of certain airport fees.

Estimated taxation for the period, which is down 10.8 million euros on the same period of the previous year, includes the positive effect of the reversal of deferred taxation deriving from accelerated depreciation, in connection with the decision to release this item via payment of substitute tax.

The ADR Group thus closed the first nine months of 2008 with net income of 15.5 million euros, compared with the 18.4 million euros registered for the same period of the previous year.

Reclassified consolidated balance sheet
(€000)

09-30-2007		09-30-2008	12-31-2007	Change
	A. - NET FIXED ASSETS			
2,019,448	Intangible fixed assets *	1,999,895	2,020,140	(20,245)
127,702	Tangible fixed assets	165,704	137,665	28,039
3,292	Non - current financial assets	3,432	3,121	311
2,150,442		2,169,031	2,160,926	8,105
	B. - WORKING CAPITAL			
18,326	Inventory	19,745	19,059	686
161,077	Trade receivables	197,144	149,913	47,231
41,375	Other assets	33,527	24,463	9,064
(130,957)	Trade payables	(162,803)	(148,422)	(14,381)
(31,017)	Allowances for risks and charges	(35,955)	(29,637)	(6,318)
(86,427)	Other liabilities	(113,023)	(82,986)	(30,037)
(27,623)		(61,365)	(67,610)	6,245
	C. - INVESTED CAPITAL, minus			
2,122,819	short-term liabilities (A+B)	2,107,666	2,093,316	14,350
41,530	D. - EMPLOYEE SEVERANCE INDEMNITIES	38,009	37,843	166
	E. - INVESTED CAPITAL, minus short-term			
2,081,289	**liabilities and E.S.I. (C-D)**	**2,069,657**	**2,055,473**	**14,184**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
731,554	- Group interest	746,609	731,068	15,541
1,735	- Minority interest	1,440	1,971	(531)
733,289		748,049	733,039	15,010
1,512,519	G. - MEDIUM/LONG-TERM BORROWING	1,493,369	1,512,519	(19,150)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
12,498	.Short-term borrowing	10,244	17,471	(7,227)
(177,017)	.Cash and current receivables	(182,005)	(207,556)	25,551
(164,519)		(171,761)	(190,085)	18,324
1,348,000	(G+H)	1,321,608	1,322,434	(826)
2,081,289	**I. - TOTALE AS IN "E" (F+G+H)**	**2,069,657**	**2,055,473**	**14,184**
1,811,174	*(*) including the value of the concession totaling*	*1,761,890*	*1,798,853*	*(36,963)*

As of September 30, 2008 the Group's invested capital amounts to 2,069.7 million euros, representing an increase of 14.2 million euros compared with the end of the previous year, primarily due to the effect of the Parent Company's substantial infrastructure investment program, which is reflected in a rise in fixed assets of 8.1 million euros.

Overall, working capital rose by 6.2 million euros compared with December 31, 2007.

The growing financial tension in the air transport sector, and especially the critical situation of the Alitalia Group, which has been put into special administration, led to a 47.2 million euro increase in trade payables. “Other assets” also increased during the period (9.1 million euro), primarily due to higher deferred tax assets.

The expansion of investment had an opposite effect on working capital, resulting in an increase of 14.4 million euros in trade payables; “other liabilities” also registered a sharp rise (30.0 million euros), primarily due to an increase in taxes due (up 22.0 million euros), deriving from estimated taxation for the period, and the higher amount due for firefighting services during the period (6.6 million euros).

In terms of funding, the increase in invested capital is almost entirely reflected in the 15.0 million euro rise in shareholders' equity due to net income reported for the period.

Net debt, amounting to 1,321.6 million euros, has registered a slight overall decrease (0.8 million euros) compared with December 31, 2007, albeit with a different composition in terms of the long- and short-term components.
In particular, a 19.2 million euro reduction in medium/long-term debt was reported. This derives from the repayment of a portion of bank loans and the loan granted by Romulus Finance, concluded in March, which was partly refinanced via use of the EIB line of credit.
This repayment transaction is reflected, albeit to a lesser extent, in a reduction of 18.3 million euros in net cash and cash equivalents, which stands at 171.8 million euros at September 30, 2008.

Statement of cash flows
(€000)

2007		9M 2008	9M 2007
162,540	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**190,085**	**162,540**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
18,918	Net income (loss) for the period	16,032	19,167
98,070	Amortization and depreciation	77,860	72,682
(1,437)	(Gains) losses on disposal of fixed assets	(51)	(19)
(13)	(Revaluations) write-downs of fixed assets	(5)	(14)
47,763	Net change in working capital	(6,245)	7,776
(3,839)	Net change in employee severance indemnities	166	(152)
159,462		87,757	99,440
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(53,500)	.intagible	(51,946)	(31,010)
(31,650)	.tangible	(34,396)	(16,843)
(6)	.financial	(608)	0
4,733	Proceeds from disposal, or redemption value of fixed assets	1,041	1,885
(80,423)		(85,909)	(45,968)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
0	New loans	80,000	0
0	Repayments of loans	(99,150)	0
0		(19,150)	0
(51,494)	E.- DIVIDENDS PAID	(1,022)	(51,493)
27,545	G.- CASH FLOW FOR THE PERIOD (B+C+D+E+F)	(18,324)	1,979
190,085	**H.- NET CASH AND CASH EQUIVALENTS - closing balance (A+G)**	**171,761**	**164,519**

The Group's operating cash flow amounted to 87.8 million euros in the first nine months of 2008, after debt servicing. These internally generated resources were almost entirely employed in covering the rising net cost of investment during the period, amounting to 85.9 million euros (46.0 million euros in the same period of 2007).

The early repayment of a portion of medium/long-term loans, totaling 99.2 million euros, with the refinancing of 80.0 million euros via recourse to the EIB line of credit, was carried out using free cash flow of 19.2 million euros available at the beginning of the period. The Group's net cash and cash equivalents therefore stands at 171.8 million euros at the end of the period.

Analysis of net debt
(€000)

2007		9M 2008	9M 2007
(1,349,979)	**A.- NET FINANCIAL BORROWING - opening balance**	**(1,322,434)**	**(1,349,979)**
256,335	EBITDA	193,171	196,186
(2,914)	Net change in operating working capital	(35,478)	(29,991)
(3,839)	Net change in employee severance indemnities	166	(152)
(1,138)	Other income (exp.), net	(2,689)	(1,594)
(1,838)	Extraordinary income (exp.), net	(5,811)	(2,189)
(16,576)	Current taxes paid	(9,247)	(7,313)
7,956	Other assets/liabilities (included allowances for risks and charges)	9,028	3,103
237,985	**B.- OPERATING CASH-FLOW**	**149,140**	**158,050**
(85,156)	Capex (tangibles, intangibles and financial)	(86,950)	(47,853)
4,733	Proceeds from disposal, or redemption value of fixed asset	1,041	1,885
157,562	**C.- FREE CASH-FLOW**	**63,231**	**112,082**
(78,523)	Financial income (exp.), net	(61,383)	(58,610)
(51,494)	Dividends paid	(1,022)	(51,493)
27,545	**D.- NET CASH-FLOW**	**826**	**1,979**
0	Exchange rate effect on reserves	0	0
(220)	**E.- NET CASH-FLOW OF THE PERIOD**	**826**	**1,979**
(1,322,434)	**F.- NET BORROWING - closing balance (A+E)**	**(1,321,608)**	**(1,348,000)**

SUBSEQUENT EVENTS

Information regarding trends for the various traffic components for the Roman airport system during the first ten months of 2008 is provided below:

Data as of October 31, 2008 and changes with respect to the same period of 2007[1]

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	349.941	298.900	51.041	152.758	197.183
D% vs PY	+3,7%	+6,2%	-9,1%	+1,8%	+5,1%
Mtow	25.670.911	23.270.170	2.400.741	8.807.590	16.863.321
D% vs PY	+7,5%	+9,9%	-11,5%	+3,0%	+9,9%
Total Pax	34.784.050	30.681.463	4.102.587	12.251.341	22.532.709
D% vs PY	+6,2%	+9,2%	-11,8%	+2,8%	+8,1%
Freight (Kg)	134.970.419	118.158.998	16.811.421	7.536.339	127.434.080
D% vs PY	+5,2%	+8,6%	-13,7%	-15,2%	+6,7%

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

	International	Intl' EU	Intl' Extra EU
Movements	197.183	138.175	59.008
D% vs PY	+5,1%	-0,4%	+20,9%
Mtow	16.863.321	9.408.717	7.454.604
D% vs PY	+9,9%	+2,8%	+20,4%
Total Pax	22.532.709	14.893.151	7.639.558
D% vs PY	+8,1%	+1,9%	+22,6%
Freight (Kg)	127.434.080	32.111.932	95.322.148
D% vs PY	+6,7%	-9,9%	+13,8%

Analysis of the above data shows growth, although the negative effects of the macro-economic climate and its inevitable repercussions on the air transport industry have started to appear with a slackening in demand and Alitalia's decision to further cut back its flights for the winter season as of October 26, 2008.
In particular, during the first ten months of 2008, the airport system registered a 6.2% upturn in passenger traffic compared with the same period of 2007. This growth was due to an increase in capacity (movements up 3.7% and aircraft tonnage up 7.5%).

This performance, as shown in the tables, derived mainly from growth in international traffic (8.1%), compared with the 2.8% rise registered in the domestic component.

Fiumicino airport registered passenger traffic growth of 9.2% which, as for the Roman airport system, was accompanied by an increase in capacity with movements up 6.2% and aircraft tonnage up 9.9%, respectively. This was essentially due to Alitalia's transfer of operations to the airport in the summer of 2008.

[1] Provisional data.

At Ciampino airport, passenger volumes have fallen overall by 11.8% since the start of the year.

On October 21, 2008, a Ministerial Decree of July 21, 2008 regarding the updating of airport fees was published in the Official Gazette. This update aims to "take account of the target inflation rate for 2008, which is forecast to be 1.7% in the economic and financial planning document" (art. 1 of the Ministerial Decree).
The Decree will come into force on November 20, 2008 (thirty days after its publication).
ADR has already appealed to the Lazio Regional Administrative Court to have this Decree annulled on the grounds that it should have fully complied with art. 21 *bis* of Legislative Decree no. 248/07 converted into Law no. 31/08 (the so-called "Thousand-extensions Decree"). This would have entailed increasing airport fees – which have not been raised since 2000 – by a percentage based on the fact that tariffs have not risen in line with the target inflation rate from 2001 to 2008 (thereby at least enabling operators to recover the loss of the purchasing power that would have accrued from the periodic revision of tariffs in line with the target inflation rate).
ADR has also contested the Decree on the grounds that the specific fees for Fiumicino and Ciampino, listed in Annex A of the Decree (of which it forms an integral part), are significantly lower than the airport fees stipulated pursuant to Ministerial Decree 140T of November 14, 2000 (the latest revision), when they were raised by 1.7%.

Law no. 166, which converts Legislative Decree no. 134/08 regarding urgent measures to assist large companies in difficulty was published in no. 252 of the Official Gazette on October 27, 2008. The Law provides for a 3 euros increase in the municipal surcharge on boarding fees, which will be allocated to the income and employment fund. Therefore, the municipal surcharge will be raised from the current 2.5 euros to 4.5 euros.

On November 3, 2008 ADR SpA was notified of the action taken by the Antitrust Authority on completion of the proceedings taken out against the Company in December 2006 regarding specific airport fees. With this measure the Antitrust Authority imposed a fine of 1,668 thousand euros on ADR, compared with a maximum penalty of approximately 50 million euros, for consistently abusing its dominant position by charging exorbitant fees in the following markets: a) provision of common and exclusive assets to carry out fuel supply activities; b) provision of common and exclusive assets to carry out cargo handling activities; and c) the cargo handling market (tariffs for access to the Cargo City). Therefore, the Authority only fined ADR for three of the fees charged that were challenged at the beginning of the proceedings.

On 7 November 2008 the rating agency, Standard & Poor's, lowered ADR SpA's rating from BBB- to BB+, confirming the "credit watch negative". The change in the rating derives from uncertainties regarding the business and the Company's net debt in relation to the unpredictable future of Alitalia and ADR's position as Alitalia's hub following the planned privatization.

OUTLOOK

Air traffic in the last quarter of the year will be influenced by slackening demand and the decision taken by Alitalia, which is in special administration, to further cut back its outgoing flights from Fiumicino.

Airport operations will be affected by the possible sale of Alitalia's assets under the special administration regime to CAI and the proclaimed merger with AirOne. Our Group's net debt will reflect the difficulties of the two major national carriers: the transfer of assets to CAI by the end of the year might entail collection of preferential and/or other priority claims. Provisions for doubtful accounts regarding Alitalia made before the company was put into special administration, and the rulings expected from the Antitrust Authority regarding the application of certain airport fees, will result in a net loss for the full year.

THE BOARD OF DIRECTORS

ADR SpA: SEPARATE ACCOUNTS

ADR SPA: RECLASSIFIED INCOME STATEMENT

(€000)

2007		Q3 2008	Q3 2007	9M 2008	9M 2007
548,748	Revenues from sales and services	169,868	152,049	429,364	411,545
290	Contract work in progress	1,316	50	1,316	50
549,038	A.- REVENUES FROM ORDINARY ACTIVITIES	163,549	152,099	430,680	411,595
(183,533)	Cost of materials and external services	(57,113)	(47,433)	(154,656)	(135,459)
365,505	B.- GROSS MARGIN	106,436	104,666	276,024	276,136
(112,750)	Payroll costs	(26,164)	(26,874)	(84,932)	(82,978)
252,755	C.- GROSS OPERATING INCOME	80,272	77,792	191,092	193,158
(98,093)	Amortization and depreciation	(25,820)	(24,666)	(77,712)	(72,670)
(5,420)	Other provisions	(785)	(530)	(1,765)	(4,598)
(7,301)	Provisions for risks and charges	0	(2,242)	(5,411)	(4,027)
(1,091)	Other income (expense), net	3,987	(832)	(2,370)	(1,682)
140,850	D.- OPERATING INCOME	57,654	49,522	103,834	110,181
(77,163)	Financial income (expense), net	(20,791)	(19,753)	(60,982)	(58,275)
63,687	E.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	36,863	29,769	42,852	51,906
(660)	Extraordinary income (expense), net	(3,853)	(1,778)	(5,559)	(2,428)
63,027	F.- INCOME BEFORE TAXES	**33,010**	**27,991**	**37,293**	**49,478**
	Income taxes for the period:				
(40,659)	current taxes	(11,742)	(16,431)	(30,086)	(34,001)
(3,436)	deferred tax assets (liabilities)	(1,112)	1,045	7,996	1,644
(44,095)		(12,854)	(15,386)	(22,090)	(32,357)
18,932	**G.- NET INCOME (LOSS) FOR THE PERIOD**	**20,156**	**12,605**	**15,203**	**17,121**

ADR SPA: RECLASSIFIED BALANCE SHEET

(€000)

	09-30-2007	09-30-2008	12-31-2007	Change
A. - NET FIXED ASSETS				
Intangible fixed assets *	2,054,680	2,034,750	2,056,413	(21,663)
Tangible fixed assets	128,984	166,992	138,970	28,022
Non current - financial assets	7,566	13,706	7,394	6,312
	2,191,230	2,215,448	2,202,777	12,671
B. - WORKING CAPITAL				
Inventory	17,862	19,413	18,744	669
Trade receivables	157,086	194,747	146,594	48,153
Other assets	36,174	27,757	21,384	6,373
Trade payables	(133,060)	(167,083)	(151,809)	(15,274)
Allowances for risks and charges	(31,017)	(35,839)	(29,627)	(6,212)
Other liabilities	(83,786)	(107,107)	(81,033)	(26,074)
	(36,741)	(68,112)	(75,747)	7,635
C. - INVESTED CAPITAL, minus short-term liabilities (A+B)	2,154,489	2,147,336	2,127,030	20,306
D. - EMPLOYEE SEVERANCE INDEMNITIES	39,983	36,354	36,377	(23)
E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)	**2,114,506**	**2,110,982**	**2,090,653**	**20,329**
financed by:				
F. - SHAREHOLDERS' EQUITY				
- Paid-up share capital	62,310	62,310	62,310	0
- Reserves and retained earnings (accumuled losses)	685,150	704,082	685,150	18,932
- Net income (loss) for the period	17,121	15,203	18,932	(3,729)
	764,581	781,595	766,392	15,203
G. - MEDIUM/LONG-TERM BORROWING	1,512,519	1,493,369	1,512,519	(19,150)
H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)				
.Short-term borrowing	14,707	13,118	20,014	(6,896)
.Cash and current receivables	(177,301)	(177,100)	(208,272)	31,172
	(162,594)	(163,982)	(188,258)	24,276
(G+H)	1,349,925	1,329,387	1,324,261	5,126
I. - TOTALE AS IN "E" (F+G+H)	**2,114,506**	**2,110,982**	**2,090,653**	**20,329**
(*) including the value of the concession totaling	1,841,017	1,790,921	1,828,493	(37,572)