SIX-MONTH REPORT as of June 30, 2008

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
A Company managed and coordinated by Gemina SpA

www.adr.it

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 Executive Chairman	Guido Angiolini *(from April 16, 2008)*
Deputy Chairman	Massimo Pini
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

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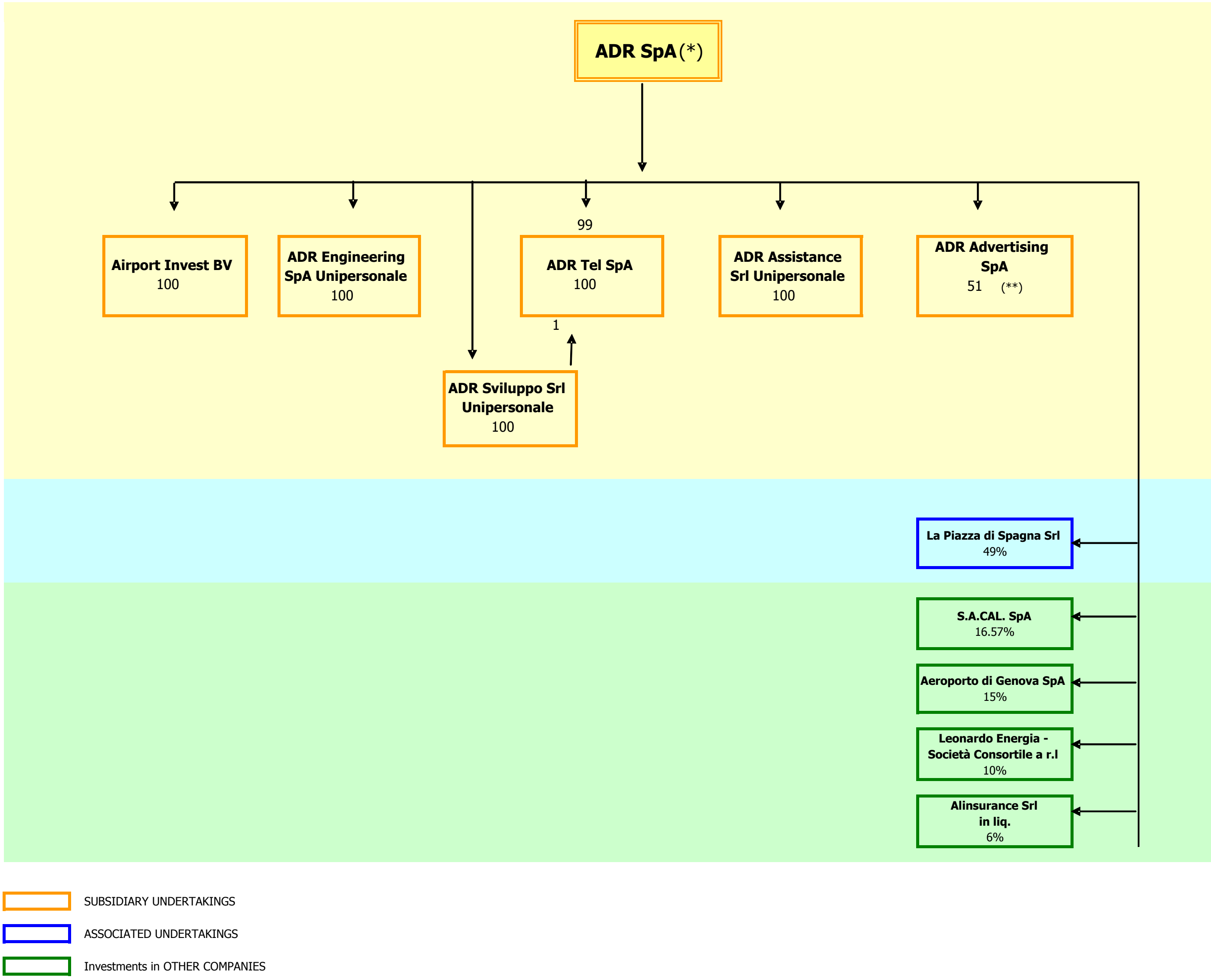
The ADR Group as of June 30, 2008



(*) ADR SpA also holds 12.5% of the ordinary share capital of the E.T.L. (European Transport Law) Consortium
(**) of ordinary share capital

HIGHLIGHTS

The following table summarizes main traffic data for the first half of the year for Rome's airport system and shows changes with respect to the first half of 2007.

TRAFFIC PERFORMANCE

Traffic component	SYSTEM (°)	% Change
Movements (no.)	203,004	+4.2%
Aircraft tonnage (tons)	14,633,781	+7.7%
Total passengers (no.)	19,302,177	+7.2%
Total cargo (tons)	78,585	+6.0%

(°) Fiumicino + Ciampino

The following table summarizes key economic, financial and operational data for the ADR Group for the first half of 2008.

ADR GROUP

Key consolidated economic, financial and operational data *(€000)*			
	H1 2008	**2007**	***H1 2007***
Revenues	269,703	556,616	263,294
EBITDA	111,863	256,335	117,458
EBIT	46,973	144,345	62,811
Net income (loss):			
minority interest	226	1,027	540
Group share	*(4,646)*	17,891	*5,369*
Investments	71,240	85,440	34,022
	June 30, 2008	***Dec 31, 2007***	***June 30, 2007***
Invested capital	2,045,087	2,055,473	2,095,733
Shareholders' equity (including minority interest)	727,597	733,039	720,031
Group shareholders' equity	726,422	731,068	718,546
Net debt	1,317,490	1,322,434	1,375,702
Headcount at the end of the period	2,532	2,321	2,529

Ratios	**H1 2008**	**2007**	**H1 2007**
Revenues/average headcount (€000)	123	242	118
No. of passengers/average headcount	8,798	16,659	8,089

The following table summarizes key economic, financial and operational data for the first half of 2008 for ADR SpA.

ADR SpA

Key economic, financial and operational data (€000)			
	H1 2008	***2007***	***H1 2007***
Revenues	267,131	549,038	259,496
EBITDA	110,820	252,755	115,366
EBIT	46,180	140,850	60,659
Net income (loss)	(4,953)	18,932	4,516
Investments	72,373	86,693	34,061
	June 30, 2008	***Dec 31, 2007***	***June 30, 2007***
Invested capital	2,080,100	2,090,653	2,127,632
Shareholders' equity	761,439	766,392	751,976
Net debt	1,318,661	1,324,261	1,375,656
Headcount at the end of the period	2,456	2,253	2,461
Ratios	***H1 2008***		***H1 2007***
Revenues/Average headcount (€000)	126	246	120
No. of passengers/Average headcount	9,109	17,166	8,343

MANAGEMENT REPORT ON OPERATIONS

GROUP OPERATING REVIEW

INTRODUCTION

In the first half of 2008 passenger traffic grew by 7.2% compared with the same period in 2007.

In addition to the upturn due to the contribution of other carriers, the second quarter of the year benefited from the effects of Alitalia's transfer of 32 daily flights from Milan Malpensa to Fiumicino, including 5 domestic, 3 EU and 24 non-EU flights.
However, this passenger traffic growth, which is largely linked to the transfer of Alitalia flights, and therefore entails a substantial element of uncertainty regarding the flag carrier's future, does not bear the hallmarks of solid business expansion.
Indeed, business performance continues to be affected in terms of revenues, which are up by 2.4%, by the failure to raise regulated tariffs, whilst costs are growing at a faster pace than traffic, partly due to the need to tackle the problem of overstretched infrastructure capacity in order to maintain satisfactory levels of service quality.

Dealing with the steady increase in daily passenger movements, with peaks often exceeding 125,000 passengers per day, was only achieved thanks to implementation of initiatives regarding organization and plant and equipment after the inefficiencies experienced during the previous summer.

The combination of these factors resulted in a downturn in business profitability compared with the previous year.

Particularly noteworthy among the initiatives implemented are the construction of the new Terminal 5 for so-called "sensitive" flights carried out with a budget of around 15 million euros, as well as the upgrading and reorganization of baggage handling systems.
In the first half of 2008 the ADR Group carried out investment totaling 71.2 million euros, more than double the amount invested in the first half of the previous year.

Despite the substantial increase in investments, net debt was slightly down on the end of the previous year, taking into account that no dividends were paid during the period.

Against this backdrop, whilst fully aware that temporary economic changes may have negative repercussions on air traffic growth, the Group believes that air traffic will expand significantly in the long term.
Therefore, the Group is engaged in upgrading and modernizing the Roman airport system, which has already reached the limit of its capacity.
A far-reaching project will be drawn up over the next few months and submitted to the relevant authorities aimed at bringing Fiumicino into the line with Europe's best airports, thus acting as a gateway to Rome and Italy.

Such a challenging program requires an adequate external transport infrastructure system, especially road and rail links, and a tariff system that guarantees long-term returns on invested capital and the self-financing of necessary investments.
With Directive no. 38/07 the CIPE established criteria for determining airport fees.
Subsequently, in application of the CIPE directive, the Civil Aviation Authority submitted implementing guidelines for the CIPE directive and outline planning agreement.

ADR contested the CIPE directive on the grounds that the contents penalize airport operators, especially ADR, which relies on tariffs to provide funding to pay for invested capital and implement the substantial investment program required to upgrade airport infrastructures that are currently inadequate to sustain the increase in air traffic.

Consequently, ADR declined an invitation from the Civil Aviation Authority to discuss the planning agreement.
A similar initiative was undertaken by other airport operators and Assaeroporti, the trade association.

Consequently, pursuant to art. 21 *bis* of Law no. 30 of February 28, 2008 (the so-called "Thousand-Extensions Decree"), which in the absence of planning agreements provides for alignment of airport fees with the target inflation rate to be implemented by Ministerial Decree, the airport operators requested the competent authorities to implement such measure given that airport fees have not been raised since 2001. The current tariffs applied at Fiumicino airport are approximately 45% less than those applied at major European airports.

The parties are seeking a solution that will bring stability to the sector, thus allowing for implementation of investment programs.

BACKGROUND

Analysis of economic trends

The first half of 2008 saw a slowdown in economic growth[1], which was more apparent in Europe than in the rest of the world. Tensions in international financial markets gradually heightened in the early months of 2008 and the world economic situation worsened with respect to the beginning of the year.

Nevertheless, world trade still grew at a steady pace, thanks to the lasting and robust expansion of emerging economies.

Energy and food commodity prices registered further sharp increases, fueling the inflationary spiral in importing countries, influencing the direction of monetary policies and negatively impacting disposable income and consumption.

In the second quarter of 2008 industrial production rose 0.4% on the first quarter (when growth of 0.9% was registered, a sharp drop on the 2.1% reported for the last quarter of 2007). However, compared with the same period of 2007, the figure is down 0.4%; the overall figure for the first half of 2008 is down 0.8% compared with the same period in 2007.

This performance was affected by a reduction in domestic orders, which were penalized by price rises, and in overseas orders, which were hampered by the strong euro and the world economic slowdown.

The world economy, which in 2007 still grew at a fast pace (4.9%), was already starting to feel the effects of the financial crisis that began last summer by the end of the year. The economic slowdown has so far affected the United States, and to a lesser extent European economies, but according to the most recent IMF forecasts it is likely to extend to Japan and the emerging economies. The latter, however, will continue to grow at a fast pace, thereby helping to buoy the momentum of world trade. Considerable uncertainty remains regarding the severity and duration of this situation, which has been negatively influenced by oil prices that saw another sharp rise at the beginning of 2008.

The international economic system is still characterized by marked unevenness in overseas balances of payment, which is also reflected in currency trends. The United States and some smaller countries are obliged to finance heavy deficits, whilst the oil-exporting countries, as well as China and Japan, have substantial budget surpluses to allocate for investment.

[1] Source: Economic Flash – Confindustria Research Center; Bank of Italy – Economic Review

Whilst undergoing a sharp slowdown, the United States has not yet entered recession. The repercussions of the housing market crisis have been compounded by effects deriving from more restrictive financial conditions in force for households and enterprises.
The real estate crisis continues to be one of the critical elements in the global economy, and is not exclusively American. It began in the United States, but in the last few months it has also been affecting many European countries.

The euro zone economies are starting to suffer from a slowdown in overseas demand (exacerbated by the strong euro), in terms of both repercussions on internal demand and the previous raise in interest rates.
Within the European Union the level of "perceived inflation" had already started climbing in the second half of 2007. In the early months of 2008, in some countries, including Italy, this upturn continued, whilst in others, including France and Germany, a downturn in inflation was registered.
This growth in inflation goes hand in hand with rising consumer prices. The largest hikes regard goods with a high direct raw material content, such as cereals and oil.

Like the European economy as a whole, Italy has been affected by the world economic downturn. The beginning of 2008 was better than expected, although there is still a wide gap in growth figures compared with other countries, such as France, Germany and the United Kingdom. GDP rose by 0.4% in the first quarter of 2008, compared with less optimistic projections for the beginning of the year from economic analysts.
The deceleration in 2008 reflects a widespread slowdown across all demand components. Household consumption has been affected by the erosion of purchasing power brought about by inflation.

Legal and regulatory context

- "Thousand-Extensions Decree"

On February 29, 2008, Law no. 31 of February 28, 2008, "*Conversion into law, with amendments, of Legislative Decree no. 248 of December 31, 2007 regarding extension of terms provided for by legal provisions and urgent financial measures*", was published in the Official Gazette.
The main provisions can be summarized as follows:

- granting of the airport concession: by amending the wording of art. 3, paragraph 2, of Legislative Decree no. 96/05 (revision of the aeronautical section of the Navigation Code), Legislative Decree no. 248/07 introduces the possibility of functional delocalization of airport managements, including those withdrawn from the European tender regime for awarding airport concessions pursuant to art. 704 of the Navigation Code;
- airport fees: Legislative Decree no 248/07 stipulates that, until decrees to determine airport fees pursuant to art. 11-9, paragraph 1, of Legislative Decree no. 203/05, converted into Law no. 248/05, are issued, the Minister of Transport should issue a decree to align airport fees with the target inflation rate.

- Directive pertaining to the regulation of fees charged for airport services provided on an exclusive basis

On January 7, 2008 the Civil Aviation Authority posted on its website the final version of the Guidelines that apply CIPE Directive no. 38/07 and related annexes, revised following the comments made by NARS on December 12, 2007. The guidelines were then sent to the Ministry of Transport for subsequent approval procedures.
On February 14, 2008 the Guidelines were approved by Interministerial Decree no. 41/T issued by the Ministry of Transport and the Ministry of Economy and Finance, which has yet to be published in the Official Gazette.
On March 27, 2008 the CIPE resubmitted CIPE Directive no. 38/2007 regarding the airport system reorganization plan, in compliance with Constitutional Court sentence no. 51 of February 27, 2008 that requested the joint Conference's opinion on the matter. This opinion was expressed at a meeting held on March 26, 2007, resulting only in amendment of the directive's wording.

The CIPE Directive of March 27, 2008, including the above amendment, was subsequently published in no. 128 of the Official Gazette on June 3, 2008. All the other decisions contained in CIPE Directive no. 38/2007, and the related annex, remain unchanged by the Directive of March 27, 2008.

- Regulations regarding the rights of persons with reduced mobility when traveling by air

Regulation (EC) no. 1107/2006, which was approved by the European Commission on July 5, 2006, regarding the rights of persons with reduced mobility when traveling by air, will come into force on July 28, 2008.

These regulations provide a set of rules for protecting and assisting persons with reduced mobility who use or intend to use commercial passenger air services – whether outbound, incoming or in transit – at any airport that is located within a member state where the treaty is applied.

Specifically, the regulations make the airport operators responsible for guaranteeing that assistance is provided to persons with reduced mobility, with no extra charge for the persons concerned.

The operator may directly provide assistance or, alternatively, whilst maintaining responsibility and in compliance with defined quality standards, may contract out the provision of these services to one or more parties.

In order to finance this assistance, the airport operator may charge a specific fee – on a non-discriminatory basis – to the airlines that use the airport, spreading the cost in proportion to the total number of passengers that each carrier transports to and from the airport in question.

Moreover, the airport operator is bound to set standards to guarantee the quality of the assistance services and establish the necessary funds for their implementation; the operator is also responsible for publishing these standards.

The airport operator and the carrier may agree to the provision of a higher standard of assistance. In this case, the operator may charge the carrier an additional fee.

Finally, the airport operator and the carrier must ensure that all the staff responsible for such services receive training in providing adequate assistance to disabled passengers and those with reduced mobility.

- Airport certificate

On February 29, 2008 ADR SpA was informed by the Civil Aviation Authority that, as the result of an investigation by the Authority, the Certificate for Ciampino airport had been renewed for a three-year period as of December 1, 2007.

- Airport security

Regulation (EC) no. 300/2008, which establishes common rules in the field of civil aviation security and repeals Regulation (EC) no. 2320/2002, published in the Official Gazette of the European Union, Law no. 97 of April 9, 2008, aims to replace the legislation regarding common security measures designed to protect airports, planes and passengers from acts of illegal interference (approved immediately after the events of September 11, 2001). The regulation came into force on April 29, 2008, with immediate application of only some of its provisions. The remaining provisions will take full effect within two years of the date of entry into force, when the set of application regulations has been adopted by the European Commission. Until such time Regulation (EC) 2320/2002, and the related set of implementing measures, will remain in force.

- Act regarding health and safety at the workplace regulations

Legislative Decree no. 81 of April 9, 2008, "Implementation of article 1 of Law no. 123 of August 3, 2007, regarding health and safety protection at the workplace", was published in the Ordinary Supplement to the Official Gazette, no. 101, of April 30, 2008. The new regulations revise the overall framework by replacing the previous legislation, including the famous Decree no. 626 of 1994. This measure, after the customary deferment, came into force on May 15, 2008. Unlike the remaining sections of the Legislative Decree, the provisions regarding risk assessment will come into force 90 days after publication of the decree (July 29, 2008).

- Data Protection Code – Security Planning Document

On March 28, 2008 the Security Planning Document was updated pursuant to Legislative Decree no. 196/2003.

- Cargo tender

On March 1, 2008 a call for tender at European level (restricted procedure) was published in the Official Journal of the European Union regarding the sub-concession of part of the Cargo Building with an area of approximately 3,400 square meters.
ADR received four expressions of interest and, following analysis of the documentation submitted by the competitors, the company ALHA was excluded from the subsequent phases of the competition.
On June 9, 2008 ADR SpA sent a letter to the qualified participants inviting them to submit their bids. The participants carried out specific inspections, and their bids must be submitted by July 23, 2008.

ACTIVITIES

Aviation activities

Air traffic

During the first five months of 2008 the positive trend in world air traffic, whilst down on 2007, continued, with a 3.3% increase in passengers.

Europe registered a slightly higher rise of 4.0% in the number of passengers.

In the same period Italy saw passenger growth of 3.9%, substantially in line with the figure registered at European level.

Passenger traffic - monthly percentage increases compared with the previous year

	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008
WORLD (a)	+4.3%	+7.5%	+4.2%	+0.6%	+2.9%	
Europe (a)	+4.9%	+9.0%	+5.3%	+0.7%	+4.1%	
Italy (b)	+6.1%	+9.1%	+7.1%	-3.7%	+3.2%	
FCO + CIA	**+5.1%**	**+6.6%**	**+2.5%**	**+6.2%**	**+12.0%**	**+9.2%**

SOURCE: (a) ACI World Traffic Monthly Report (*) ACI Pax Flash Report
(b) ASSAEROPORTI

The Roman airport system

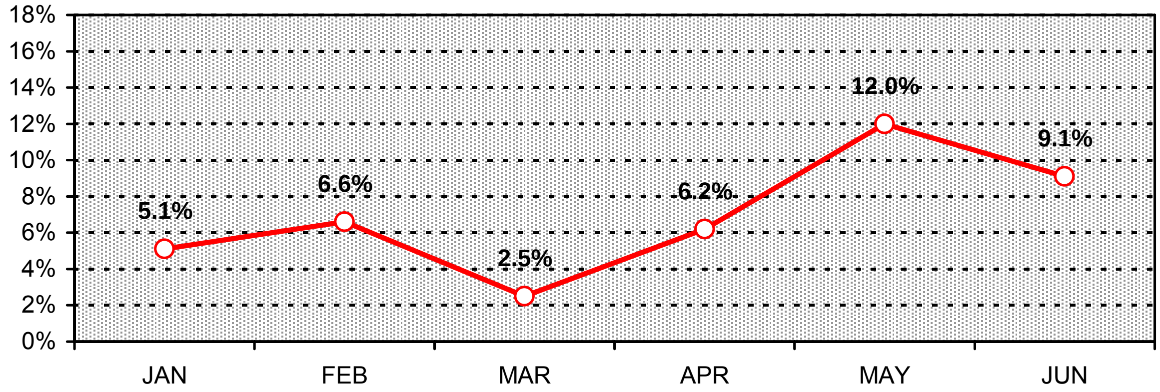
During the first five months of 2008 the main European airports[2] achieved the following passenger traffic results: Madrid (up 6.1%), London (down 0.3%), Paris (up 3.0%), Amsterdam (up 1.6%) and Frankfurt (up 2.8%). During the same period the Roman airport system rose by 6.7%, the highest rate registered amongst Europe's main airports.

Monthly performances are shown in the following graph:

[2] Source: Airport Council International; Rapid Data Exchange Program

THE ROMAN AIRPORT SYSTEM

Total Passengers – Monthly percentage changes compared with the previous year



Information regarding trends in traffic components is provided below.

Data up to June 30, 2008

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	203.004	172.795	30.209	90.613	112.391
D% vs PY	+4,2%	+7,2%	-10,0%	+2,1%	+6,0%
Mtow	14.633.781	13.200.777	1.433.004	5.240.349	9.393.432
D% vs PY	+7,7%	+10,3%	-11,8%	+3,9%	+9,8%
Total Pax	19.302.177	16.938.413	2.363.764	7.161.181	12.140.996
D% vs PY	+7,2%	+10,7%	-13,0%	+4,8%	+8,6%
Freight (Kg)	78.585.122	68.435.343	10.149.779	4.172.304	74.412.818
D% vs PY	+6,0%	+10,1%	-15,6%	-25,7%	+8,6%
Mail (Kg)	8.564.524	8.557.704	6.820	5.432.227	3.132.297
D% vs PY	-44,9%	-45,0%	+1871,1%	-56,0%	-2,4%

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

	International	Intl' EU	Intl' Extra EU
Movements	112.391	80.232	32.159
D% vs PY	+6,0%	+1,4%	+19,4%
Mtow	9.393.432	5.411.720	3.981.712
D% vs PY	+9,8%	+3,7%	+19,4%
Total Pax	12.140.996	8.223.176	3.917.820
D% vs PY	+8,6%	+3,3%	+21,5%
Freight (Kg)	74.412.818	19.564.330	54.848.488
D% vs PY	+8,6%	-8,1%	+16,0%
Mail (Kg)	3.132.297	1.397.492	1.734.805
D% vs PY	-2,4%	-16,1%	+12,5%

At Fiumicino traffic performance registered passenger growth of 10.7% together with an increase in capacity (movements up 7.2% and aircraft tonnage up 10.3%), resulting in a slight improvement in the load factor (up from 64.0% in 2007 to 64.1% in 2008).

Breakdowns for the different areas are as follows:

Domestic traffic: This segment registered passenger growth of 5.0%, whilst capacity increased less (movements up 2.6% and aircraft tonnage up 4.0%).
This segment, representing 40.6% of total passenger traffic, reported the following:

- Alitalia (56.1% of passenger market share): the carrier reported a slight reduction in passengers (down 0.3%) and in capacity in terms of aircraft tonnage (down 1.2%), whilst movements increased slightly (up 0.5%);
- other carriers (43.9% of passenger market share): other carriers reported growth in passengers (up 12.6%) and capacity (movements up 4.8% and aircraft tonnage up 9.8%).

International European Union traffic: This segment registered passenger growth of 10.1%, whilst capacity was up 6.5% in terms of movements and 9.1% in terms of aircraft tonnage.

This segment, representing 36.8% of total passenger traffic, reported the following:

- Alitalia (27.5% of passenger market share): the carrier reported increases in passenger traffic (up 5.3%) and capacity (movements up 1.2% and aircraft tonnage up 10.0%);
- other carriers (72.5% of passenger market share): the other carriers also reported increases in passenger traffic, amounting to 12.0%, and in capacity (movements up 8.7% and aircraft tonnage up 8.8%).

International traffic outside the European Union: This segment registered passenger growth of 24.2%, whilst capacity was up 24.4% in terms of movements and 21.2% in terms of aircraft tonnage.

This segment, representing 22.6% of total passenger traffic, reported the following:

- Alitalia (32.7% of passenger market share): the carrier reported an increase in passenger traffic (up 86.4%) and in capacity (movements up +73.5% and aircraft tonnage up 91.5%);
- other carriers (67.3% of passenger market share): other carriers, however, registered increases of 6.8% in passengers, 9.1% in movements and 4.7% in aircraft tonnage.

In 2008 Fiumicino continued to develop its network, with a series of new routes and destinations.
Starting from the summer season, Alitalia reorganized its operating network with a focus on Fiumicino, which is once again serving as the carrier's integrated hub for domestic, international and intercontinental flights.

The new network provides for an increase of 32 flights per day, especially outside the European Union. New destinations include Accra, Lagos, Belgrade, Beirut, Damascus, Dubai, Sao Paolo, Teheran, Kiev, Osaka, Miami, Chicago, Zurich and Los Angeles (the latter starting on June 1). The increase in flights and new destinations, as well as destinations already served, includes the following: Boston, Caracas, Cairo, Buenos Aires, Istanbul, Leningrad, Tokyo and Toronto.

In the Domestic segment, Air One has started operating new daily flights to Milan Malpensa, AirBee has launched routes to Brescia and Crotone, and Blu Express has stepped up existing flights to Catania and started operating new flights to Turin.

In the European Union segment, Air One has started flying new routes to Brussels, Malta and Athens; Aer Lingus has a new flight to Belfast. In addition, Vueling has stepped up flights to Seville, Blue1 to Helsinki and Aegean Airlines to Athens.

In the non-European segment, new routes Toronto/Montreal operated by Zoom Airlines, Tallin by Estonian Air, Cyprus and Corfù by AirOne and Dnepropetrovsk (Ukraine) by Dnieproavia. Operations were also stepped on the following routes: Tunis operated by Tunisair, Timisoara by Carpatair, Kiev by Ukraine International, Riga by Air Baltic, Montreal by Air Transat and Seoul by Korean Air.

On March 30, 2008 the Schengen area was enlarged to include nine new countries: Slovenia, Estonia, Lithuani, Malta, Poland, the Czech Republic, Slovakia and Hungary.

Finally, the new Terminal 5 for passengers bound for the United States on US airlines, and Israel on El Al, started operating at Fiumicino on May 3. The T5 was built to increase the current intercontinental capacity at Fiumicino airport.

At **Ciampino** airport, the reduction in passenger traffic in the first half of 2008 (down 13.0%) compared with the same period of 2007 is still due to the transfer, which began at the start of the 2007 winter season, of certain carriers' flight operations from Ciampino to Fiumicino, in connection with the measures drawn up by the Civil Aviation Authority designed to limit the airport's commercial aviation capacity.

Airport fees

In the first half of 2008 revenues from airport fees amounted to 79.0 million euros, representing an increase of 7.8% with respect to the same period of 2007.

The two principal components, landing and take-off fees and passenger boarding fees, reported the following performances:

- landing and take-off fees: the increase of 9.1% is essentially due to a rise in movements and aircraft tonnage;
- passenger boarding fees: total revenues rose by 7.4% 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.

Management of centralized infrastructures

The management of centralized infrastructures and terminal services, which is carried out directly by the Parent Company, ADR SpA, reported revenues of 17.3 million euros in the first half of 2008, representing an increase of 6.0% on the same period of the previous year.

This performance was due essentially to:

- an 8.0% 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 1.1% increase in revenues from the baggage handling system on the back of passenger traffic growth, largely offset by 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).

As regards loading bridge infrastructure, in the first half of 2008 the number of flights served totaled 80,190 (up 4.4% on 2007) representing a total number of passengers of 9,108,402 and an increase of 4.4% compared with 2007.

Following the transfer of flights to the new Terminal 5, in the first half of 2008 the automated baggage handling system (BHS) that serves Terminal B and Terminal C processed around 2,736,700 pieces of baggage (down 9.5% on 2007), with the number of misdirected pieces of baggage totaling 230 (a significant improvement on the previous year).

Security

During the first half of 2008 the security activities carried out by the Parent Company, ADR SpA, (security checks on passengers and carry-on baggage, 100% screening of checked luggage, explosive detection checks, other security services requested and surveillance of the airport system) generated revenues of 30.7 million euros, slightly up (0.5%) on the same period 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 of 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 the cargo business.

An additional increase of 0.5 million euros in security revenues on the previous year derives from ancillary activities regarding training/issuing of airport badges, cargo surveillance, etc.

Operational safety

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.

Airport regulations

The periodic updating of documents 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

Sub-concessions

Revenues from retail sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amounted to 19.4 million euros, up substantially on the first half of 2007 (8.6%).

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 amounted to 6.6 million euros, a decrease of 5.6% with respect to the same period of the previous year.

Non-aviation activities

Direct sales

Revenues from direct sales grew by 8.6% in the first half of 2008, compared with the same period of the previous year, against an increase of 7.3% in outgoing traffic. The average passenger spend rose by 1.3% compared with the first half of 2007.

Fiumicino registered revenue growth of 15.5%, equal to an increase in average passenger spend of 4.1%. This performance was achieved, in spite of the sharp fall in the average passenger spend for dollar and sterling destinations, 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 commercial offering at Terminal A and Terminal B.

In terms of the different product segments, 'Luxury and Gift Items' reported the greatest revenue growth (19.6%), followed by 'Fine Food' (18.8%) and 'Confectionery' (+18.6%).

Ciampino airport registered a 29.8% decrease in revenues compared with the first half of 2007, greater than the drop in traffic (down 13.1%), with a consequent reduction of 19.2% 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.

Outlets managed by sub-concessionaires

Revenues from outlets managed by sub-concessionaires totaled 22.7 million euros in the first half of 2008, up 10.5% on the same period of 2007, thereby outstripping passenger traffic, which grew by 7.2%.

A bar/pastry shop and an OTC pharmacy opened in the new Terminal 5. In June a new beauty center opened in the arrivals hall of Terminal A.

The "Retail" segment reported good results with revenue growth of 8.1% (up 1.0 million euros), whilst the "Food & Beverage" segment posted an excellent 13.0% rise in revenues (up 0.8 million euros) due to recent implementation of product improvement measures, including the opening of a new fish and wine bar, under the "Marchese dei Frescobaldi" brand, in the B11-B21 gate area in February 2008.
The item "Other royalties" also rose sharply by 15.4% (equivalent to around 0.3 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 the coming months the area including bars, restaurants and newsagents that is currently managed by the sub-concessionaire Cisim Food SpA, which is under extraordinary administration, will be transferred to other operators. On May 9, 2008 the Company published requests for expressions of interest from leading companies in the sector regarding acquisition of the business activities. The financial and technical aspects of the offers made by companies that expressed an interest are under assessment.
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 results.

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 and a new “Gallo” retail outlet at Terminal C. In addition, telephone accessories and services shop and a clothes shop will be opened in the Terminal B arrivals hall. A special entertainment area for passengers, with betting and slot machines under the “Casinò di Venezia” brand, will also be opened on the mezzanine of Terminal A.

Advertising

Revenues from advertising in the first half of 2008, amounting to 12.6 million euros, fell by 7.5% compared with the same period of 2007 due to the economic slowdown that has affected the advertising sector throughout Italy.

Management of car parks

Management of parking systems registered revenues of 15.4 million euros, up 2.4% on the same period of the previous year, which is substantially in line with the growth in the potential market for outgoing passengers (up 1.8%).

The “passenger car parking” business registered revenue growth of 1.0% (corresponding to -0.8% of the average outgoing passenger spend) compared with 2007. This was driven by the business segment (average passenger spend up 5.1% on the first half of 2007) which partially offset the 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 7.8%, 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 120% on the first half of 2007. This mitigated the negative effects of the increased competition from other operators and alternative means of transport.

Technical and IT services

Information Technology

During the first half 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 first half of 2008 include the following:

- Sensitive flights terminal (T5): in synergy with other Company departments, preparatory work on infrastructure and the network, and subsequently the opening of Terminal T5 in May, were completed;
- ADBM flight integration program: the implementation phase of a centralized system for the planning, management and certification of flight data at Fiumicino and Ciampino airports was completed;

- new common user system (flight data management system): the three-year management and maintenance contract was launched. In addition, the migration of the new platform and the upgrading of check-in desks were completed in time to deal with the higher summer passenger volumes at Fiumicino airport;
- airport systems assessment and plan: assessment and preparation of a long-term development plan for airport systems were completed with the aviation business sector in order to incorporate technological developments and meet the requirements of internal users. The first planned initiatives are underway;
- spin-off of the cargo business: system upgrade activities were completed ahead of the spin-off of the cargo handling business;
- re-engineering of billing lines: the automation of various billing processes (for example, "follow-me", first aid, "lost & found", "marshalling", public announcements, porter service) was completed for the purposes of filing documents and backing up invoices payable;
- document filing and backup system: the project was completed and the chosen solution was adopted;
- optimization of direct retail purchasing processes and management of shop requirements: optimization of the direct retail purchasing process, from the supplier to the central warehouse and from the warehouse to the shop, was completed;
- credit card management: the first phase of revising electronic payment systems in use at all payment points (e.g. duty free/duty paid, car parks), in line with technological developments, was completed. Possible extension of the project to ADR car parks is under consideration;
- implementation of the Quality System: implementation of the quality standards monitoring system for the main corporate processes (check-in lines, security check lines, baggage claim, toilets) was completed;
- "Business Object XI" migration: upgrading of the "Business Object" environment, a corporate reporting system, was completed;
- assessment of management systems: the project was completed with the "as-is" analysis phase.

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

- PRM project: a project is underway to develop and upgrade systems regarding assistance provided by ADR Assistance Srl Unipersonale, a newly established subsidiary undertaking of ADR, to passengers with reduced mobility (PRM) relating to the upgrading of airport systems (UFIS RMS), infrastructures and management systems. A project to launch a web portal dedicated to the new company in compliance with regulations regarding website access (the "Stanca Law") is also in progress. Both passengers and carriers will be able to use this website to book assistance services;
- revamping of the "operating" area: a management model is being analyzed and defined for ICT and ADR Tel "operations", to be followed by a pilot project;
- 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: an integrated platform to control and monitor systems that are accessed via use of the airport badge is being implemented;
- commercial systems assessment and plan: a long-term development plan for retail systems and infrastructures is being drawn up with the business department;
- fidelity cards: a system for managing fidelity cards is being developed;
- 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"). A pilot version will be launched during the summer to test its functions;
- upgrading: the upgrading of SAP R/3 (to ECC 6) and BW (to BI Netweaver 7.1) is being implemented.

Environmental protection

In January DASA RAGISTER, the certification body, carried out the integrated checks required for renewal of ISO 14001 certification for the Environmental Management Systems (EMS) at Fiumicino and Ciampino and confirmed their compliance with the set standards.

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.

Moreover, a first release of the new Development Plan through to 2020, including the related environmental impact study for which the approval process was begun in early 2008, was completed and delivered to the Civil Aviation Authority.

Regarding noise abatement, initiatives to improve the compatibility of airport activities with the environment and the surrounding area continued in the first half of 2008.

Quality

Monitoring of quality levels

Checks on the services provided at Fiumicino and Ciampino were carried out during the period, including:

- more than 430,000 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, restroom cleanliness and passports);
- 12,000 incoming and outgoing passengers were interviewed in order to assess customer satisfaction regarding airport facilities as a whole and the individual services used, excluding the above-mentioned activities;
- participation in the Airport Service Quality program, managed by Airports Council International (ACI), which compares the valuations of passengers at major airports around the world.

Within the scope of the benchmark project launched by ADR with leading European airports to facilitate an exchange of information on airport infrastructures and, in particular, the quality systems adopted, bilateral meetings were organized with the airports of Lyon and Berlin.
Moreover, the European Airport Benchmarking on Service Quality group, set up by Europe's leading airports (Paris, Amsterdam, Copenhagen, Frankfurt, Munich, Milan and Zurich) and coordinated by ADR, continued its efforts. The group drew up a set of quality indicators, with standardized units of measurement and methods, in order to compare the results of measurements carried out at each airport. The first report, which will include the monitoring results, is being prepared.

Monitoring of quality provided

Monitoring carried out at Fiumicino airport during the first half of 2008 showed that:

- 91.5% of passengers underwent waiting times for carry-on baggage security checks of less than 10 minutes, 2 percentage points above the service standard published in the Service Charter (90% of passengers) and 1 point more than in the same period of 2007;

- the percentage of flights with baggage reclaim times within the set standards was 82.5% for the first piece of luggage and 87.5% for the last (the standard is 90%). The service provided deteriorated steadily during the six-month period, falling from 92.3% compliance with standard times (average between the first and the last bag) in January to 67.2% in June, and also registered a decrease compared with the same period of 2007 (85.6% in January and 89.7% in June);
- the percentage of outgoing flights with delays of more than 15 minutes was 32.2%, 7 percentage points above the set standard (25%), but 2 points up on the same period of 2007; the percentage of incoming flights with delays of more than 15 minutes also performed well (25.7% against 28% in the first half of 2007);
- the difference between delays to incoming and outgoing flights with respect to scheduled time shows that Fiumicino was unable to recover delays to incoming flights, and consequently the "recovery of airport transit times" was negative compared with the set value (+1%);
- on the other hand, ADR performed well by causing delays to only 0.08% of outgoing flights (set standard: 0.3%);
- 87% of check-in procedures were completed within the set time, a significant deterioration with respect to the level of service provided in the first six months of 2007 (91.2%) and less than the published target of 90%.

Monitoring of services provided at Ciampino airport shows that:

- 99.5% of passengers underwent waiting times for carry-on baggage security checks of less than 15 minutes, a substantial improvement compared with the same period of the previous year (93.3%) and the published standard (90%);
- the percentage of outgoing flights with delays of more than 15 minutes was 22%, whilst the percentage of incoming flights with delays of more than 15 minutes was 17%. The airport did not respect the defined standard regarding delays for outgoing flights (17%) and recovery of airport transit times (1%);
- baggage reclaim times met the set standard in 92% of cases for the first piece of baggage and 94% for the last (the set standard is 90%), a significant improvement on the first half of 2007 (82% and 83%, respectively);
- 70% of passengers completed check-in operations within 20 minutes, which is considerably less than the set standard of 90%, although this figure is an improvement on the 50% registered in the same period of the previous year.

Airport minimum standards

The level of compliance with the minimum standards is also drawn from the results of the objective checks carried out in accordance with the Quality Policy. Consequently, notifications regarding discrepancies were sent to various operators – 568 at Fiumicino and 125 at Ciampino – equivalent to 2.2% and 2.5%, respectively, of the checks carried out at the two airports during the period under review.

Monitoring of perceived quality

The daily survey results confirm Fiumicino's reputation as a good quality airport. Passenger satisfaction improved compared with the results achieved in 2007 with a score of 4.6 against previous 4.5 (valuation scale 6=excellent 1= poor).

As regards air terminals, Terminal A and Terminal C gained the highest approval ratings, with scores of 4.7 and 4.60, respectively, compared with the 4.4 scored by Terminal B. Passengers also expressed their appreciation of the new Terminal 5 (4.7), with waiting times, unlike their overall airport rating, particularly appreciated, scoring 5 points on average.
Moreover, customer satisfaction at Fiumicino seems to have been positively influenced by outgoing flights (4.64 compared with 4.49 for incoming flights).

As regards the classes of service analyzed, retail services received a particularly positive judgment (4.61), whilst waiting times continued to be the airport's biggest problem in terms of service quality (3.96).

Moreover, the surveys made it possible to draw up a profile of passengers at the airport:

- 51.4% are under 35, 39.5% between the ages of 36 and 55 and 9% over 55;
- 61.2% are upper-middle class professionals (managers, freelance professionals, entrepreneur, office workers, teachers);
- 42% travel for business and 58% for pleasure;
- 58% are Italian;
- 42.2% have flown at least 7 times in the last year and 37% have been to Fiumicino at least 4 times in the same period;
- of those departing from Fiumicino, 23.9% arrived by train, 12.7% by private car and 13.7% by taxi.

According to research carried out by ACI, Fiumicino is judged to be a good airport, also in comparison with other leading European airports. Passengers ranked Fiumicino ahead of Frankfurt, London Heathrow and Paris (Charles de Gaulle and Orly) and after those airports deemed "excellent" (Zurich, Amsterdam and Copenhagen).

At Ciampino airport, the daily surveys conducted report an improvement in customer satisfaction scores compared with 2007 (4.48 against 4.28). This judgment appears to be determined by the incoming flight sector (4.61 compared with 4.23 for outgoing flights).

The research conducted also made it possible to draw up a profile of passengers at the airport:

- 56.1% are under 35, 35.6% between the ages of 36 and 55 and 8.3% over 55;
- 45% are upper-middle class professionals (managers, freelance professionals, entrepreneur, office workers, teachers);
- 15.4% travel for business and 84.6% for pleasure;
- 41% are Italian;
- 29.6% have flown at least 7 times in the last year and 15.6% have been to Ciampino at least 4 times in the same period;
- of those departing from Ciampino, 70.4% arrived by train, 9.3% by private car and 3.8% by taxi.

GROUP INVESTMENT

During the period under review, the ADR Group carried out investment totaling 71,240 thousand euros (34,022 thousand euros in the first half of 2007).

Terminals

Work on improving the image and retail layout of terminals at Fiumicino continued, with civil and plant engineering works at the West Pier, as well as completion of replacement of flooring in the transit gallery.
Steps to raise comfort levels inside the airport included work on upgrading the plant and technology serving Terminal C and the distribution systems for Terminals A and B.

Upgrading works were completed on the restrooms in Terminal C and those in the basement of the Domestic Pier, whilst the restructuring of restrooms and general upgrading works on flooring, false ceilings and fittings in the terminals continued.

The passenger arrival gates at Terminals B and C were merged.

On May 3 the new Terminal "T5" for sensitive flights was opened to the public.
This terminal was built in only six months by reusing and converting the former cargo building, which had been out of use since the opening of the new Cargo City in 2004.
The new terminal, dedicated to dealing with passengers from "sensitive flights" (with a high number of security checks), will enable Terminal C to be relieved of the passenger traffic component that is more difficult to manage, especially during peak periods, thereby reducing the strain on the automatic baggage handling system (BHS).

As regards handling and security checks on checked luggage, 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 reclaim carousel 11 at Terminal B will also enter service in 2008.

As part of the program to rationalize the airport's sign system, work is underway on renovating the external and internal parts of the passenger information sign system.

As regards the infrastructure development plan, which aims to increase terminal capacity, the executive design for Pier C was approved by the Civil Aviation Authority in February and works are currently in progress.

Initiatives for Passengers with Reduced Mobility (PRM) at both Fiumicino and Ciampino airports are nearing completion.

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.

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 has been completed, whilst works are in progress to organize the cargo warehouse so that it can house Alitalia's activities.

During the period under review a public tender was called for the three-year contract regarding the operation and maintenance of air conditioning and water and sprinkler systems at Fiumicino airport (Global Service).

Runways and aprons

Work was completed on upgrading the BA connecting runway, which is used by almost all aircraft taking off from Fiumicino. This work entailed reinforcement of the paving.

Nighttime work continued on upgrading the flight infrastructures of runway 1 and bringing it into line with the Regulations. The following works have been completed:

- structural upgrading of the entire runway, including the luminous sign system for operations carried out in conditions of low visibility and all the runway's strips;
- construction of two new fast exits for landings from the south (runway head 34L);
- structural upgrading of the Alfa taxiway between the AE and AH connecting runways, as well as between the AE, AG and AH connecting runways, which have been upgraded to handle the new generation class F aircraft (A 380s), and for operations in conditions of low visibility.

Completion of the remaining works, comprising upgrading of the Alfa taxiway between the intersection with runway 2 and the AE connecting runway and of the luminous sign system for the taxiways that serve the aprons in the western side of the airport, is expected by October 31, 2008.

Work is in progress at Fiumicino airport on upgrading all the road signs for aircraft aprons and relative taxiways, with completion expected by the end of 2008.

As regards Ciampino airport, work on upgrading the area in front of the hangar is continuing, with completion expected by December 2008.

RESEARCH AND DEVELOPMENT

The ADR Group did not carry out any research and development activities during the first half of 2008.

GROUP PERSONNEL

Group headcount at June 30, 2008

The headcount as of June 30, 2008 was 2,532, broken down by category and type of contract as follows:

Category	June 30, 2008	Dec 31, 2007	Change
Managers	60	57	3
Supervisors	216	210	6
White-collar	1,759	1,619	140
Blue-collar	497	435	62
Total Group	**2,532**	**2,321***	**211**
including:			
on permanent contracts	1,727	1,655	72
on temporary contracts	805	666	139

* excluding the cargo business

and broken down by company as follows:

COMPANY	June 30, 2008			Dec 31, 2007			Change	Change	Change
	Perm. contract	Temp. contract	TOTAL	Perm. contract	Temp. contract	TOTAL	Perm. contract	Temp. contract	TOTAL
ADR SpA	1,655	801	2,456	1,587	666	2,253*	68	135	203
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	0	10	11	0	11	(1)	0	(1)
Total Group	**1,727**	**805**	**2,532**	**1,655**	**666**	**2,321**	**72**	**139**	**211**

* excluding the cargo business

This data, excluding the cargo business, represents a snapshot of the Group's operations at two different times of the year: June, which marks the start of the summer season when passenger traffic peaks, and December during which, despite the Christmas vacation period, traffic is more stable.
Therefore, the change in the headcount recorded at these two times of the year registers an increase of 211 (including 203 for ADR SpA).

For **ADR SpA,** the increase registered at June 30, 2008 is connected with the following events:
- the opening of T5 (up 124),
- higher volumes of traffic dealt with in June compared with December (21 Security staff, 24 Terminal staff, 15 Commercial staff),
- expansion of Maintenance units (up 13) and Staff functions (up 6).

For **ADR Engineering**, the increase derives from requirements relating to stepped up planning activates for the Airport Development Plan (up 9).

Regarding the contract mix, the increase in the number of staff on permanent contracts (up 72) is linked to the recent legislation regarding the repetition of temporary contracts (Law no. 247/07), which was gradually applied at ADR Group companies via the Labor Union Agreement of January 16, 2008 and the ADR SpA – Lazio Region Agreement of February 4, 2008.

The increase in the number of staff on temporary contracts (up 139) compared with December 31, 2007 reflects the above-mentioned seasonal peak in operations.

Average Group headcount from January 1 to June 30, 2008

The following data, expressed as full-time equivalent*,* compare the changes that occurred in the first halves of 2008 and 2007. The average headcount between January 1 and June 30, 2008 is **2,194** full-time equivalents, broken down by category and type of contract as follows:

Category	H1 2008	H1 2007	Change
Managers	60	57	3
Supervisors	217	191	26
White-collar	1,494	1,423	71
Blue-collar	423	556	(133)
Total Group	**2,194**	**2,227***	**(33)**
including:			0
on permanent contracts	1,635	1,737	(102)
on temporary contracts	559	490	69

* including the effect of the cargo business for the purposes of comparison with the 2007 financial statements

and broken down by company as follows:

COMPANY	June 30, 2008	June 30, 2007	Change
ADR SpA	2,119	2,159*	(40)
ADR Engineering SpA	46	37	9
ADR Tel SpA	18	21	(3)
ADR Advertising SpA	11	10	1
Total	**2,194**	**2,227**	**(33)**

* including the effect of the cargo business for the purposes of comparison with the 2007 financial statements

For the **Group**, the average headcount fell by **33** full-time equivalents (including 40 for ADR SpA).

For **ADR SpA**, this phenomenon is connected with the following events registered during the first half of the year:

- sale of the cargo business (down 243 full-time equivalents),
- implementation of the National Security Plan (up 84 full-time equivalents),
- the opening of Terminal 5 (up 32 full-time equivalents),
- the impact of the 10% passenger traffic growth on operations (up 47 full-time equivalents),
- the impact of the 10% passenger traffic growth on commercial activities and the launching of new initiatives (up 9 full-time equivalents),
- x-ray checks of cargo in transit at the Customs Building (up 10 full-time equivalents),
- expansion of various organizational structures (up 21 full-time equivalents).

At the other **Group companies** the workforce grew by 7 full-time equivalents.

Operational aspects

The start-up of the new Terminal 5, specializing in flights to sensitive destinations, thereby entailing more stringent security checks (USA, Israel, etc.) had a significant impact on operations during the first half of the year.
In application of EU Regulation 1107/2006, which transfers responsibility for assisting passengers with reduced mobility to the airport operator, a new company was set up to provide this service on an experimental basis at the new terminal.

Organizational aspects

The first half of 2008 saw development of the corporate organizational model via the establishment of new organizational bodies and the reorganization of existing ones. Specifically:

- the Extraordinary Operations Department was set up, reporting directly to the Deputy General Manager's Office for Strategies, Development and Operational Management, aimed at managing the delicate process regarding the spin-offs envisaged in the corporate development plan;
- the Regulatory Matters Department was established within the scope of the Central Administration, Finance and Control Department with a view to overseeing the new airport tariff system;
- via application of the Business Partnership model, the Central Human Resources, Organization and Quality Department reorganized its structure with a view to further integrating the management of human resources with the needs of the business;
- the Fiumicino Operations Department was established within the scope of the Central Infrastructures and Operations Department aimed at improving the response to traffic growth in a context that is extremely complex in terms of operations and infrastructure;
- reorganization of the Information Systems and Telecommunications Central Department was launched in order to bring management of the Group's IT systems into line with the corporate strategic plan.

Regarding implementation of the backup process for invoices payable, a Backup Manager was appointed pursuant to the relevant legislation (art. 5, Resolution no. 11 of February 19, 2004, CNIPA - National Center for Information Technology in Public Administration).

Revision of the model pursuant to Legislative Decree 231/01 was approved by the Board of Directors on March 11, 2008, and also communicated to the members of Supervisory Board.
The drawing up and updating of organizational procedures also continued during the period, with particular attention paid to those that have the greatest impact on current legislation.

Industrial relations

In application of the new regulations regarding temporary contracts (Law no. 247/07), an agreement as signed with the labor unions which provided for conversion to permanent contracts for 192 staff, as well as the introduction of new organizational flexibility measures.
In order to set up the new company specializing in the provision of assistance services to passengers with reduced mobility - PRM (EU Regulation 1107/2006), a procedure was launched to transfer staff currently employed by handlers who carry out this activity to the airport operator.
This procedure, which is provided for under the current National Collective Labor Contract, Annex 2, the "social clause", requires the involvement of the labor unions.
Therefore, specific agreements were signed for Fiumicino and Ciampino airports, which defined the total numbers of staff who, in application of the Protocol of March 16, 1999, will join forces to form ADR Assistance as of July 16, 2008.
On June 20 a wider agreement was signed regarding work schedules at ADR Assistance, which ratified application of the working hours established by the Assaeroporti National Collective Labor Contract (37.5 hours for shift workers, and 16 hours and 24 – 38 hours for the remaining staff). Mechanisms were also defined for an incentive bonus, the functioning of the canteen and company transportation, as well as union rights.
Finally, negotiations on pay and conditions are in progress regarding renewal of the two-year National Collective Labor Agreement that expired in December 2007.
Regarding industrial relations at airport-related businesses, on May 9 Cisim Food, which is under extraordinary administration, published requests for expressions of interest from leading companies in the sector regarding acquisition of the business activities.
ADR SpA, in agreement with the Extraordinary Commissioners of Cisim Food and the labor unions, opened a negotiating table to monitor the matter.
The financial and technical aspects of the offers made by companies that expressed an interest in acquiring Cisim Food are under assessment.

Recruitment and selection activities

During the first half of 2008 selection activities were conducted in order to maintain the pool of temporary staff for ADR SpA, primarily entailing the recruitment of 163 handlers, 55 airport staff, 437 security staff and 48 professional staff.
Selection was also conducted in support of the activities regarding assistance to passengers with reduced mobility, involving the assessment of more than 300 persons for the position of operator, resulting in a shortlist of approximately 130 potential candidates.
In addition, 765 airport badges were issued during the first six months of the year.

Training and refresher courses

Training was used to support development of the managerial skills of the ADR Group's staff. Overall, more than 4,700 hours of training were given to approximately 350 trainees during the first half of 2008.
The themes dealt with during the period include: Communication between Managers and Staff, Time Management, Efficient Communication and a course aimed at improving front line service with a focus on customer care.
The training initiative "The Wings of Leadership", for the benefit of 21 Group staff, was of particular interest.
The majority of these training initiatives were financed by Fondimpresa.
Training courses were sold to the airports of Genoa, Ancona and Bologna during the period. These sales concerned courses on dangerous goods, airport staff – passenger assistance, basic manual ticketing and ramp centering and coordination, which were attended by 347 trainees for a total of 3,856 hours.
Together with the start-up of the PRM project, a new training product for "Disabled Passenger Assistants" was developed. This course has already been sold to the airports of Genoa and Bologna, and its sale to Parma airport is being finalized.

During the period the following courses were given to pre-recruitment staff on behalf of Flightcare Italia SpA:

- Airport staff – passenger check-in – 4 courses for a total 44 trainees and 4,080 hours in the classroom;
- Handlers – 6 courses for 102 trainees with a total of 2,472 hours.

Regarding in-house training, as provided for in the Civil Aviation memorandum, the PRM course was also given to pre-recruitment staff who will be directly involved in providing this assistance. A total of 6 courses were given to more than 110 trainees with a total of 2,712 classroom hours and 2,712 hours of on-the-job training.

Particular attention was also paid to training staff regarding safety in the workplace issues. The number of training hours provided during the period totaled 10,900 for the benefit of 2,500 trainees (of whom approximately 50% came from external organizations).

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

The document that assesses risks for members of staff who are pregnant or mothers was updated during the period.
Regarding health and safety at the workplace, the ADR Tel SpA safety document was updated. This document identifies occupational risk factors, consequent prevention and protection measures, provisions for the protection of individuals, and instructions regarding health and safety at the workplace.
Moreover, following the provisions issued by Law no. 123/07, and subsequently dealt with by Legislative Decree no. 81/08, preparation of methods for drawing up documents to assess the risks of interference caused by contractors or external professionals was completed.
Technical and professional verification of safety organization regarding all companies, authorities, external professionals and handlers with whom ADR has signed any contract, irrespective of its legal form, also continued during the period.
Regarding "emergency management" issues, drills were conducted to assess the effectiveness of the new automated alert facility (aircraft accidents; bomb on board incidents; criminal acts; fires; collapsed buildings; other disasters) in collaboration with the National Police Force, the Fire Brigade, the Italian Air Navigation Services Company, the Civil Aviation Authority, First Aid staff and ADR's Emergency Operations Center.
As regards data protection legislation, the security planning document was drawn up within the prescribed time limit. Given the peculiar nature of the data processed by ADR's First Aid Center, pursuant to Legislative Decree no. 196/03, "Guidelines for ADR First Aid Staff" were prepared and distributed to all members of staff concerned.

CORPORATE TRANSACTIONS

In implementation of the European Commission's Regulations regarding the disabled and persons with reduced mobility traveling by air, the Parent Company ADR SpA, whilst maintaining its direct responsibility as airport operator, decided to entrust provision of the assistance services envisaged by these Regulations to a newly established subsidiary undertaking.
Therefore, on June 25, 2008 ADR Assistance S.r.l. Unipersonale was incorporated with an 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.
The company will be able to provide any other support function to passengers that does not fall within the scope of handling activities, as defined by current legislation.

In implementation of the provisions of the business cooperation agreement signed in 2005, on March 26, 2008 ADR SpA and Sistemi di Energia SpA incorporated a limited liability consortium called Leonardo Energia – Società Consortile a r.l., with its registered office in Milan and share capital of 10,000 euros; ADR SpA has a 10% stake (1,000 euros) in the company.
The company has been set up to manage the co-generation plant that is nearing completion at Fiumicino airport. The aim is to jointly coordinate the business activities of the consortium partners regarding the production, transformation and transport of electric and thermal power.

The Extraordinary General Meeting of the investee company, Aeroporto di Genova SpA, resolved to increase the company's share capital from 4,648,140.00 euros to 7,746,900.00 euros via the issue of 6,000 new shares with a par value of 516.46 euros each, to be offered to shareholders in proportion to the number of shares held.
The General Meeting fixed January 31, 2008 as the deadline by which to exercise the related options and declare the exercise of pre-emption rights in respect of any unexercised options. The same Meeting also fixed February 28, 2008 as the deadline by which to pay in the residual amounts owed by individual shareholders. ADR's investment is represented by 900 new shares with a total value of 464,814.00 euros.
On January 14, 2008, ADR SpA exercised right of option on 900 new shares, with payment by January 31, 2008, pursuant to art. 2439 of the Italian Civil Code, of 25% of the par value (116,203.50 euros), and the remaining amount of 348,610.50 euros to be paid by February 28, 2008.

FINANCIAL TRANSACTIONS

In line with the strategy designed to restore adequate ratings, on February 4, 2008 the Parent Company, ADR SpA, notified the Security Agent, Mediobanca SpA, of its irrevocable intention to effect voluntary early repayment of the line of credit granted by Romulus Finance Srl, called Loan B and amounting to 65.0 million euros.
On March 20, 2008, in addition to repayment of Loan B of 65.0 million euros in accordance with the commitment undertaken in February, ADR SpA also partially repaid the "Term Loan Facility" (21.4 million euros) and the line of credit (12.75 million euros) granted by BIIS - Banca Infrastrutture Innovazione e Sviluppo (formerly Banca OPI).
ADR effected early repayments totaling 99.2 million euros.

Early repayment of the loan was initially carried out by using available liquidity, and then largely refinanced. Indeed, on May 27, 2008, taking advantage of better conditions compared with the previous borrowings, ADR SpA took out a new 80-million euro loan from the European Investment Bank (EIB) with a surety provided by Banca Infrastrutture Innovazione e Sviluppo (BIIS) from the Intesa San Paolo Group.

The new 10-year EIB loan falls due in 2018, with full redemption on maturity, and includes payment of floating rate interest on a quarterly basis. The nature of this floating rate loan, which is similar to the previous loan, enabled the current interest rate hedge to be kept unaltered.

Like all other loans, the EIB-BIIS loan will come within a contractual framework entailing specific rules and obligations that protect the lenders.

GROUP FINANCIAL POSITION AND OPERATING RESULTS

Reclassified consolidated income statement

(€000)

2007		First half 2008	First half 2007
556,616	A.- REVENUES	269,703	263,294
5,309	Capitalized costs and expenses	4,602	2,355
561,925	B.- REVENUES FROM ORDINARY ACTIVITIES	274,305	265,649
(187,314)	Cost of materials and external services	(100,417)	(89,394)
374,611	C.- GROSS MARGIN	173,888	176,255
(118,276)	Payroll costs	(62,025)	(58,797)
256,335	D.- GROSS OPERATING INCOME	111,863	117,458
(98,070)	Amortization and depreciation	(51,905)	(48,022)
(5,524)	Other provisions	(1,033)	(4,098)
(7,311)	Provisions for risks and charges	(10,786)	(1,785)
(1,085)	Other income (expense), net	(1,166)	(742)
144,345	E.- OPERATING INCOME	46,973	62,811
(78,557)	Financial income (expense), net	(40,165)	(38,503)
65,788	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	6,808	24,308
(425)	Extraordinary income (expense), net	(1,621)	(553)
65,363	G.- INCOME BEFORE TAXES	5,187	23,755
(42,914)	Income taxes for the period	(19,269)	(18,656)
(3,531)	Deferred tax assets	9,662	810
18,918	H.- NET INCOME FOR THE PERIOD	(4,420)	5,909
	including:		
1,027	- Minority interest	226	540
17,891	**- Group interest**	**(4,646)**	**5,369**

Traffic growth at the Roman airport system (passengers up 7.2%) continued at a fast pace during the first half of 2008, reflecting once again a degree of immunity to the current international economic slowdown and rising energy costs.
Fiumicino airport in particular (up 10.7%) also benefited from the effects of Alitalia's transfer of flights from Milan Malpensa in the second quarter of the year.
At Ciampino airport, on the other hand, after years of uninterrupted traffic growth, a downturn of 13.0% was registered, due to the well-known measures designed to limit the airport's operating capacity.

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 above-mentioned rise in energy costs.

The volume of revenues generated by the Group in the first half of the year grew by a mere 2.4% thanks to the good performance registered by "non-aviation" revenues (up 5.5%), whilst "aviation" revenues were substantially in line with the first half of 2007 (down 0.4%).

The performance of "aviation" revenues was also affected by the Group's disposal of the cargo handling business, which generated revenues of 8.1 million euros in the first half of 2007. This impact was almost entirely offset by the growth of other "aviation" revenue components, including airport fees (up 7.8%) and centralized infrastructures (up 6.0%) which grew substantially in line with traffic.

The positive performance of the "non-aviation" segment (up 5.5%) was primarily due to increased revenues from "sub-concessions and utilities" (up 7.2%) driven by the good results achieved – thanks to improvement of 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, as previously mentioned, at the beginning of 2008.
Sales by directly managed retail outlets also benefited from the improved commercial offering, as well as the passenger mix deriving from the transfer of Alitalia flights, registering revenue growth of 8.6%, greater than the 7.3% increase in outgoing traffic.
Revenues from the management of car parks (up 2.4%) grew in line with the number of outgoing passengers (up 1.8%), whilst advertising space decreased by 7.5% reflecting the downturn that is affecting the whole advertising sector.

Compared with the first half of 2007 the consumption of materials and external services rose more than revenues (up 12.3%) 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.

Despite a reduction in the average headcount of 33, payroll costs rose by 5.5% due to a different staff mix, and the effect of settlement of certain non-recurring items in the period.

Consequently, EBITDA for the period is 111.9 million euros, down 4.8% on the first half of 2007.

The performance of Group operating profit was influenced by higher amortization and depreciation (up 3.9 million euros) and increased provisions for risks and charges (up 9.0 million euros) which take account of probable risks in administrative, civil, labor legislation and tax fields.

EBIT therefore stood at 47.0 million euros compared with 62.8 million euros in the first half of 2007.

Net financial expense was up 1.7 million euros compared with the first half of 2007, due to a sharp rise in interest rates. This was only partially mitigated by the effects of implementation of partial restructuring of debt during the first quarter, which was completed in June, via refinancing under more favorable conditions and for an amount totaling less than 19 million euros.

Estimated taxation for the period, which was down 8.2 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 half of 2008 with a net loss of 4.6 million euros, compared with the 5.4 million euro profit registered in the same period of the previous year.

Reclassified consolidated balance sheet

(€000)

06-30-2007		06-30-2008	12-31-2007	Change
	A. - NET FIXED ASSETS			
2,031,179	Intangible fixed assets *	2,019,241	2,020,140	(899)
126,880	Tangible fixed assets	156,886	137,665	19,221
3,319	Non - current financial assets	3,413	3,121	292
2,161,378		2,179,540	2,160,926	18,614
	B. - WORKING CAPITAL			
19,836	Inventory	19,541	19,059	482
151,702	Trade receivables	174,929	149,913	25,016
41,283	Other assets	38,342	24,463	13,879
(133,203)	Trade payables	(193,626)	(148,422)	(45,204)
(28,254)	Allowances for risks and charges	(40,012)	(29,637)	(10,375)
(75,755)	Other liabilities	(95,865)	(82,986)	(12,879)
(24,391)		(96,691)	(67,610)	(29,081)
	C. - INVESTED CAPITAL, minus			
2,136,987	short-term liabilities (A+B)	2,082,849	2,093,316	(10,467)
41,254	D. - EMPLOYEE SEVERANCE INDEMNITIES	37,762	37,843	(81)
	E. - INVESTED CAPITAL, minus short-term			
2,095,733	**liabilities and E.S.I. (C-D)**	**2,045,087**	**2,055,473**	**(10,386)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
718,546	- Group interest	726,422	731,068	(4,646)
1,485	- Minority interest	1,175	1,971	(796)
720,031		727,597	733,039	(5,442)
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)			
4,298	.Short-term borrowing	5,022	17,471	(12,449)
(141,115)	.Cash and current receivables	(180,901)	(207,556)	26,655
(136,817)		(175,879)	(190,085)	14,206
1,375,702	(G+H)	1,317,490	1,322,434	(4,944)
2,095,733	**I. - TOTALE AS IN "E" (F+G+H)**	**2,045,087**	**2,055,473**	**(10,386)**
1,835,816	*(*) including the value of the concession totaling*	*1,774,211*	*1,798,853*	*(24,642)*

As of June 30, 2008 the Group's invested capital, amounts to 2,045.1 million euros, representing a decrease 10.4 million euros compared with the end of the previous year, due to a reduction of 29.1 million euros in working capital which was only partly offset by a rise in fixed assets of 18.6 million euros deriving from the strong boost given by the implementation of the Parent Company's infrastructure investment program.

Primarily on the back of this significant expansion of investments, the reduction in working capital is due to an increase in trade payables (45.2 million euros), as well as in increase in tax payables (up 10.2 million euros) deriving from estimated taxation for the period, classified among "Other liabilities", and estimated provisions for risks and charges (10.4 million euros).
Working capital was also positively influenced by an increase in trade receivables (up 25.0 million euros) which reflects, in addition to the effects of business expansion, the impact of the growing financial tension that is affecting the Italian air transport sector.

In terms of funding, there was a 5.4 million euro reduction in shareholders' equity due to the net loss reported for the period, and a 4.9 million euro decrease in net debt, which stood at 1,317.5 million euros at the end of the period.

In particular, regarding net debt, 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 Romulus Finance, concluded in March, which was partly refinanced via use of the EIB line of credit.
Moreover, this repayment transaction is reflected, albeit to a lesser extent, in net liquidity which stood at 175.9 million euros at June 30, 2008.

Statement of cash flows

(€000)

2007		First half 2008	First half 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	(4,420)	5,909
98,070	Amortization and depreciation	51,905	48,022
(1,437)	(Gains) losses on disposal of fixed assets	(51)	(17)
(13)	(Revaluations) write-downs of fixed assets	(5)	(9)
47,763	Net change in working capital	29,081	4,544
(3,839)	Net change in employee severance indemnities	(81)	(428)
159,462		76,429	58,021
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(53,500)	.intagible	(42,502)	(21,748)
(31,650)	.tangible	(28,564)	(12,274)
(6)	.financial	(533)	0
4,733	Proceeds from disposal, or redemption value of fixed assets	1,136	1,771
(80,423)		(70,463)	(32,251)
	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)	(14,206)	(25,723)
190,085	**H.- NET CASH AND CASH EQUIVALENTS - closing balance (A+G)**	**175,879**	**136,817**

The Group’s operating cash flow amounted to 76.4 million euros in the first half of 2008, after the servicing of debt falling due. Internally generated resources made it possible to entirely cover the rising net cost of self-financed investments (70.5 million euros, compared with 32.3 million euros in the first half of 2007).

The early repayment of a portion of medium/long-term loans, totaling 99.2 million euros, refinanced for an amount 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 liquidity therefore stood at 175.9 million euros at the end of the period.

Analysis of net debt
(€000)

2007		First half 2008	First half 2007
(1,349,979)	**A.- NET FINANCIAL BORROWING - opening balance**	(1,322,434)	(1,349,979)
256,335	EBITDA	111,863	117,458
(2,914)	Net change in operating working capital	18,673	(19,273)
(3,839)	Net change in employee severance indemnities	(81)	(428)
(1,138)	Other income (exp.), net	(1,217)	(759)
(1,838)	Extraordinary income (exp.), net	(1,961)	(553)
(16,576)	Current taxes paid	(8,687)	(6,820)
7,956	Other assets/liabilities (included allowances for risks and charges)	(241)	8,627
237,985	**B.- OPERATING CASH-FLOW**	118,348	98,252
(85,156)	Capex (tangibles, intangibles and financial)	(71,599)	(34,022)
4,733	Proceeds from disposal, or redemption value of fixed asset	1,136	1,771
157,562	**C.- FREE CASH-FLOW**	47,885	66,001
(78,523)	Financial income (exp.), net	(41,919)	(40,231)
(51,494)	Dividends paid	(1,022)	(51,493)
27,545	**D.- NET CASH-FLOW**	4,944	(25,723)
(1,322,434)	**E.- NET BORROWING - closing balance (A+E)**	(1,317,490)	(1,375,702)

MAIN GROUP COMPANIES

ADR Engineering SpA - Unipersonale

In the first half of 2008 the company, which operates in the field of airport engineering, i.e. design, works supervision and technical consultancy services, reported net income of 582 thousand euros, representing a substantial increase on the same period of the previous year which reported net income of 253 thousand euros.

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 grew by 2,771 thousand euros (up 77.7%).
This increase was reflected in improved EBITDA, which stood at 1,143 thousand euros, compared with the 644 thousand euros of the first half of 2007.

ADR Tel SpA

ADR Tel SpA, the company which builds and manages telecommunications systems at the Roman airport system, reported net income of 459 thousand euros, up 168 thousand euros on the first half of 2007.

The company posted revenues of 5,487 thousand euros, up 23.5% on the first half of 2007, primarily due to higher revenues for works commissioned by the Parent Company regarding the building of infrastructure.

EBITDA, amounting to 1,429 thousand euros, rose by 4.9%, whilst EBIT increased by 17.8%.

ADR Advertising SpA

This company, which manages advertising space at Rome's airports, reported net income of 287 thousand euros in the first half of 2008, compared with net income of 697 thousand euros in the same period of the previous year.

Revenues, totaling 12,199 thousand euros, fell by 4.5% due to the economic downturn in the advertising sector. Consequently, EBITDA also fell back significantly to stand at 739 thousand euros (1,390 thousand euros in the first half of 2007).

NOTICE REGARDING MANAGEMENT AND COORDINATION OF THE COMPANY PURSUANT TO ARTICLE 2497 AND SUBSEQUENT ARTICLES OF THE ITALIAN CIVIL CODE

With reference to the company law reform introduced by article 2497 and subsequent articles of the Italian Civil Code, from August 2, 2007, ADR SpA is subject to "management and coordination" by Gemina SpA, which wholly owns Leonardo Srl, subsequently merged into Gemina SpA.

In turn, ADR SpA "manages and coordinates" its subsidiary undertakings, ADR Engineering SpA, ADR Tel SpA, ADR Sviluppo Srl Unipersonale and ADR Assistance Srl Unipersonale.

RELATIONS WITH PARENT COMPANIES AND OTHER RELATED PARTIES

Relations with parent companies

ADR Group companies' relations with the Parent Company, Gemina SpA, in 2008 primarily refer to participation in the consolidated taxation regime (€000):

SUNDRY RELATIONS BETWEEN THE ADR GROUP AND GEMINA SPA

	Balances at June 30, 2008		First Half 2008	
	Receivables	*Payables*	*Tax Consolidation*	
			Income	*Expense*
ADR SpA	0	20,578	0	7,751
	0	**20,578**	**0**	**7,751**
Subsidiary undertakings subject to management and coordination				
ADR Engineering SpA Unipersonale	0	838	0	326
ADR Tel SpA	0	569	0	194
	0	**1,407**	**0**	**520**
Unconsolidated subsidiary undertakings subject to management and coordination				
ADR Sviluppo Srl Unipersonale	1	0	0	0
	1	**0**	**0**	**0**

The effects on the balance sheet and income statement deriving from participation in 2007 in the domestic tax consolidation regime for the period 2007-2009, governed by art. 117 *et seq.* of the Consolidated Act, by ADR SpA and the subsidiary undertakings, ADR Engineering SpA, ADR Tel SpA and ADR Sviluppo Srl, as consolidated companies, and by the Parent Company, Gemina SpA, as the consolidating company, were classified under sundry relations.

On taxable income transferred to the consolidating company, Gemina SpA, by the consolidated companies, ADR SpA, ADR Engineering SpA and ADR Tel SpA, consolidated taxation of 7,751 thousand euros, 326 thousand euros and 195 thousand euros was recorded respectively, for a total of 8,271 thousand euros. Regarding accounts receivable and accounts payable regarding the previous year and tax credits transferred by the consolidated companies, in addition to the above taxable income, an amount of 21,985 thousand euros due to Gemina SpA was recorded.

Moreover, regarding trading relations with the Parent Company, ADR Tel provided Gemina SpA with electronic mail services (in thousands of euros):

TRADING RELATIONS BETWEEN THE ADR GROUP AND PARENT COMPANIES

	Balances at June 30, 2008		First Half 2008	
	Receivables	*Payables*	*Revenues*	*Costs*
ADR Tel SpA	15	0	13	0
	15	**0**	**13**	**0**

Relations with subsidiary undertakings

Transactions carried out by ADR SpA with subsidiary undertakings in the first half of 2008 refer primarily to the supply of goods, trade and centralized treasury services. All of the transactions were carried out on an arm's length basis.

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

TRADING RELATIONS BETWEEN ADR SPA AND SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

	Balances at June 30, 2008				First Half 2008						
	Receivables	*Payables*	*Guarant.*	*Commit.*	*Revenues*			*Costs*			
					Goods	*Services*	*Other*	*Goods*	*Services*	*Other*	*Investments*
Subsidiary undertakings subject to management and coordination											
ADR Engineering SpA Unipersonale	552	10,068	250	8,241	6	180	204	0	399	0	5,912
ADR Tel SpA	330	2,376	257	823	0	290	80	0	2,290	0	1,243
	882	**12,444**	**507**	**9,064**	**6**	**470**	**284**	**0**	**2,689**	**0**	**7,155**
Other subsidiary undertakings											
ADR Advertising SpA	8,956	607	0	0	0	10,563	28	0	638	0	0
Airport Invest BV	0	0	0	0		0	0	0	0	0	0
	8,956	**607**	**0**	**0**	**0**	**10,563**	**28**	**0**	**638**	**0**	**0**
associated undertakings											
Ligabue Gate Gourmet Roma SpA (insolvent)	0	968	0	0							
	0	**968**	**0**	**0**							

The subsidiary undertaking, ADR Engineering SpA, provides design and works supervision services for works included in the airport development plan and it was incorporated in 1997 for this reason. Revenues in the first half of 2008 for work commissioned by ADR SpA amounted to 6,311 thousand euros (4,038 thousand euros in the first half of 2007). ADR SpA charged the company 390 thousand euros (215 thousand euros in the same period of 2007) relating to sub-concessionaire fees, utilities, administrative services, etc.

From April 2003 the subsidiary undertaking, ADR Tel SpA, has managed telecommunications at the airports of Fiumicino and Ciampino. In the first half of 2008 the company posted revenues from telephony services provided to ADR SpA of 2,290 thousand euros (2,118 thousand euros in the first half of 2007) and carried out upgrading works on the telephone network worth 1,243 thousand euros (445 thousand euros in the same period of 2007). ADR SpA charged the company an amount of 370 thousand euros (338 thousand euros in the first half of 2007) in royalties and rentals on the lease of telecommunications assets and premises, and for utilities and staff services.

From March 1, 2003, the subsidiary undertaking, ADR Advertising SpA, has managed advertising at Fiumicino airport on the basis of a contract entered into with ADR SpA and expiring on December 31, 2011. This contract specifies that a monthly payment based on ADR Advertising SpA's revenues is to be made to ADR SpA, whilst ensuring a guaranteed minimum. The royalties recorded by ADR SpA in the first half of 2008 amount to 10,381 thousand euros (10,310 thousand euros in the first half of 2007). ADR SpA received additional revenues from the company, totaling 210 thousand euros (195 thousand euros in the first half of 2007), as lease rentals and as payment for utilities and various services.

Financial relations with the subsidiary undertakings, ADR Engineering SpA, ADR Tel SpA and Airport Invest BV, regard the centralized treasury system, which is conducted on an arm's length basis. The system has been put into place in order to optimize the management of financial resources and facilitate the settlement of inter-company trading relations.

FINANCIAL RELATIONS BETWEEN ADR SPA AND SUBSIDIARY UNDERTAKINGS

	Balances at June 30, 2008			First Half 2008	
	Receivables	*Payables*	*Guarant.*	*Income*	*Expense*
Subsidiary undertakings subject to management and coordination					
ADR Engineering SpA Unipersonale	0	235	0	1	12
ADR Tel SpA	1,727	0	0	39	0
	1,727	**235**	**0**	**40**	**12**
Other subsidiary undertakings					
Airport Invest BV	0	3,413	0	0	71
	0	**3,413**	**0**	**0**	**71**

Sundry relations are summarized below (in thousands of euros):

SUNDRY RELATIONS BETWEEN ADR SPA AND SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

	Balances at June 30, 2008		First Half 2008
	Receivables	*Payables*	*Dividends*
Subsidiary undertakings subject to management and coordination			
ADR Engineering SpA Unipersonale	0	0	0
ADR Tel SpA	0	0	0
	0	**0**	**0**
Other subsidiary undertakings			
ADR Advertising SpA	303	0	0
	303	**0**	**0**
associated undertakings			
Ligabue Gate Gourmet Roma SpA (insolvent)	530	0	0
La Piazza di Spagna Srl	0	34	0
	530	**34**	**0**

Relations with other related parties

Trading relations with other related parties break down as follows (in thousands of euros):

TRADING RELATIONS BETWEEN THE ADR GROUP AND RELATED PARTIES

	Balances at June 30, 2008			First Half 2008	
	Receivables	*Payables*	*Guarant. Received*	*revenues*	*costs*
Sistemi di energia SpA	87		205	13	
Assicurazioni Generali SpA					2,007
Key Managers of Gemina		0			0
	87	**0**	**205**	**13**	**2,007**

Regarding these relations, the following should be noted:

- Sistemi di energia SpA, an associate undertaking of Gemina SpA: at the beginning of 2007, following a series of suspensive conditions, the business cooperation agreement signed on December 22, 2005 between the Parent Company, ADR SpA, and the company came into effect. This agreement regards the construction by Sistemi di Energia SpA – at its own expense – of a gas-fired co-generation plant (for the production of electric and thermal energy), to be operated by a consortium comprising ADR SpA and Sistemi di Energia SpA, with respective stakes of 10% and 90%. Subsequently, investment in the company could also be promoted among other airport operators.

On April 16, 2007, ADR SpA delivered the state-owned land on which the power plant will be built to Sistemi di Energia SpA, and construction work began.
The sub-concession contract for this area, entered into between ADR SpA and Sistemi di Energia SpA, will only generate revenues for ADR SpA after the power station enters service.
Finally, in accordance with the agreement, Sistemi di Energia SpA has issued ADR SpA with a performance bond of 205 thousand euros to guarantee its obligations to build the power plant.

- Assicurazioni Generali SpA (a company that holds a sufficient interest in Gemina SpA to have a significant influence on the latter): the ADR Group has taken out its principal insurance policies with this insurance group.

Key managers of Gemina SpA: Guido Angiolini, Alessandro Grimaldi, Clemente Rebecchini and Paolo Roverato are members of the Board of Directors of ADR SpA.

Financial relations include those maintained with Mediobanca SpA (a company that holds a sufficient interest in Gemina SpA to have a significant influence on the latter):

FINANCIAL RELATIONS BETWEEN ADR SPA RELATED PARTIES

	Balances at June 30, 2008			First Half 2008	
	Cash and cash equivalents	*Receivables*	*Payables*	*Financial income*	*Financial expense*
Mediobanca SpA	49,925	58,266	87	3,670	1,251
	49,925	**58,266**	**87**	**3,670**	**1,251**

Several relations exist between ADR SpA and Mediobanca SpA in connection with the role played by the latter in current loan contracts:

- Mandated Lead Arranger of the long-term lines of credit Term Loan Facility (170,000 thousand euros) and Revolving Facility (100,000 euro) provided by a syndicate of lending banks[3];
- Security Agent representing all of ADR SpA's creditors;
- Facility Agent representing the banks within the Bank Facility Agreement;
- Administrative Agent and holding bank for certain ADR current accounts, regulated by loan contracts, of which the following report movements: Debt Service Account, Interim Proceeds Account and Recoveries Account, of which the balances at June 30, 2008 are shown in the above table. Mediobanca SpA is also the holder of a time deposit called the Debt Service Reserve Account for which ADR reports a financial receivable in its financial statements. The related interest due is reported in the item "financial income" in the above table;
- the counterparty in two Interest Rate Swap contracts with notional values of 252,000 thousand euros and 156,000 thousand euros; gains and losses on swap spreads are included respectively in the items "financial income" and "financial expense" in the above table.

For a description of the guarantees granted by ADR SpA, reference should be made to the section on "Payables" in the Notes.
Finally Mediobanca and Bayerische Hypo- und Vereinsbank AG (Unicredit Group) were appointed as financial advisors regarding the sale of the direct retail business, including a success fee of 950 thousand euros, to be equally divided between the two advisors.

[3] The total amount due to the syndicate of banks is reported in the financial statements of ADR SpA; the amounts contributed by each bank in the syndicate are not indicated.

TREASURY STOCK OR PARENT COMPANY'S SHARES IN THE PORTFOLIO

The Group did not hold, directly, or indirectly, any of its own shares or any shares in the Parent Company, either at the end of the first half of 2008 or at the end of 2007. In addition, no purchase or sale of its own shares or shares in the Parent Company took place, either directly or indirectly, during the first half of 2008.

FINANCIAL RISK MANAGEMENT

The Group uses interest rate swaps and interest rate caps to hedge interest rate risks.

The hedging policy, drawn up as part of ADR SpA's loan agreements, calls for at least 51% of debt to be protected from risk.
In line with this policy, the interest rate swaps entered into with Mediobanca, Barclays, UBM, Royal Bank of Scotland and Deutsche Bank in 2001 are still in effect. Said swaps are based on notional capital of 864 million euros and mature on October 2, 2009.

On October 1, 2004 interest rate swaps were entered into with a number of the above counterparties (Mediobanca, Barclays and Royal Bank of Scotland). The swaps are based on total notional capital of 468 million euros up to March 2008 and 495 million euros up to October 2, 2009. On the basis of the agreements, ADR receives a fixed rate of 3.3% and pays a floating 3-month Euribor rate capped at 6.0%. This transaction enables ADR SpA to balance its exposure to fixed and floating rates (reducing its fixed rate debt from 78% to 59% of the total), bringing it more into line with expected short- to medium-term movements in interest rates and fixing the maximum risk that may be incurred.

On May 16, 2006 ADR SpA signed two interest rate collar forward start contracts with Barclays and Royal Bank of Scotland, involving notional capital of 120 million euros each, on the basis of which ADR SpA will receive a floating 3-month Euribor rate and pay a floating 3-month Euribor rate with a cap of 5% and a floor of 3.64% from October 2, 2009 until February 20, 2012.
With the signing of these contracts protection of interest risk has been extended by an additional three years.

In December 2006 the above fixed interest rate swaps were renegotiated for notional capital of 864 million euros.
The above hedges, already adequate for the purposes of hedging the debt restructured in 2003, involve payment of a fixed rate of 5.075%.
Taking account of the favorable conditions offered by market interest rates and utilizing available liquidity, thanks also to income deriving from the sale of the subsidiary undertaking, Flightcare Italia SpA (formerly ADR Handling SpA), the fixed rate paid by ADR has been realigned with the market rate (3.8910%) up to the original maturity date (2009) against payment of the market value of the related instruments (27.4 million euros). This initiative of December 2006 has allowed for a reduction in the average cost of debt by almost one percentage point for the three year period 2007-2009.

Regarding ratings and the related consequences for ADR SpA, on April 17 2008 the rating agency, Standard & Poor's, awarded a BBB - "Stable" rating to ADR SpA. The notice was published following an assessment of the potential effects on ADR SpA deriving from the statement issued by IATA (the International Air Transport Association) in connection with the initiatives that this association might undertake regarding the allocation of routes if Alitalia were to go into administration.

Consequently, the so-called contractually defined "trigger event", which as has been stated on previous occasions places ADR SpA under a more restrictive cash flow management regime, is still in force. Specifically: a) an obligation to use available cash flow to repay or collateralize repayable and non-repayable debt; b) block in the payment of dividends. Moreover, creditors are granted the right: i) to obtain any information deemed necessary regarding the event; ii) to take part in devising a recovery plan and the related implementation time frames; iii) to hire an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating.
ADR SpA immediately activated all possible initiatives to ensure a rapid recovery of ratings, thereby enabling cancellation of the trigger event. In this respect, an agreement was reached with the lenders to waive the obligation contained in point a) above until September 2008. At the same time the lenders agreed to refinance line B granted by Romulus Finance (see the section on "Financial transactions"), resulting in a substantial reduction in annual finance charges, and an extension of the average duration of the loan.
In April 2008 an agreement was reached with lenders, with the backing of an independent expert, on ADR SpA's medium-term financial and business plan. Subsequently, ADR SpA prepared all the financial covenant ratios, as stipulated in the loan contracts, specifically regarding the 2007 and the 2008-2017 business plans, and sent them to the security agent. These ratios were above the minimum levels required to maintain the Company's ordinary operating conditions, except for the possibility to increase gross borrowing, which in any case was already prohibited by the trigger event. A similar situation will apply to the results for the first half of 2008, which will be officially released in the second half of September.

SUBSEQUENT EVENTS

Information regarding trends for traffic components for the Roman airport system, during the period January-July 2007, broken down into segments for Fiumicino and Ciampino, and domestic and international traffic, is provided below:

Data as of July 31, 2008 and changes with respect to the same period of 2007[4]

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	241.609	205.726	35.883	107.385	134.224
D% vs PY	+4,2%	+7,1%	-10,1%	+2,2%	+5,7%
Mtow	17.504.895	15.821.224	1.683.671	6.193.138	11.311.757
D% vs PY	+7,8%	+10,4%	-12,0%	+4,0%	+9,9%
Total Pax	23.395.466	20.583.946	2.811.520	8.563.984	14.831.482
D% vs PY	+7,1%	+10,6%	-12,8%	+4,6%	+8,7%
Freight (Kg)	94.337.171	82.329.286	12.007.885	4.983.043	89.354.128
D% vs PY	+5,9%	+9,7%	-14,4%	-23,6%	+8,3%

	International	Intl' EU	Intl' Extra EU
Movements	134.224	95.128	39.096
D% vs PY	+5,7%	+0,9%	+19,8%
Mtow	11.311.757	6.429.177	4.882.580
D% vs PY	+9,9%	+3,4%	+19,9%
Total Pax	14.831.482	9.937.324	4.894.158
D% vs PY	+8,7%	+3,1%	+22,2%
Freight (Kg)	89.354.128	22.995.171	66.358.957
D% vs PY	+8,3%	-8,8%	+15,8%

[4] Provisional data.

On July 16, 2008 the Group company, ADR Assistance Srl, which is wholly owned by ADR SpA, started operations regarding the provision of 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.

On July 24, 2008, following the annual review procedure for ADR SpA's rating, Standard & Poor's confirmed the BBB- "stable" rating previously awarded to the Company. The Annual Report, which is available on the rating agency's website, was published at the same time.

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 a measure of July 16, 2008, set a deadline for gathering evidence by September 30, 2008; ADR may submit its final defense and any other documents by September 25, 2008. The deadline for completing the preliminary inquiry was set at October 24, 2008.

OUTLOOK FOR 2008

The outlook for the second half of the year is extremely uncertain. The general economic climate, the almost certain failure to apply the new tariff system and the difficulties faced by airlines in general and more specifically the uncertainty regarding the future of Italy's flag carrier, all mean that great caution must be exercised when making projections for the second half of the year. In particular, the current problems affecting the air transport sector, especially the high cost of fuel, could heighten negative repercussions as of the next winter season.

On the other hand, the likelihood of continued air traffic growth, including a significant intercontinental component that reports higher profit margins than the domestic segment, points towards improved revenues and profit compared with the first half of the year, although net income for the year is expected to be less than in 2007.

The financial problems experienced by carriers and the substantial investment program underway might be reflected in the level of net debt.

THE BOARD OF DIRECTORS

ADR GROUP: HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2008

CONSOLIDATED ACCOUNTING SCHEDULES

CONSOLIDATED BALANCE SHEET
as of June 30, 2008

(in thousands of euros)

(Translation from the original issued in Italian)

ASSETS	06/30/2008			12/31/2007		
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS:						
▪ Incorporation and development costs		0			59	
▪ Industrial patents and intellectual property rights		2,201			2,295	
▪ Concessions, licenses,trademarks and similar rights		1,778,026			1,802,708	
▪ Leasehold improvements in process and advances		55,411			35,261	
▪ Others		183,602			179,816	
			2,019,240			2,020,139
TANGIBLE FIXED ASSETS:						
▪ Land and buildings		2,992			3,103	
▪ Plant and machinery		44,514			39,340	
▪ Industrial and commercial equipment		1,401			1,580	
▪ Fixed assets to be relinquished		85,536			74,264	
▪ Other assets		4,546			4,287	
▪ Work in progress and advances		17,897			15,091	
			156,886			137,665
NON-CURRENT FINANCIAL ASSETS:						
▪ Equity investments in:						
- unconsolidated subsidiary undertakings	110			100		
- associated undertakings	49			49		
- other companies	2,719			2,253		
		2,878			2,402	
▪ Receivables due from others:						
. within 12 months	3			3		
. beyond 12 months	532			716		
		535			719	
			3,413			3,121
Total fixed assets			**2,179,539**			**2,160,925**
CURRENT ASSETS						
INVENTORY						
▪ Raw, ancillary and consumable materials		2,865			2,817	
▪ Contract work in progress		8,025			7,831	
▪ Finished goods and goods for resale						
- goods for resale	8,651			8,298		
		8,651			8,298	
▪ Advances		0			113	
			19,541			19,059
RECEIVABLES						
▪ Due from clients		174,914			149,913	
▪ Due from associated undertakings		530			530	
▪ Due from parent companies		15			0	
▪ Due from tax authorities		3,215			2,513	
▪ Defered Tax assets		24,070			14,408	
▪ Due from others:						
- various:						
. within 12 months	62,647			51,605		
- advances to suppliers for services to be rendedered	37			38		
		62,684			51,643	
			265,428			219,007
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
▪ Bank and post office deposits		120,762			158,024	
▪ Checks		0			0	
▪ Cash and notes in hand		1,428			1,146	
			122,190			159,170
Total current assets			**407,159**			**397,236**
ACCRUED INCOME AND PREPAID EXPENSES						
▪ Accrued income and other prepaid expenses			**6,555**			**3,756**
TOTAL ASSETS			**2,593,253**			**2,561,917**

CONSOLIDATED BALANCE SHEET
as of June 30, 2008

(in thousands of euros)

(Translation from the original issued in Italian)

	06/30/2008			12/31/2007		
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
SHARE CAPITAL:						
ordinary shares		62,310			62,310	
SHARE PREMIUM RESERVE		667,389			667,389	
REVALUATION RESERVES		0			0	
LEGAL RESERVE		12,462			12,462	
STATUTORY RESERVES		0			0	
RESERVE FOR OWN SHARES		0			0	
OTHER RESERVES		0			0	
RETAINED EARNINGS (ACCUMULATED LOSSES)		(11,093)			(28,984)	
GROUP NET INCOME (LOSS) FOR THE PERIOD		(4,646)			17,891	
			726,422			731,068
MINORITY INTEREST						
▪ Share capital, reserves and net income (loss) for the year		1,175			1,971	
			1,175			1,971
GROUP AND MINORITY INTEREST IN CONSOLIDATED SHAREHOLDERS' EQUITY			**727,597**			**733,039**
ALLOWANCES FOR RISKS AND CHARGES						
▪ Other		40,012			29,637	
Total allowances for risks and charges			**40,012**			**29,637**
EMPLOYEE SEVERANCE INDEMNITIES			**37,762**			**37,843**
PAYABLES						
▪ *Due to banks*						
. within 12 months	3,028			7,081		
. beyond 12 months	293,350			243,250		
		296,378			250,331	
▪ *Due to other financial institutions:*						
. within 12 months	1,994			14,640		
. beyond 12 months	1,200,019			1,265,019		
		1,202,013			1,279,659	
▪ Advances:						
- from clients						
. from the Ministry of Transport:						
. within 12 months	278			278		
. beyond 12 months	4,770			4,770		
. other	6,714	11,762		4,534	9,582	
▪ Due to suppliers:						
. within 12 months	176,438			134,038		
. beyond 12 months	4,457			3,833		
		180,895			137,871	
▪ Due to associated undertakings						
.within 12 months	1,003			1,003		
		1,003			1,003	
▪ Due to parent companies						
.within 12 months	21,985			14,995		
		21,985			14,995	
▪ Taxes due:						
.within 12 months	20,991			20,711		
		20,991			20,711	
▪ Due to social security agencies		6,572			7,036	
▪ Other payables: various creditors						
. within 12 months	36,769			34,421		
. beyond 12 months	1,215			1,463		
		37,984			35,884	
Total payables			**1,779,583**			**1,757,072**
ACCRUED EXPENSES AND DEFERRED INCOME						
▪ Accrued expenses and other deferred income			**8,299**			**4,326**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,593,253**			**2,561,917**

MEMORANDUM ACCOUNTS
as of June 30, 2008
(in thousands of euros)
(Translation from the original issued in Italian)

	06/30/2008		12/31/2007	
General guarantees				
▪ Sureties	111		111	
▪ Other	256		450	
		367		561
Collateral guarantees		0		0
Commitments on purchases and sales		90,870		108,319
Other		944,142		921,414
		1,035,379		**1,030,294**

CONSOLIDATED INCOME STATEMENT

for the period January-June 2008

(in thousands of euros)

(Translation from the original issued in Italian)

	First Half 2008			First Half 2007		
TOTAL REVENUES						
▪ Revenues from sales and services:						
- revenues from sales	40,264			37,078		
- revenues from services	229,245			226,376		
- revenues from contract work	0	269,509		0	263,454	
▪ Changes in contract work in progress		193			(160)	
▪ Capitalized costs and expenses		4,602			2,355	
▪ Other income and revenues:						
- revenue grants	0			0		
- profits on disposals	51			17		
- other	1,722			1,585		
		1,773			1,602	
			276,077			**267,251**
OPERATING COSTS						
▪ raw, ancillary and consumable materials and goods for resale		37,894			31,990	
▪ services		56,885			51,387	
▪ leases		6,334			5,119	
▪ payroll:						
- wages and salaries	46,042			42,715		
- social security	11,917			12,313		
- employee severance indemnities	3,586			3,249		
- other	562			529		
		62,107			58,806	
▪ Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	43,081			40,430		
- depreciation of tangible fixed assets	8,824			7,592		
	0					
- provisions for doubtful accounts	1,033			4,098		
		52,938			52,120	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		(401)			1,025	
▪ Provisions for risks		10,676			1,785	
▪ Other provisions		110			0	
▪ Sundry operating costs:						
- losses on disposals	0			0		
- license fees	10			17		
- other	2,551			2,191		
		2,561			2,208	
			(229,104)			**(204,440)**
Operating income			**46,973**			**62,811**
FINANCIAL INCOME AND EXPENSE						
▪ Other financial income:						
- from long-term receivables						
. other	5			9		
- other						
. interest and commissions from others and sundry revenues	7,975			4,240		
		7,980			4,249	
▪ Interest expense and other financial charges:						
- interest and commissions to others and sundry charges	48,166			42,795		
		(48,166)			(42,795)	
▪ Profits and losses on Exchange						
- Profits	22			47		
- Losses	1			4		
		21			43	
Total financial income (expense), net			**(40,165)**			**(38,503)**

CONSOLIDATED INCOME STATEMENT
for the period January-June 2008
(in thousands of euros)
(Translation from the original issued in Italian)

	First Half 2008			First Half 2007		
ADJUSTMENTS TO FINANCIAL ASSETS			**0**			**0**
EXTRAORDINARY INCOME AND EXPENSE						
▪ Income:						
- other	414			374		
		414			374	
▪ Expense:						
- taxes relating to previous period	4			2		
- other	2,031			925		
		(2,035)			(927)	
Total extraordinary income (expense), net			**(1,621)**			
Income before taxes			**5,187**			**(553)**
Income taxes of the year, current, defferred assets (liabilities) :						
- current		(19,269)			(18,656)	
- deferred tax assets (liabilities)		9,662			810	
			(9,607)			**(17,846)**
Net income (loss) for the period			(4,420)			5,909
of which:						
▪ minority interest			226			540
▪ Parent Company's share			**(4,646)**			**5,369**

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

GENERAL PRINCIPLES

The condensed accounts for the six months ended June 30, 2008, have been prepared in accordance with the accounting standards issued by the Italian Accounting Profession, as applicable to interim financial statements, with specific reference to accounting principle OIC 30.

In view of the fact that the Parent Company is required to prepare condensed consolidated accounts, the six-month report has been prepared on a consolidated basis and consists of the consolidated accounting schedules and the explanatory notes to the consolidated accounts.

The condensed consolidated accounts have been prepared in compliance with art. 25/43 of Decree 127 of April 9, 1991 and those of the Parent Company with the requirements of the Italian Civil Code with regard to statutory accounts. They are based on the underlying accounting records updated to June 30, 2008, integrated by extra-accounting information deriving from entries recorded at the end of the financial year on December 31, during preparation of the annual financial statements.

The date of reference for the consolidated accounts is that of the accounts of the Parent Company, Aeroporti di Roma S.p.A. The accounts of subsidiary undertakings used for consolidation purposes refer to the period ended June 30, 2008, as approved by the respective boards of directors.

The reconciliation of shareholders' equity and net income as of and for the six months ended June 30, 2008, as reported in the financial statements of Aeroporti di Roma SpA, and the related consolidated amounts for the same period is shown in the note to consolidated shareholders' equity.

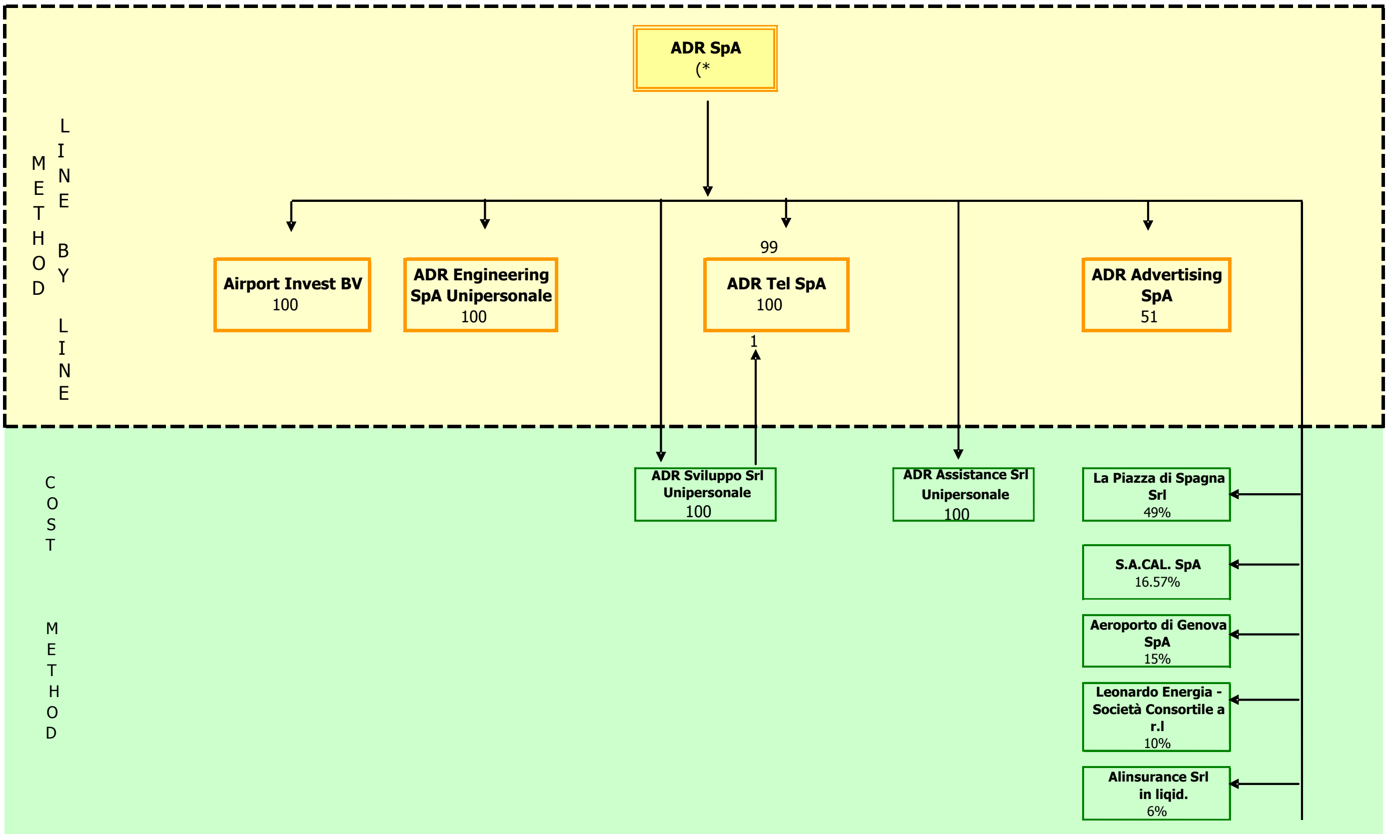
Income statement data for the first half of 2008 are compared with the amounts for the same period of the previous year. Balance sheet data as of June 30, 2008 are compared with the corresponding amounts as of December 31, 2007.

Amounts shown in the condensed consolidated accounting schedules are expressed in thousands of euros.

The income statement and balance sheet items, preceded by Arabic numerals, showing zero balances across the periods used for comparison are not shown.

BASIS OF CONSOLIDATION

The condensed consolidated financial statements as of and for the six months ended June 30, 2008 include the accounts for the same period, consolidated on a line-by-line basis, of the Parent Company, Aeroporti di Roma S.p.A., and the Italian and overseas subsidiary undertakings in which the Parent Company holds, either directly or indirectly, the majority of the voting rights.



(*) ADR SpA also holds 12.5% of the ordinary share capiral of the E.T.L. (European Transport Law) Consortium, which is valued at cost

As of June 30, 2008, the basis of consolidation includes the following companies:

COMPANIES consolidated on a line-by-line basis	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	Group %	Via: Company	%
Aeroporti di Roma SpA	Fiumicino (Rome)	EUR	62,309,801	Parent Company		
Airport Invest BV	Amsterdam (Holland)	EUR	101,039.90	100%	Aeroporti di Roma	100%
ADR Engineering SpA Unipersonale	Fiumicino (Rome)	EUR	774,690	100%	Aeroporti di Roma	100%
ADR Tel SpA	Fiumicino (Rome)	EUR	600,000	99%	Aeroporti di Roma	99%[5]
ADR Advertising SpA	Fiumicino (Rome)	EUR	1,000,000	25.5%[6]	Aeroporti di Roma	25.5%

With respect to December 31, 2007, no changes have been made to the basis of consolidation.

The following equity investments are valued at cost:

[5] The remaining 1% stake is held by ADR Sviluppo Srl Unipersonale, which is not included in the basis of consolidation.
[6] Equity investment in the company's total share capital of 1,000,000 euros (including preference shares). The interest in the ordinary stock amounts to 500.000 euros (51%).

COMPANIES valued at cost	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	Group %	Via: Company	%
ADR Sviluppo Srl Unipersonale	Fiumicino (Rome)	EUR	100,000	100%	Aeroporti di Roma	100%
ADR Assistance Srl Unipersonale	Fiumicino (Rome)	EUR	10,000	100%	Aeroporti di Roma	100%
La Piazza di Spagna Srl	Fiumicino (Rome)	EUR	100,000	49%	Aeroporti di Roma	49%
Ligabue Gate Gourmet Roma SpA (insolvent)	Tessera (Venice)	EUR	103,200	20%	Aeroporti di Roma	20%
S.A.CAL. SpA	Lamezia Terme (Catanzaro)	EUR	7,755,000	16.57%	Aeroporti di Roma	16.57%
Aeroporto di Genova SpA	Genova Sestri	EUR	7,746,900	15%	Aeroporti di Roma	15%
Leonardo Energia – Società Consortile a rl	Milan	EUR	10,000	10%	Aeroporti di Roma	10%
Consorzio E.T.L. – European Transport Law	Rome	EUR	82,633.04	12.5%	Aeroporti di Roma	12.5%
Alinsurance Srl (insolvent)	Rome	EUR	104,000	6%	Aeroporti di Roma	6%

The holding in the subsidiary undertaking, ADR Sviluppo Srl, has not been consolidated as the company, which was incorporated on July 27, 2001, is not yet operational.

The holding in the subsidiary undertaking, ADR Assistance Srl Unipersonale, has not been consolidated as the company, which was incorporated on June 25, 2008, is not yet operational.

The holding in the associated undertaking, La Piazza di Spagna Srl, has been valued at cost and not according to the equity method, as the company, which was incorporated on December 17, 2003, is not yet operational. The holding in the associated undertaking, Ligabue Gate Gourmet Roma S.p.A., has also been valued at cost, due to the fact that the company is insolvent.

CONSOLIDATION PRINCIPLES

The main consolidation principles are described below:

- the carrying amount of consolidated equity items has been eliminated against the corresponding entry of individual asset and liability items, in accordance with the line-by-line method. Any positive differences arising are included among fixed assets under the item "Goodwill arising from consolidation", which is amortized on a straight-line basis in relation to the estimated possibility of recovery. Any negative differences are posted to the "Reserve for consolidation adjustments" under shareholders' equity, or to the "Consolidation allowance for risks and charges" should such negative goodwill be due to forecast losses;
- the minority interest in net income and shareholders' equity are reported separately as appropriate items in the income statement and under shareholders' equity;
- inter-company profits and losses still to be realized, as well as significant sums relating to payables and receivables and costs and revenues relating to consolidated companies have been eliminated;
- adjustments made to eliminate items of a purely fiscal nature, as well as other consolidation adjustments, take account, where applicable, of the related deferred taxation. Furthermore, the statements show deferred tax assets relating to items which will be recoverable in future years;
- dividends received from subsidiary undertakings during the period and recorded in the Parent Company's income statement as income from equity investments are eliminated against the item retained earnings. Dividends paid by subsidiary undertakings, posted on an accruals basis in the Parent Company's accounts, are eliminated;

- the financial statements denominated in foreign currency have been translated into euros using current exchange rates. Balance sheet items, with the exception of those forming shareholders' equity, have been translated using closing exchange rates, whilst average exchange rates for the period were applied to income statement items. Any exchange rate differences arising have been recorded among consolidated shareholders' equity;
- in the event of the disposal of a controlling interest to third parties, the gain or loss on the transaction recognized in the consolidated financial statements represents the difference between the sale price and the subsidiary's shareholders' equity at the transaction date (thus including net income or loss reported for the months prior to the disposal), plus any residual carrying amount of "Goodwill arising from consolidation".

EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

The half-yearly condensed consolidated financial statements have been translated into English from the original version in Italian. They have been prepared in accordance with the Italian law related to financial statements, interpreted and integrated by the accounting principles established by the Italian Accounting Profession. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Italy do not conform with the generally accepted accounting principles in other countries.

NOTICE

In order to facilitate comparison between the figures recorded in the consolidated financial statements and the balances of the previous year, following the merger of the shareholder, Leonardo Srl, with Gemina SpA, and thereby the latter's assumption of direct control of 95.761% of the share capital of ADR SpA, the amounts receivable and payable to and from Gemina SpA at December 31, 2007 were reclassified as follows:

- a payable of 54 thousand euros, included in the item "Due to suppliers", was reclassified under the item "Due to parent companies";
- a payable of 10,298 thousand euros, regarding tax consolidation, included in the item "Other payables: sundry creditors", was reclassified under the item "Due to parent companies".

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements for the six months ended June 30, 2008 are those required by the accounting principles established by the Italian Accounting Profession, with specific reference to accounting principle 30, and are those applied throughout the Group.

The most relevant accounting policies are summarized below. A more detailed explanation of certain policies can be found in the notes to the single classes of items.

Fixed assets

These are recorded at purchase cost and are revalued, where necessary, for single items in accordance with the laws applying to monetary revaluation. Directly connected incidental costs are included in the purchase cost. Should there be a permanent impairment of value of such fixed assets, the relevant fixed asset is written down accordingly. The appropriate value of such fixed assets, adjusted solely to take account of accumulated amortization or depreciation, is reinstated if the reasons for any write-downs subsequently cease to apply.

- Intangible fixed assets

Intangible fixed assets have limited useful lives and their cost is amortized on a straight-line basis during each financial year in relation to their residual useful lives. In particular:

- *Incorporation and development costs*

These are reported under assets at purchase cost, with the consent of the Board of Statutory Auditors, and amortized over a period of five years.

- *Industrial patents and intellectual property fees*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, over what is usually established by tax legislation as being three years.

- *Concessions, licenses, trademarks and similar*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, and is applied over a period of three years in the case of concessions and licenses and of not more than ten years for trademarks.
The value of the airport management concession, paid by the Parent Company, Leonardo SpA (now ADR SpA) on acquiring its holding in ADR, is amortized on the basis of the residual duration of the concession, which will expire on June 30, 2044.

- *Other*

This item essentially includes:
- *Leasehold improvements:* improvements (modernization, upgrades), having a service life of several years, carried out on assets belonging to third parties (held under concession or constructed on behalf of the State). These costs are amortized in relation to their residual service lives, usually less than the period of the concession;
- *Ancillary charges on loans:* the charges sustained to obtain medium- and long-term loans (such as investigative charges, legal fees, etc.) are capitalized and amortized on the basis of the duration of the loan, in accordance with the financial method.

- Tangible fixed assets

Tangible fixed assets have a limited service life and their cost is depreciated on a straight-line basis during each financial period according to their residual service life. Rates of depreciation are applied that reflect the estimated useful lives of the assets.
The rates used are summarized below:

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

- *Land and buildings*

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

- *Fixed assets to be relinquished*

These are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law no. 72/83, including any ancillary charges and subsequent development costs.
Such assets are depreciated in relation to their residual useful lives. In addition, provisions are made for transfer costs relating to the fixed assets to be relinquished, with the aim of covering the estimated costs which will be borne at the end of the concession term (in 2044) when the assets are to be transferred to the concession provider in good working condition.

- Non-current financial assets

The investments in the unconsolidated subsidiary undertakings (ADR Sviluppo Srl and ADR Assistance Srl Unipersonale) have been valued at cost; this method of valuation, given that the companies are start-ups, is in any event representative of the Group's interest in shareholders' equity.

Equity in associated undertakings is valued in accordance with the equity method. Equity in the associated undertaking, La Piazza di Spagna Srl, which is not operative, is valued at cost.

Other investments are recorded at purchase cost, adjusted to reflect any long-term loss in value.

Should the Company decide to dispose of an equity investment previously accounted for in non-current financial assets, the investment is reclassified to current financial assets.

Non-current receivables are recorded at their nominal value.

Current assets

- Inventories

- *Inventories of raw, ancillary and consumable materials, finished goods and goods for resale*

These are recorded at the lower of the weighted average purchase cost and the estimated realizable value taking into account market price trends.

- *Contract work in progress*

These assets are recorded on the basis of the percentage-of-completion method (determined on the basis of the ratio of costs sustained to the total cost of the project). The value of the work so far completed and for which repayment is considered definite is recorded among revenues. Any additional costs borne by the Group in relation to changes in the original project, as requested by the concession provider, constitute, depending on the nature of the changes, either a write-down of the agreed value (in the case of assets which may not be operated autonomously) or, alternatively, intangible fixed assets (where such variations are considered improvements to and/or conversions of third party assets).

- Receivables

These are recorded at their estimated realizable value.

- Current financial assets

These assets are recorded at the lower of cost and realizable value.

- Cash on hand and in banks

These are recorded at their nominal value assuming the clearance of bank checks and the availability of bank deposits.

Accruals and deferrals

Accruals and deferrals are valued in accordance with the matching concept, by means of dividing costs and revenues relating to two or more financial periods over the period to which they relate.

Allowances for risks and charges

These are made up of provisions aimed at covering sundry losses of a determinate nature and of certain or probable occurrence. The evaluation of risks and charges also takes into account liabilities which have become known between the closure of the accounting period under review and the date of the preparation of these financial statements. Such allowances are held to be adequate to cover related losses and charges.

Employee severance indemnities

Employee severance indemnities were calculated for all the Company's employees and in accordance with governing legislation. This amount was calculated for indemnities accrued up to June 30, 2008 and is shown net of any advance payments and amounts in the form of supplementary pension benefits or the Treasury Fund set up at the Italian Social Security Institute (INPS).
Following the entry into force of the reform of supplementary pensions on January 1, 2007, the personnel of private companies with more 50 employees may choose to have their employee severance indemnities allocated to a form of supplementary pension fund or leave them with their company. In the latter case, the company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated "Allowance for employee severance indemnities" or "Treasury Fund". Consequently, amounts of employee severance indemnities maturing as of January 1, 2007 are classified on a monthly basis under "Due to social security agencies". The following month these indemnities are paid to the supplementary social security fund or the Treasury Fund.

Payables

Payables are recorded at their nominal value.

Receivables and payables recorded in foreign currency

In line with the new provisions introduced by company law reform (article 2426 - c.8 *bis* of the Italian Civil Code), items expressed in foreign currency are posted at the historical exchange rate on the day a transaction is carried out. Any exchange rate differences, incurred on collection of receivables or on settlement of payables denominated in foreign currency, are recorded in the income statement under "Foreign exchange gains and losses".
If the translation of receivables and payables denominated in foreign currency, at closing rates, results in a net gain or loss, such an amount is recorded in the income statement under "foreign exchange gains and losses".

Finance leases

Finance leases are recorded in the financial statements in accordance with the "operating lease method", which means that the lease rental is charged to the income statement. The notes report the effects, if significant, on shareholders' equity and the income statement that would have been produced had finance leases been recorded according to the "finance lease method".

Memorandum accounts

- General/secured guarantees given

These are valued in accordance with the period-end residual value of the debt or securities guaranteed.

- Commitments on purchases and sales

This item reports the value of contracts to be fulfilled and which imply a commitment, on the part of the Group, to third parties. Non-quantifiable commitments are not recorded, but are described in a relevant note if of significant value.
In accordance with the "operating lease method" used to record finance leases in the financial statements, this item also includes the value of future commitments for leases rentals to be paid at the balance sheet date, in addition to the price to be paid in order to redeem the asset.

- Other

- *Secured/general guarantees received*

These are recorded at an amount approximately equal to the residual value due at period end. These primarily consist of sureties granted by major banks and insurance companies.

- *Third parties' assets lodged with the Company (principally assets received under the concession)*

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

- *Company-owned assets lodged with third parties*

These are recorded at their net book value.

Revenues

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

Income taxes

Current taxes are calculated on the basis of taxable income. The related payable is posted to "Taxes due".

Regarding participation in the domestic tax consolidation regime by ADR SpA and the subsidiary undertakings, ADR Tel SpA and ADR Engineering SpA, as consolidated companies, and the Parent Company, Gemina SpA, as the consolidating company, taxable income and tax losses transferred to the consolidating company are recorded under current tax "expense" and "income from tax consolidation", respectively, with contra-entries for amounts due to and from the parent companies.
Consolidated companies also transfer withholding taxes, tax credits and rebates from previous tax returns to the Parent Company. These may be offset against IRES calculated on consolidated income.
Deferred tax assets and liabilities represent the temporary difference between taxable income and net income reported in the Income Statement for the period, applying the tax liability method. Deferred tax assets are recorded only when there is reasonable certainty of their recoverability. The balance of deferred tax assets and liabilities are reported under the "Allowance for deferred taxes" in the case of a liability and under "Deferred tax assets" in the case of an asset.

Derivatives contracts

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

EXPLANATORY NOTES TO THE CONSOLIDATED BALANCE SHEET

FIXED ASSETS

Intangible fixed assets

	12-31-2007			Changes during the period				06-30-2008		
	Cost	Amortization	Book value	Purchases/ Capitalization	Write-downs(-) Value recoveries (+)	Reclassifications	Amortization	Cost	Amortization	Book value
- Incorporation and development costs	1,879	(1,820)	59	0	0	0	(59)	1,879	(1,879)	(0)
	1,879	(1,820)	59	0	0	0	(59)	1,879	(1,879)	(0)
- Industrial patents and intellectual property rights	6,291	(3,996)	2,295	232	0	181	(507)	6,704	(4,503)	2,201
	6,291	(3,996)	2,295	232	0	181	(507)	6,704	(4,503)	2,201
- Concessions, licenses, trademarks and similar rights	2,185,220	(382,512)	1,802,708	697	0	449	(25,828)	2,186,365	(408,339)	1,778,026
	2,185,220	(382,512)	1,802,708	697	0	449	(25,828)	2,186,365	(408,339)	1,778,026
- Leasehold improvements in process and advances:										
. Leasehold improvements in process	32,801	0	32,801	34,237	0	(12,747)	0	54,291	0	54,291
. Advances to suppliers	2,460	0	2,460	595	0	(1,935)	0	1,120	0	1,120
	35,261	0	35,261	34,832	0	(14,682)	0	55,411	0	55,411
- Others										
. Leasehold improvements	452,031	(298,081)	153,951	6,325	(4)	13,736	(14,549)	472,087	(312,628)	159,459
. Ancillary charges for loans	53,383	(27,518)	25,865	416		0	(2,138)	53,799	(29,656)	24,143
	505,415	(325,599)	179,816	6,741	(4)	13,736	(16,687)	525,887	(342,284)	183,602
	2,734,066	(713,927)	2,020,139	42,502	(4)	(316)	(43,081)	2,776,246	(757,005)	2,019,240

An analysis of the most important changes during the first half reveals the following:

- "Concessions, licenses, trademarks and similar rights" include the value of the airport concession, amounting to 1,774,211 thousand euros as of June 30, 2008. The decrease of 24,682 thousand euros is due to amortization for the period (25,828 thousand euros), partly offset by investment (697 thousand euros) and transfers from work in process and reclassifications (449 thousand euros);

- "Leasehold improvements in process" increased by 20,150 thousand euros in the first half of 2008 due to investment during the period, totaling 34,832 thousand euros, which was partly offset by improvements entering service during the period and accounted for in "leasehold improvements", "concessions, licenses, trademarks and similar rights" and "industrial patents";

- "Other" intangible fixed assets increased by 3,786 thousand euros. "Leasehold improvements" rose by 5,508 thousand euros due to purchases during the period (6,325 thousand euros) and transfers from work in process and reclassifications (up 13,736 thousand euros), partly offset by disposals (4 thousand euros) and amortization for the period (14,549 thousand euros). "Ancillary charges for loans" rose by 416 thousand euros due to capitalization of expenses incurred regarding the granting of the EIB loan on May 27, 2008. Amortization for the period, amounting to 2,138 thousand euros, also includes recognition in the income statement of a portion of the residual transaction costs regarding portions of "Loan B" of the "Term Loan Facility" and of the line of credit granted by BIIS - Banca Infrastrutture Innovazione e Sviluppo (formerly Banca OPI), which were repaid in advance in March 2008. For further detail see the section on "Payables".

The principal leasehold improvements in process (equal to 34,237 thousand euros) include:

- civil and plant engineering works at the West Pier (1,505 thousand euros);

- Runway 1 - upgrading and implementation of flight infrastructure (25,834 thousand euros);
- Terminal C – unification of access points (1,175 thousand euros);
- new Alitalia warehouse at the Cargo City (1,006 thousand euros);
- new Pier C, portion financed by ADR (774 thousand euros);
- upgrading of signage in front of the hangar at Ciampino airport (215 thousand euros).

The main leasehold improvements completed during the period (equal to 6,325 thousand euros) include:
- Terminal C – replacement of carpeting in the transit gallery (340 thousand euros);
- Terminal B – new feed lines for baggage carousels (453 thousand euros);
- upgrading of B11/B21 Area air-conditioning equipment in Terminal B (300 thousand euros);
- extraordinary maintenance of the filtering systems of the evaporation control systems and towers (439 thousand euros);
- Terminal C – unification of access points in the baggage reclaim area (237 thousand euros);
- renovation of Terminal washrooms (331 thousand euros);
- maintenance of Terminal air-conditioning units (300 thousand euros);
- maintenance of road network and car parks at Ciampino (201 thousand euros).

Once again in the first half of 2008, investment in airport infrastructure development was funded from increased boarding fees received during the period (in accordance with paragraphs 9 and 10 of art. 10, Law 537/93).

Tangible fixed assets

	12-31-2007				Changes during the period			06-30-2008			
	Cost	Reval. Law (72/1983)	Allowances for depreciation	Book value	Purchases./Capital.	Reclassi-fication	Amortization	Costo	Reval. Law (72/1983)	Allowances for depreciation	Book value
- Land and buildings	20,670	465	(18,032)	3,103	75	48	(234)	20,793	465	(18,266)	2,992
- Plant and machinery	104,497	0	(65,157)	39,340	6,728	2,401	(3,955)	113,550	0	(69,036)	44,514
- Industrial and commercial equipment	8,144	0	(6,564)	1,580	57	10	(246)	8,209	0	(6,808)	1,401
- Fixed assets to be relinquished	161,444	1,908	(89,088)	74,264	10,035	4,535	(3,298)	176,014	1,908	(92,386)	85,536
- Other assets	40,237	0	(35,950)	4,287	1,223	127	(1,091)	41,431	0	(36,885)	4,546
- Work in progress and advances	15,091	0	0	15,091	10,446	(7,640)	0	17,897	0	0	17,897
	350,083	2,373	(214,791)	137,665	28,564	(519)	(8,824)	377,894	2,373	(223,381)	156,886

Net tangible fixed assets rose by 19,221 thousand euros primarily due to investment totaling 28,564 thousand euros, which was partially offset by depreciation of 8,824 thousand euros and impairments of 519 thousand euros.

The most significant capitalizations during the period include:
- within the category "plant and machinery" (6,728 thousand euros), the acquisition of baggage screening and security equipment (1,348 thousand euros), security equipment (1,641 thousand euros), baggage transportation equipment (637 thousand euros), communications and special airport equipment (1,494 thousand euros), advertising equipment for ADR Advertising SpA (255 thousand euros) and improvements to the telephone network for ADR Tel (501 thousand euros);
- the category "assets to be relinquished", (up 10,035 thousand euros) includes civil works and buildings (7,289 thousand euros) and plant (2,687 thousand euros) regarding construction of the new Terminal 5;

- the category "tangible fixed assets in progress and advances", amounting to 10,446 thousand euros, includes the new Office Tower (3,486 thousand euros), works relating to the transfer of Alitalia's cargo activities to the common services building at Cargo City (620 thousand euros), the new building called Kilo 3 (450 thousand euros) and works to upgrade the luminous visual aids system (1,217 thousand euros).

As security for the loans governed by agreements with Romulus Finance Srl, a syndicate of banks and Banca OPI – described in detail in the notes to "Payables" – the Parent Company has granted the lenders a lien (in the form of a mortgage ranking *pari passu* with other claims) on the plant, machinery and capital goods recorded at any time in the book of depreciable assets and ADR SpA's inventory. Such a guarantee is valid until the above loans have been fully repaid.

Equity investments held as non-current financial assets

	12-31-2007	**changes during the period**	**06-30-2008**
Equity investments in:			
▪ unconsolidated subsidiary undertakings:			
ADR Sviluppo Srl Unipersonale	100	0	100
ADR Assistance Srl Unipersonale	0	10	10
	100	10	110
▪ associated undertakings:			
La Piazza di Spagna Srl	49	0	49
Ligabue Gate Gourmet Roma SpA (insolvent)	0	0	0
	49	0	49
▪ other companies:			
Alinsurance Srl (insolvent)	6	0	6
Aeroporto di Genova SpA	930	465	1,395
S.A.CAL. SpA	1,307	0	1,307
Leonardo Energia – Società Consortile a rl	0	1	1
Consorzio E.T.L.	10	0	10
	2,253	466	2,719
	2,402	**476**	**2,878**

The increase in "Equity investments" in the first half of 2008, amounting to 476 thousand euros, breaks down as follows:

- an increase of 10 thousand euros deriving from subscription of the entire share capital of the ADR Assistance Srl Unipersonale, which was incorporated on June 25, 2008;
- a rise of 465 thousand euros following the subscription by ADR SpA on January 14, 2008 of an increase in the share capital of Aeroporto di Genova SpA, proportionate to the Company's shareholding (15%);
- an increase of 1,000 euros following subscription of 10% of the share capital of Leonardo Energia – Società Consortile a rl, which was incorporated on March 26, 2008.

For further information regarding such equity investments during the first half of 2008, reference should be made to the section "Equity investments" in the Parent Company's Management Report on Operations.

As a security for the loans taken out via contracts entered into with Romulus Finance Srl, and a syndicate of banks, EIB and BIIS (formerly Banca OPI), ADR SpA has granted the lenders a lien on the Company's shareholdings in the subsidiary undertakings, ADR Tel SpA and ADR Advertising SpA. The Parent Company also granted a lien on its shareholdings in the newly incorporated company ADR Assistance Srl (incorporation in progress). Such guarantees are valid until the above loans have been fully repaid.

Receivables due and other items under non-current financial assets

	12-31-2007	changes during the period	06-30-2008
Receivables:			
▪ due from others:			
Public bodies for licenses	23	0	23
Other	696	(184)	512
	719	**(184)**	**535**

The reduction in such receivables, amounting to 184 thousand euros, is due to payments of 246 thousand euros, net of revaluation of the amount due from the tax authorities in relation to the payment of withholding tax on employee severance indemnities as required by Law no. 662/96, classified under "Other" and totaling 5 thousand euros, and new receivables of 57 thousand euros.

There are no receivables falling due beyond five years.

CURRENT ASSETS

Inventories

	12-31-2007	changes during the period	06-30-2008
▪ Raw, ancillary and consumable materials	2,817	48	2,865
▪ Finished goods and goods for resale:			
goods for resale	8,298	353	8,651
▪ Contract work in progress	7,831	194	8,025
less accumulated write-downs	0	0	0
	7,831	194	8,025
▪ Advances	113	(113)	0
	19,059	**482**	**19,541**

The increase in inventories compared with December 31, 2007 (up 482 thousand euros) is primarily due to the "goods for resale" component (duty-free and directly managed shops), whose inventories increased by 353 thousand euros entirely as a result of the higher volume of direct sales.

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

Current receivables

	12-31-2007	changes during the period		06-30-2008
		Increases (+) Repayments (-)	provisions (-) value recoveries (+)	
▪ Due from clients	190,665	25,170	0	215,835
less				
allowance for doubtful accounts	(32,680)	999	(1,033)	(32,714)
allowance for overdue interest	(8,072)	61	(196)	(8,207)
	149,913	26,230	(1,229)	174,914
▪ Due from associated undertakings	530	0	0	530
▪ Due from parent companies	0	15	0	15
▪ Due from tax authorities	2,513	702	0	3,215
▪ Deferred tax assets	14,408	9,662	0	24,070
▪ Due from others:				
sundry	51,605	11,042	0	62,647
advances to suppliers for services	38	(1)	0	37
	51,643	11,041	0	62,684
	219,007	**47,650**	**(1,229)**	**265,428**

Current receivables, net of allowances for doubtful accounts, amount to 265,428 thousand euros, representing a net increase of 46,421 thousand compared with December 31, 2007. The principal changes are analyzed below.

"Due from clients", net of allowances for doubtful accounts, amounts to 174,914 thousand euros and includes trade receivables due from clients and amounts due from public bodies, deriving from financed works and the supply of utilities and services. The increase of 25.0 million euros compared with December 31, 2007 derives from increased turnover, as well as the impact of the growing financial tension that is affecting the Italian air transport sector.

As of June 30, 2008 receivables sold without recourse totaled 3.4 million euros (also 3.4 million euros as of December 31, 2007).

"Due from associated undertakings", amounting to 530 thousand euros, includes amounts due to ADR SpA from the insolvent Ligabue Gate Gourmet Roma SpA, classified among preferential liabilities. No movements of such receivables were reported during the period.

"Tax credits" rose by 702 thousand euros in the first half of 2008, primarily due to an increase in the VAT credit (up 662 thousand euros).

"Deferred tax assets", amounting to 24,070 thousand euros, registered an increase of 9,662 thousand euros with respect to December 31, 2007, essentially due to reversal of 7,468 thousand euros of deferred tax assets deriving from accelerated depreciation, following the decision to align the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation, via payment of substitute tax. For further information, see the section on "Income taxes".

The composition of deferred tax assets and changes during the period are shown in the following table.

Balance sheet item	Balances at 12.31.2007 (A)		Incremento (B)		Decremento (C)		Balances at 06.30.2008 (A+B-C+D)	
	Tax Base	Tax	Tax Base	Tax	Tax Base	Tax	Tax Base	Tax
DEFFERED TAX ASSETS								
Allowances for risks and charges	18,822	5,782	3,707	1,151	1,323	381	21,206	6,552
Accumulated inventiry write-downs	459	150	335	109	18	6	776	253
Allowance for doubtful accounts	31,622	8,699	2	1	13	4	31,611	8,696
Provision for personnel	5,676	1,561	2,926	805	3,463	952	5,139	1,414
Accelerated depreciation	1,201	391	0	0	85	28	1,116	363
Financial Income (expenses), net	0	0	4,420	1,216	0	0	4,420	1,216
Consolidated adjustment	13,790	4,467	2,217	718	565	183	15,442	5,002
Other	2,816	882	799	252	1,674	529	1,941	605
Total deffered tax assets	**74,386**	**21,932**	**9,986**	**4,252**	**7,141**	**2,083**	**81,651**	**24,101**
Dividends	(68)	(19)	0	0	(54)	(15)	(14)	(4)
Gain	(114)	(37)	(9)	(3)	(44)	(13)	(79)	(27)
Advance depreciation	(23,043)	(7,468)	0	0	(23,043)	(7,468)	0	0
Total deffered tax liabilities	**(23,225)**	**(7,524)**	**(9)**	**(3)**	**(23,141)**	**(7,496)**	**(93)**	**(31)**
TOTAL	**51,161**	**14,408**	**9,977**	**4,249**	**(16,000)**	**(5,413)**	**81,558**	**24,070**

FOR THE PERIOD POSTED TO INCOME STATEMENT	**9,662**

"Amounts due from others: sundry" rose by 11,042 thousand euros, mainly due to the increased liquidity deposited in the term current account denominated the "Debt Service Reserve Account" (up 10,309 thousand euros) in accordance with obligations set out in current loan agreements.
The balance of the term current account in the name of the Security Agent for ADR SpA's loans, denominated the "Debt Service Reserve Account", amounted to 58,039 thousand euros as of June 30, 2008. In accordance with the procedures established in the relevant agreement, ADR SpA has deposited a sum in this account to guarantee repayment of the loans.

As security for the loans governed by agreements with Romulus Finance Srl, a syndicate of banks, EIB and BIIS (formerly Banca OPI), the Parent Company, ADR SpA, has granted the lenders the following liens. Such guarantees are valid until the above loans have been fully repaid:

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

Amounts due as of June 30, 2008 (265,428 thousand euros) comprise trade receivables (174,929 thousand euros), financial receivables (58,711 thousand euros) and sundry receivables (31,788 thousand euros). There are no promissory notes or similar bills.

The following table shows a geographical breakdown of the Group's trade receivables:

	Italy	Other EU countries	Rest of Europe	Africa	America	Asia	TOTAL
Clients	166,930	5,509	1,052	156	1,180	87	**174,914**
Parent companies	15	0	0	0	0	0	**15**
	166,945	5,509	1,052	156	1,180	87	**174,929**

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

Cash on hand and in banks

	12-31-2007	changes during the period	06-30-2008
▪ Bank and post office deposits	158,024	(37,262)	120,762
▪ Cash and notes in hand	1,146	282	1,428
	159,170	**(36,980)**	**122,190**

The Group's cash in hand and in banks decreased by 36,980 thousand euros during the period, primarily due to the settlement of financial charges and the repayment of a portion of ADR SpA's medium-long term amounting to 19.2 million euros, net of disbursement of the EIB loan.

Bank deposits include the balance of the account provided for under ADR SpA's loan agreements, denominated "Recoveries Account". Any liquidity deriving from extraordinary operations is required to be deposited in this account. Consequently, in 2006 the amount collected from the sale of the equity investment in Flightcare Italia SpA (formerly ADR Handling SpA) was deposited in this account, net of related expenses; this liquidity had been allocated to financing ADR's investments. As of June 30, 2008, the balance in the account amounted to 12.5 million euros (12.5 million euros as of December 31, 2007).

As security for the loans governed by agreements with Romulus Finance Srl, a syndicate of banks, the EIB and BIIS (formerly Banca OPI), the Parent Company, ADR SpA, has granted the lenders a lien on all the Company's current accounts governed by a specific agreement ("Account Bank Agreement"). Such a guarantee is valid until the above loans have been fully repaid.

As of June 30, 2008, 53.5 million euros was held in an ADR SpA current account that is not subject to a lien. This amount derives from free cash flow and may therefore be used for the payment of dividends under ordinary circumstances.

ACCRUED INCOME AND PREPAID EXPENSES

	12-31-2007	changes during the period	06-30-2008
▪ **Prepaid expenses**			
Service costs	650	580	1,230
Leased assets	1	87	88
Payroll costs	19	208	227
Other operating costs	6	174	180
Financial charges	3,080	1,750	4,830
	3,756	**2,799**	**6,555**

"Financial charges", which increased by 1,750 thousand euros during the first half of 2008, consist of prepayment installments, not due for the period, of the following premiums:
- 4,704 thousand euros for the monoline insurance paid to AMBAC Assurance UK, which has secured the bonds issued by Romulus Finance Srl that correspond to Facility A;
- 126 thousand euros paid to BIIS, the bank that has secured the loan granted to ADR SpA by the EIB.

SHAREHOLDERS' EQUITY

	Share Capital	Share premium reserve	Legal reserve	Retained earnings	Net income for the period	Consolidated shareholders' equity	Minority interest	Group and minority interest in shareholders' equity
Balance as of 12.31.2006	**62,310**	**667,389**	**12,462**	**(38,499)**	**59,986**	**763,648**	**1,967**	**765,615**
Allocation of net income 2006				24,469	(59,986)	(35,517)	(1,023)	(36,540)
distribution of reserve				(14,954)		(14,954)	0	(14,954)
Net income for the Year					17,891	17,891	1,027	18,918
Balance as of 12.31.2007	**62,310**	**667,389**	**12,462**	**(28,984)**	**17,891**	**731,068**	**1,971**	**733,039**
Allocation of net income 2007				17,891	(17,891)	0	(1,022)	(1,022)
Net income for the Year					(4,646)	(4,646)	226	(4,420)
Balance as of 06.30.2008	**62,310**	**667,389**	**12,462**	**(11,093)**	**(4,646)**	**726,422**	**1,175**	**727,597**

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

"Group shareholders' equity" decreased by 4,646 thousand euros compared with December 31, 2007, whilst the "Minority interest in shareholders' equity" was down 796 thousand euros due to payment of dividends to minority shareholder, primarily including an amount of 1,017 thousand euros paid by ADR Advertising, which was partly offset by net income of 226 thousand euros reported for the first half of 2008.

The reconciliation of shareholders' equity and net income for the period, as reported in the accounts of the Parent Company, and the related consolidated amounts, is shown in the following table:

Reconciliation of net income for the period and shareholders' equity

	Net income/(loss) for the period		Shareholders' equity	
	H1 2008	**H1 2007**	**06-30-2008**	**12-31-2007**
Balances in ADR SpA's accounts	**(4,953)**	**4,516**	**761,439**	**766,392**
Effect of consolidation of subsidiary undertakings	1,150	751	4,527	3,377
Gain (elimination) of inter-company profits and other adjustments	(1,785)	(526)	(15,314)	(13,529)
Effect of deferred tax assets	536	222	5,004	4,468
Merger effect[7]	406	406	(29,234)	(29,640)
Balances in consolidated accounts	**(4,646)**	**5,369**	**726,422**	**731,068**

[7] Merger date different from that of first-time consolidation.

ALLOWANCES FOR RISKS AND CHARGES

	12-31-2007	changes during the period			06-30-2008
		Provisions	Reclassifications	Releases	
▪ **Other:**					
current and potential disputes	22,783	11,376	33	(558)	33,634
insurance deductibles	1,292	0	(33)	(14)	1,245
restructuring	751	0	0	(539)	212
fixed assets to be relinquished	4,811	110	0	0	4,921
	29,637	**11,486**	**0**	**(1,111)**	**40,012**

Allowances for risks and charges, totaling 40,012 thousand euros, increased by 10,375 thousand euros compared with December 31, 2007.

The most important changes are analyzed below:

- the "allowance for current and potential disputes" reports a net increase of 10,851 thousand euros, due to the combined effect of provisions of 11,376 thousand euros made in order to provide cover for likely potential liabilities during the period, and releases carried out in order to settle disputes with clients, contractors and personnel;
- releases from the "allowance for restructuring" amounting to 539 thousand euros were made for personnel leaving the Company during the period, in implementation of the Group's restructuring program launched in 2005.

EMPLOYEE SEVERANCE INDEMNITIES

BALANCE AS OF 12-31-2007	**37,843**
changes during the period	
Provisions	3,586
Releases to pay indemnities	(375)
Releases to pay advances	(646)
Transfers of personnel	0
Other	0
Amounts allocated to social security allowances or to the Treasury Fund	(2,646)
BALANCE AS OF 06-30-2008	**37,762**

Employee severance indemnities report a net decrease of 81 thousand euros thousand euros in the first half of 2008, compared with provisions of 3,586 thousand euros. This primarily reflects releases for indemnities paid and advances, amounting to 1,021 thousand euros, and an amount of 2,646 thousand euros for indemnities accrued during the period paid into pension funds or to the Treasury Fund set up at INPS.

Supplementary pension reform, pursuant to Legislative Decree no. 252/2005, has been implemented since January 1, 2007. This reform enables the personnel of private companies with more than 50 employees to allocate their accrued employee severance indemnities to a form of supplementary pension fund or to keep them deposited with the company. In the latter case, the company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated "Allowance for employee severance indemnities" or "Treasury Fund".

PAYABLES

	12-31-2007	changes during the period	06-30-2008
▪ Due to banks	250,331	46,047	296,378
▪ Due to other financial institutions	1,279,659	(77,646)	1,202,013
▪ Advances:			
- from clients:			
. from the Ministry of Transport	5,048	0	5,048
. other	4,534	2,180	6,714
	9,582	2,180	11,762
▪ Due to suppliers	137,871	43,024	180,895
▪ Due to associated undertakings	1,003	0	1,003
▪ Due to parent companies	14,995	6,990	21,985
▪ Taxes due	20,711	280	20,991
▪ Due to social security agencies	7,036	(464)	6,572
▪ Other payables: sundry creditors	35,884	2,100	37,984
	1,757,072	**22,511**	**1,779,583**

The Group's payables rose by 22,511 thousand euros during the period. The principal reasons for such a change are analyzed below.

"Amounts due to banks", totaling 296,378 thousand euros, include:

- 293,350 thousand euros representing the principal on long-term lines of credit granted to ADR SpA denominated "Term Loan Facility" (170,000 thousand euros), "BOPI Facility", (43,350 thousand and "EIB Term Loan" (80,000 thousand euros);
- 1,528 thousand euros of amounts due from ADR SpA for interest, commissions and swap differentials accrued during the period but not yet settled;
- 1,500 thousand euros for the short-term line of credit (30 days) granted to the subsidiary undertaking, ADR Advertising SpA, by the Banca Popolare Commercio e Industria to meet temporary liquidity requirements.

The increase of 46,047 thousand euros compared with December 31, 2007 derives from the combined effect of the following changes:

- the granting of an 80,000 thousand euro loan called the "EIB Term Loan" on May 27, 2008 by the EIB (European Investment Bank) which is secured by BIIS;
- an increase of 400 thousand euros in the line of credit granted to ADR Advertising SpA by Banca Popolare Commercio e Industria;
- the advanced repayment of 21,400 thousand euros of the "Term Loan Facility" on March 20, 2008;
- the advanced repayment of 12,750 thousand euros of the line of credit "BOPI Facility", also on March 20, 2008;
- a reduction of 203 thousand euros in the amounts due for interest, commissions and swap differentials accrued during the period but not yet settled.

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

Lender	*Facility Loan*	*Amount (millions of EUR)*		*Interest rate*	*Repayment*	*Life*	*Maturity date*
		conceded	*utilised*				
Syndacate of banks	**Term Loan Facility**	170.0	170.0	floating rate linked EURIBOR + margin	bullet	6 years	feb. 2012
	Revolving Facility	100.0	0.0	floating rate linked EURIBOR + margin	revolving	6 years	feb. 2012
		270	**170**				
Banca BIIS	**BOPI Facility**	**43.35**	**43.35**	floating rate linked EURIBOR + margin	after 5 years in six-monthly installments	12 years	mar. 2015
BEI	**EIB Term Loan**	**80.0**	**80.0**	floating rate linked EURIBOR + margin	bullet	10 years	feb. 2018
	TOTALE	**393.35**	**293.35**				

The long-term line of credit denominated the "Term Loan Facility" and the "Revolving Facility" were granted on September 20, 2005 by a syndicate of banks with the mandated lead arrangers comprising Barclays Capital, Calyon SA, Mediobanca – Banca di Credito Finanziario SpA, Unicredit Banca Mobiliare SpA and WestLB AG.
Regarding the line of credit denominated the "Term Loan Facility", initially worth 290,000 thousand euros, an amount of 98,600 thousand euros was repaid on September 20, 2006, thereby reducing the amount of the loan to 170,000 thousand euros.
On November 21, 2007, at the request of the Parent Company, ADR SpA, the line of credit denominated the "Revolving Facility" was reduced from the initial 200,000 thousand euros to 100,000 thousand euros, in line with projected cash flows, resulting in a reduction in the cost of borrowing.

The line of credit denominated the "BOPI Facility" was granted on February 19, 2003 by Banca OPI (as of January 1, 2008 the bank's name was changed to BIIS – Banca Infrastrutture Innovazione e Sviluppo) and guaranteed by CDC IXIS Financial Guaranty Europe. This line of credit, which was initially granted for an amount of 85,000 thousand euros, was reduced to 43,350 thousand euros following advance repayment of an amount of 28,900 thousand euros on September 20, 2006, and of an amount of 12,750 thousand euros on March 20, 2008, corresponding to the installments falling due, according to the terms of the contract, in September 2008, and in March and September 2009.

"Amounts due to other financial institutions" total 1,202,013 thousand euros. The item includes the principal of 1,200,019 thousand euros due from the Group to Romulus Finance Srl and 1,994 thousand euros consisting of interest accrued on the above-mentioned loans and not yet paid.

The decrease of 77,646 thousand euros compared with December 31, 2007 is due to:

- the advanced repayment of 65,000 thousand euros of "Loan B" granted by Romulus Finance Srl on March 20, 2008;
- the decrease of 12,646 thousand euros in the interest component, deriving entirely from the differing trend regarding payment of interest on the existing loans.

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

After the above-mentioned repayment of "Loan B", the loan from Romulus Finance Srl breaks down into four lines of credit, summarized in the table below. The conditions reflect those of the bonds issued by Romulus Finance to finance the purchase of amounts due to ADR's creditor banks:

Lender	Facility Loan	Amount (millions of EUR)	Interest rate	Repayment	Life	Maturity date
Romulus Finance Srl	**A1**	500	fixed	bullet	10 years	feb. 2013
	A2	200	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A3	175	floating rate linked EURIBOR + margin	bullet	12 years	feb. 2015
	A4	325	floating rate linked to EURIBOR + margin up to 12/20/2009 and after fixed rate	bullet	20 years	feb. 2023
	TOTALE	**1,200**				

The hedging policy established within the framework of loan agreements with the banks and with Romulus Finance Srl requires that at least 51% of the debt is fixed rate (59.2% at fixed rate as of December 31, 2007). In accordance with this policy, the following interest rate swap agreements were entered into by ADR SpA in 2001, with the aim of hedging the interest rate risk associated with a portion of the loan. Such interest rate swaps – the counterparties for which in February 2003 are Mediobanca – Banca di Credito Finanziario SpA, Barclays, UBM (subsequently HVB), Royal Bank of Scotland and Deutsche Bank – are based on a notional capital of 864 million euros and mature on October 2, 2009.

On October 1, 2004, the Parent Company, ADR SpA, entered into interest rate swap agreements with a number of the above counterparties (Mediobanca – Banca di Credito Finanziario SpA, Barclays and Royal Bank of Scotland). The swaps are based on a total notional capital of 468 million euros up to 2007 and 495 million euros up to 2009. On the basis of the agreements, ADR SpA receives a fixed rate of 3.3% and pays a floating rate capped at 6.0%. This transaction enables ADR SpA to balance its exposure to fixed and floating rates, fixing the maximum risk that may be incurred.

Finally, on May 16, 2006, ADR SpA signed two interest rate collar forward start contracts with Barclays and Royal Bank of Scotland, with a notional capital of 120 million euros each, on the basis of which ADR SpA will receive a floating 3 months Euribor rate and pay a floating 3 months Euribor rate with a cap of 5% and a floor of 3.64% from October 2, 2009 until February 20, 2012.

On December 18, 2006 the interest rate swaps with a notional capital of 864 million euros entered into in 2001 were renegotiated.
In particular, the fixed rate paid by ADR SpA (3.8910%) was realigned to the market rate up to the original date of maturity (2009) following payment of the market value of the related instruments (27.4 million euros). This initiative has made it possible to reduce the average cost of debt by almost one percentage point in the three-year period 2007-2009.

As of June 30, 2008, the fair value of the swap agreements entered into in 2001 and renegotiated in 2006 is a positive 14.5 million euros, whilst the fair value of the swaps entered into in 2004 is a negative 12.0 million euros. The fair value of the above-mentioned collar contracts entered into in May 2006 is a positive 2.0 million euros. The characteristics of outstanding swaps are listed below:

(€'000)	NOTIONAL	FAIR VALUE DERIVATES at 06.30.2008	PURPOSE OF THE DERIVATES	FINANCIAL RISK	FINANCIAL DEBT HEDGED
IRS of 2001 renegotiated in 2006 (CASH FLOW HEDGE)	864,000	14,519	Hedging	Interest Rate	864,000
IRS of 2004 (FAIR VALUE HEDGE)	495,000	(12,004)	Hedging	Interest Rate	495,000
COLLAR FWD START of 2006 (CASH FLOW HEDGE)	240,000	1,976	Hedging	Interest Rate	240,000
TOTAL		**4,491**			

The financial liability hedged refers to a portion of amounts due to other financial institutions and a portion of amounts due to banks.

The effects of the interest rate swap agreements on the income statement for the period are shown in the notes on financial income and expense.

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

- a lien (in the form of a mortgage) on the plant, machinery, capital goods and goods constituting ADR's inventory, as well as any receivables deriving from the sale of such assets;
- a lien on all receivables and contracts with clients, and with ADR Tel and ADR Advertising and insurance policies;
- a lien on all of ADR SpA's bank current accounts;
- a lien on ADR's shareholdings in ADR Tel SpA and ADR Advertising SpA. ADR SpA is also committed to set up a lien on its shareholdings in the newly incorporated company ADR Assistance Srl (incorporation in progress);
- "ADR Deed of Charge" (a lien under British law on loans subject to British law, hedging agreements and insurance policies governed by British law).

Romulus Finance Srl is a vehicle established pursuant to Law no. 130/99 on securitization and is controlled by two Dutch foundations (Romulus Finance). In the context of a securitization transaction, in February 2003 Romulus Finance financed the acquisition of ADR SpA's previous bank borrowings, thereby becoming ADR's creditor, via the issue of bonds amounting to 1,265 million euros negotiated on the Luxembourg market and subscribed by institutional investors.

Almost all of the Romulus Finance bonds, amounting to 1.2 billion euros, benefit from Standard & Poor's and Moody's highest ratings due to a guarantee issued by a leading monoline insurance company, Ambac Assurance UK Ltd (Ambac).

A large number of regulations contractually the management of ADR's borrowings, partly due to their size, and also because of Ambac's requirement to protect the risk of non-compliance and insolvency on the part of ADR thereby seeking to minimize the actual difference between the maximum rating insured and the rating of the issuer/debtor. Such regulations include:

- financial assets may only be acquired with the permission of creditors or via a "non-recourse vehicle", and in any case only using authorized borrowing or liquidity;
- income from the sale of financial assets may be used for investment or, if not used within 12 months of collection, must be used to repay borrowings;
- dividends may only be distributed if specific financial ratios exceed contractually pre-established thresholds, and if no events of default or trigger events have occurred;
- further loans may only be undertaken if the above financial ratios exceed determined thresholds (higher than those required under normal lending conditions) and if the rating awarded to ADR is greater than pre-defined minimum levels;

- if a maturing line of credit is not repaid at least 12 months before the maturity date, any surplus cash flow generated during this period must be allocated on a priority basis (based on defined proportions) to the repayment of borrowing, which is known as a retention regime. However, if determined financial ratios are not met 24 months ahead of maturity, a 24-month retention regime may come into force;
- if the financial ratios are below certain predetermined minimum thresholds, or if the rating is below sub-investment grade levels, or if other specific contractually defined critical situations occur, further restrictive measures relating to cash flow management are set in motion in order to protect creditors from the risk of default by ADR SpA.

Regarding the latter condition, the downgrading of the Company's ratings by Moody's and Standard & Poor's, on June 19 2007 (outlook down from "positive" to "stable" – Baa3) and on November 30, 2007 (down from BBB "stable" to the current BBB- "stable"), respectively, set off a trigger event (a so-called sweep event), which had the following main effects:

a) an obligation to use all available cash flow to pay interest rate installments and to repay all ADR's creditors on a *pari passu* basis, with due dates in March and September. Borrowings that may not be repaid in advance should be secured (so-called cash collateralization) via the establishment of specific cash reserves held in specific current accounts serving as a lien for creditors;
b) an embargo on the payment of dividends and prohibition of the use such funds to carry out authorized investments;
c) the right of creditors, via the security agent, to obtain any information deemed necessary and to take part in devising a recovery plan and the related implementation time frames by hiring an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating. Failure to implement the recovery plan could give Ambac the right to increase the premium on the guarantee issued on the Romulus Finance bonds;
d) prohibition of the acquisition of financial assets and of taking out new loans, even if they are designed to repay existing borrowings; and
e) the transfer of all cash amounts due to ADR as guarantees to the creditors, with consequent notification of the debtors transferred.

The principal covenants included in the current loan agreements consist of ratios, defined on the basis of final and forecast data, which measure: (i) the ratio between available cash flow and debt servicing, (ii) the ratio between discounted future cash flows and net debt, and (iii) the ratio between net debt and gross operating income.

Moreover, taking into account that the contractually defined trigger event was still effective, ADR SpA immediately activated all possible initiatives to ensure a rapid return to satisfactory ratings and a situation in which the trigger event was no longer applicable. In this respect, an agreement was reached with the lenders to waive the obligation contained above in point a) until September 2008. At the same time the lenders agreed to refinance line B granted by Romulus Finance (see the section on "Financial transactions"), resulting in a substantial reduction in annual financial charges, and an extension of the average duration of the loan.
In April 2008 an agreement was reached with lenders, with the backing of an independent expert, on ADR SpA's medium-term financial and business plan. Subsequently, ADR SpA prepared all the financial covenant ratios, as stipulated in the loan contracts, specifically regarding the 2007 and the 2008-2017 business plans, and sent them to the security agent. These ratios were above the minimum levels required to maintain the Company's ordinary operating conditions, except for the possibility to increase gross borrowing, which in any case was already prohibited by the trigger event. A similar situation will apply to the results for the first half of 2008, which will be officially released in the second half of September.

"Amounts due to suppliers" rose by 43,024 thousand euros due to the greater volume of investment carried out in the first half of 2008 compared with the second half of 2007.

"Amounts due to parent companies", amounting to 21,985 thousand euros, up 6,990 thousand euros on December 31, 2007, entirely consist of amounts due to Gemina SpA for tax consolidation, deriving from estimated IRES due for the period. For more information, reference should be made to the section "Relations with parent companies and other related parties" in the Management Report on Operations.

"Taxes due", totaling 20,991 thousand euros, are substantially in line with December 31, 2007 (up 280 thousand euros). The principal changes include: greater amounts due for IRAP (up 715 thousand euros) and substitute tax (2,368 thousand euros), partly offset by a reduction of 2,230 thousand euros in the amount due to tax authorities as municipal surtax on passenger fees.
In this regard, it should be remembered that ADR SpA began charging carriers this surtax from June 1, 2004 at the rate of 1 euro, which was subsequently increased to 2 euros from April 2005, pursuant to Law no. 43 of March 31, 2005. This rate was increased by an additional 50 cents, bringing it up to a total of 2.50 euros, from January 1, 2007, in compliance with the provisions of Law no. 296 of December 27, 2006 (the Finance Act for 2007). The amount due to tax authorities as municipal surtax on passenger fees totaled 14,321 thousand euros as of June 30, 2008.

"Other payables: sundry creditors" rose by 2,100 thousand euros, primarily due to the effect of the cost of the fire prevention and fire fighting service for the period (3.9 million euros).

In summary, as of June 30, 2008 total payables of 1,779,583 thousand euros include 1,498,391 thousand euros of a financial nature, 193,626 thousand euros of trade payables and 87,566 thousand euros of sundry items.

A breakdown of the Group's trade payables by geographical area is not provided as it is not significant given the limited amount due to overseas creditors.

Payables secured by collateral on the Group's assets amount to 1,498,391 thousand euros (as described in the paragraph regarding amounts due to banks and other financial institutions).

Payables falling due beyond five years amount to 793,619 thousand euros and regard amounts due to banks totaling 93,600 thousand euros (the loan of 13,600 thousand euros from Banca BIIS and the EIB loan of 80,000 thousand euros) and amounts due to other financial institutions totaling 700,019 thousand euros.

Payables in currency exposed to exchange rate risks total 41 thousand euros and refer to services supplied.

ACCRUED EXPENSES AND DEFERRED INCOME

	12-31-2007	changes during the period	06-30-2008
· Accrued expenses			
. Sub-concessions and license fees	2,455	3,435	5,890
. Other services	1,871	538	2,409
	4,326	**3,973**	**8,299**

EXPLANATORY NOTES TO THE CONSOLIDATED MEMORANDUM ACCOUNTS

GENERAL GUARANTEES

	06-30-2008			12-31-2007		
	Secured receivables	**Unsecured receivables**	**Total**	**Secured receivables**	**Unsecured receivables**	**Total**
Sureties						
. in the interest of third parties	0	111	111	0	111	111
Other:						
. in favor of clients	0	256	256	0	450	450
	0	**367**	**367**	**0**	**561**	**561**

COMMITMENTS ON PURCHASES AND SALES

	06-30-2008	12-31-2007
COMMITMENTS ON PURCHASES		
Investments:		
. information systems, other	322	322
. electronic equipment	845	705
. maintenance and services	2,460	3,880
. vehicles and equipment	258	0
. self-financed works	86,985	103,412
	90,870	**108,319**

Regarding "Commitments on purchases", on February 28, 2003 the Parent Company, ADR SpA, granted IGPDecaux SpA a put option on its holding in ordinary and preference shares in ADR Advertising SpA. Such option is exercisable from the date of approval of the financial statements of ADR Advertising SpA as of December 31, 2004 until December 31, 2011, on the occurrence of specific conditions. As the exercise price is equal to the pro rata book value of shareholders' equity, it may not be quantified.

Commitments on purchases also include ADR's commitment, as an operator of airport infrastructures, to draw up and implement noise reduction and abatement plans, as required by noise pollution legislation (Law no. 477/95) and the Ministerial Decree of November 29, 2000.

To this end ADR SpA is currently assessing whether or not the relevant limits have been exceeded, and if so will proceed with preparation of the necessary noise reduction and abatement plans.

Such commitments are difficult to quantify and are, by necessity, be determined on the basis of interpretations, given that there are no specific indications of the activities to be considered as "maintenance " and "extension" of infrastructures, which form the basis for calculation pursuant to Law no. 447/1995 (the framework law on noise pollution).

In view of the above, ADR SpA, based on available estimates at the balance sheet date, judges its overall commitment to be no more than approximately 18 million euros. This sum is thus conditional on subsequent events and on the effective program of works to be carried out. The Company believes that future works will qualify as capital expenditure.
In the Group's Management Report on Operations, the measures that the Parent Company, ADR SpA, has implemented, with a view to alleviating the acoustic impact generated by aircraft in the vicinity of the airport, are listed in the section on "Environmental protection".

The agreements on the sale of the equity investment in ADR Handling SpA, entered into on November 3, 2006, provide for a price adjustment of up to 12.5 million euros. Of this, the amount deemed most probable to arise was charged to the income statement in 2006, 2007 and the first half of 2008 with a contra-entry in allowances for risks and charges totaling around 2.8 million euros as of June 30, 2008. The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years.

A series of interest rate swap contracts aimed at hedging interest rate risk on current loans have been entered into. For further information reference should be made to the notes to "Payables".

OTHER MEMORANDUM ACCOUNTS

	06-30-2008	12-31-2007
GENERAL GUARANTEES RECEIVED		
Sureties:		
. received from suppliers	64,143	47,360
. received from clients	62,779	56,840
	126,922	104,200
THIRD PARTY ASSETS ON FREE LOAN DEPOSITED IN CUSTODY, LEASED OR SIMILAR		
. leased assets	55	49
. CAA - plant and equipment at Fiumicino	119,812	119,812
. CAA - plant and equipment at Ciampino	29,293	29,293
. works carried out on behalf of the State	668,060	668,060
	817,220	817,214
	944,142	**921,414**

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

EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

TOTAL REVENUES

Revenues

	H1 2008	H1 2007	change
▪ ***Revenues from sales:***			
. Non-aviation activities:			
Duty Free and Duty Paid	38,531	35,466	3,065
Other	1,733	1,612	121
	40,264	**37,078**	**3,186**
▪ ***Revenues from services:***			
. Aviation activities:			
Fees	79,025	73,297	5,728
Handling	0	8,077	(8,077)
Centralized infrastructures	17,328	16,354	974
Security	30,714	30,554	160
Other	9,569	8,858	711
	136,636	137,140	(504)
. Non-aviation activities:			
Sub-concessions and utilities	48,737	45,460	3,277
Car parks	15,347	14,993	354
Advertising	12,565	13,585	(1,020)
Refreshments	4,814	4,518	296
Other	11,146	10,680	466
	92,609	89,236	3,373
	229,245	**226,376**	**2,869**
▪ ***Revenues from contract work***	**0**	**0**	**0**
Total revenues from sales and services	**269,509**	**263,454**	**6,055**
▪ ***Changes in contract work in progress***	**193**	**(160)**	**353**
▪ ***Contributions and grants***	**0**	**0**	**0**
TOTAL REVENUES	**269,702**	**263,294**	**6,408**

Revenues total 269,702 thousand euros. Of these, 50.7% derived from "aviation activities" carried out by the Group (52.1% in the first half of 2007) and 49.3% were generated by "non-aviation activities" (47.9% in the first half of 2007).

"Revenues from sales" amounted to 40,264 thousand euros, up 8.6% on the first half of 2007. This change was due to the increased turnover of directly managed shops, linked to the positive trend in traffic.

"Revenues from services" totaled 229,245 thousand euros, up 1.3% on June 30, 2007.

Other information

It is important to note that the type of activity carried out by the Group does not permit a breakdown of the various areas of activity into fully independent segments in relation to markets and customers. The "traffic" element currently affects all the Company's activities.

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

- **Airport fees:** paid in return for use of airport infrastructure;
- **Handling:** including handling contracts and supplementary services[8];
- **Centralized infrastructures;**
- **Non-aviation activities**, consisting of:
    - ***Sub-concessions:*** including fees paid by sub-concessionaires operating on airport grounds, in addition to utilities;
    - ***Direct sales:*** including revenues from directly operated duty free and/or duty paid outlets.

Finally, the category, "Other activities", includes the sale of advertising space, the management of car parks and refreshment facilities, design, security, left luggage, contract work on behalf of the State, etc.

The following table shows a breakdown of revenues from the segments described. It should be noted, moreover, that the revenues earned by each segment relate entirely to third parties and do not include inter-segment transactions.

REVENUES (€000)	**Fees**	**Handling**	**Centralized infrastructures**	**Non-aviation activities**		**Other assets**	**Total**
				Sub-concessions	**Direct sales**		
H1 2007	73,297	8,077	16,354	45,460	37,078	83,028	**263,294**
H1 2008	79,025	0	17,328	48,737	40,264	84,348	**269,702**
change	5,728	(8,077)	974	3,277	3,186	1,320	**6,408**
% change	*7.8%*	*(100%)*	*6.0%*	*7.2%*	*8.6%*	*1.6%*	***2.4%***

Total revenues can be broken down into two macro-areas:
- "Aviation" (including fees, handling, management of centralized infrastructure, security services and left luggage) amounting to 136,636 thousand euros, compared with 137,140 thousand euros in the first half of 2007 (down 0.4%);
- "Non-aviation" (including sub-concessions, direct sales, the management of advertising space and car parks, refreshments, design and contract work on behalf of the state) amounting to 133,066 thousand euros, compared with 126,154 thousand euros in the same period of 2007 (up 5.5%).

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

[8] On December 31, 2007 the ADR Group transferred management of this business to the subsidiary undertaking, Cargo Merci Fiumicino Srl, which was sold to Argol SpA on the same date.

Other income and revenues: other

	H1 2008	H1 2007
▪ **Gains on disposals**	51	93
▪ **Other:**		
. Releases:		
release from allowance for overdue interest	52	8
. Expense recoveries	245	692
. Recoveries of personnel expenses	60	163
. Other revenues	1,365	5,132
	1,722	5,995
	1,773	**6,088**

"Other revenues", amounting to 1.4 million euros, includes the effects of updated valuations of costs and revenues, formerly estimated at the end of the previous year.

OPERATING COSTS

Amortization, depreciation and write-downs

Amortization and depreciation in the first half of 2008 amounted to 51,905 thousand euros (48,022 thousand euros in the first half of 2007), including amortization of intangible fixed assets of 43,081 thousand euros (40,430 thousand euros in the first half of 2007) and depreciation of tangible fixed assets of 8,824 thousand euros (7,592 thousand euros in the same period of 2007). Amortization of intangible fixed assets includes the charge for amortization of the concession, amounting to 24,642 thousand euros.

Further details are provided in the note to fixed assets.

Provisions for doubtful accounts totaled 1,033 thousand euros (4,098 thousand euros in the first half of 2007) and reflect an updated assessment of the recoverability of the Group's receivables.

Provisions for risks and other charges

The item "Provisions for risks" breaks down as follows:

	H1 2008	H1 2007
. current and potential disputes	10,676	1,759
insurance deductibles	0	26
	10,676	**1,785**

"Other provisions", totaling 110 thousand euros, regard provisions for fixed assets to be relinquished.

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

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

Other operating costs

	H1 2008	**H1 2007**
▪ concession fees	10	17
▪ other	2,551	2,191
	2,561	**2,208**

The item "Other", amounting to 2,551 thousand euros, primarily comprises 544 thousand euros for membership fees (244 thousand euros in the first half of 2007), 1,484 thousand euros for indirect taxes and duties (1,234 thousand euros in the first half of 2007), including 582 thousand euros for local property taxes and 437 thousand euros for updated valuations of costs and revenues recognized in the 2007 financial statements (607 thousand euros in the same period of 2007).

FINANCIAL INCOME AND EXPENSE

Other financial income

	H1 2008	**H1 2007**
▪ **Interest and commissions on long-term receivables:**		
Other	5	9
▪ **Other:**		
Interest on overdue current receivables:		
. Clients	224	476
Interest and commissions received from other companies:		
. Interest from banks	3,827	3,533
. Interest from clients	57	143
. Other	3,867	88
	7,975	4,240
	7,980	**4,249**

"Interest from banks", totaling 3,827 thousand euros, rose by 294 thousand euros compared with the first half of 2007 due to the increase in floating interest rates.

The item "Other" includes an amount of 3,835 thousand euros (sharply up on the 79 thousand euros reported in the first half of 2007) deriving from the positive effect that the raising of floating rates had on fixed interest rate swaps (3.891%).

Interest expense and other financial charges

	H1 2008	H1 2007
· Interest and commissions due to others and sundry charges:		
. Interest and commissions paid to banks	6,847	5,893
. Interest and commissions paid to other financial institutions	37,178	34,560
. Provisions for overdue interest on doubtful accounts	196	475
. Other	3,945	1,867
	48,166	**42,795**

"Interest and commissions paid to banks" and "Interest and commissions paid to other financial institutions" rose by 954 thousand euros and 2,618 thousand euros, respectively, due to the raising of floating rates, which was only partly mitigated by reduced exposure deriving from partial repayments made in March 2008, totaling 99.2 million euros, refinanced for an amount of 80 million euros at the end of the first half of 2008.

The item "Other" includes a sum of 3.8 million euros regarding swap differentials maturing during the period, up 1.8 million euros on the first half of 2007 due to negative effect produced by the raising of floating rates on interest rate swaps.

Foreign exchange gains/(losses)

	H1 2008	H1 2007
. Foreign exchange gains	22	47
. Foreign exchange losses	1	4
	21	**43**

EXTRAORDINARY INCOME AND EXPENSE

Income

Extraordinary income in the first half of 2008 totaled 414 thousand euros and breaks down as follows:

	H1 2008	H1 2007
· Other:		
Income and recovery of expenses relating to previous years deriving from:		
. Total revenues	60	0
. Operating costs	1	52
. Amortization and depreciation	9	0
. Financial income and expense	0	322
. Taxes relating to previous years	344	0
	414	**374**

Expense

Extraordinary expense in the first half of 2008 totaled 2,035 thousand euros and breaks down as follows:

	H1 2008	H1 2007
▪ Taxes relating to previous years	**4**	**2**
▪ Other:		
Extraordinary expense derived from:		
Total revenues	18	0
Operating costs	44	197
Reversal of assets	18	422
	80	**619**
Other extraordinary expense:		
Payments due for lost cargo	45	31
Fines	35	33
Antitrust fines	0	25
Damages and compensation paid to third parties	2	0
Costs relating to extraordinary operations	1,869	205
Other	0	12
	1,951	**306**
	2,031	**925**
	2,035	**927**

INCOME TAXES

This item reports the estimated expense for current taxes for the period totaling 19,269 thousand euros. Deferred tax liabilities of 9,662 thousand euros have also been recognized.

	H1 2008	H1 2007
▪ Current taxes		
. IRES	133	414
. tax consolidation expense	8,271	11,239
. IRAP	7,486	7,003
. substitute tax	3,379	0
	19,269	**18,656**
▪ Deferred tax (assets) liabilities		
. deferred tax assets	(2,169)	(636)
. deferred tax liabilities	(7,493)	(174)
	(9,662)	**(810)**
	9,607	**17,846**

It should be remembered that, due to the existence of the related prerequisites, ADR SpA and the other Group companies (ADR Engineering SpA, ADR TEL SpA and ADR Sviluppo Srl) along with the consolidating company, Gemina SpA, opted to adhere to the tax consolidation regime introduced by the Tremonti Reform for the three-year period 2007-2009.

As regards deferred taxation, it was decided to continue posting the assets and allowances that generated temporary differences in the individual companies' financial statements.

Pursuant to the above tax legislation, against the taxable income transferred by the consolidated companies, ADR SpA, ADR Engineering SpA and ADR Tel SpA, to Gemina SpA, tax consolidation expenses amounting to 7,751 thousand euros, 326 thousand euros and 194 thousand euros, respectively, making a total of 8,271 thousand euros, have been recorded.

The item "Current taxes – IRES" refers exclusively to the subsidiary undertaking, ADR Advertising SpA, which does not take part in the consolidated tax regime.

ADR SpA and ADR Tel SpA exercised the option, provided for under the new regulations introduced by the 2008 Finance Act, to pay a substitute tax regarding direct taxation (IRES and IRAP) in order to align the differences between statutory and tax-related amounts deriving from off-balance sheet deductions for accelerated depreciation carried out in previous years.
Therefore, in the first half of 2008, substitute tax amounting to 3,379 thousand euros, including 3,377 thousand euros regarding ADR SpA and 2 thousand euros regarding ADR Tel, was taken to the income statement. Consequently, the deferred tax assets allocated in previous years, totaling 7,468 thousand euros, were reversed.

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

OTHER INFORMATION

HEADCOUNT

The following table shows the average number of employees of companies consolidated on a line-by-line basis by category:

Average	H1 2008	H1 2007	change
Managers	60	57	3
Supervisors	217	191	26
White-collar	1,494	1,423	71
Blue-collar	423	556	(133)
Total	**2,194**	**2,227**	**(33)**

The following table also shows the average number of employees by company:

Average	H1 2008	H1 2007	change
ADR SpA	2,119	2,159	(40)
ADR Engineering SpA	46	37	9
ADR Tel SpA	18	21	(3)
ADR Advertising SpA	11	10	1
Total	**2,194**	**2,227**	**(33)**

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

The following table shows the remuneration paid to Directors and Statutory Auditors (cumulatively for each category):

Category	Remuneration (€000)
Directors	336
Directors with positions required by Legislative Decree no. 231/2001	22
Statutory Auditors	145
Total	**503**

LITIGATION

Tax litigation

- In 1987 a general tax audit of the Parent Company's accounts from January 1, 1985 to February 18, 1987 was carried out, focusing in addition on certain aspects relating to previous years.
  Despite the fact that the auditors found no evidence of irregular accounting practices or violations of statutory regulations, including misdemeanors punishable by fine in compliance with Law 516 of August 7, 1982, ADR was notified of certain irregularities regarding both direct and sales tax for the years between 1982 and 1987. The Parent Company appealed the tax authorities' interpretation before the competent Tax Commissions.
  During 2002, the Revenue Office appealed the sentence issued by the Regional Tax Commission for Rome - section no. 43 – before the Supreme Court. Such sentence had turned down the appeal against the sentence of the Tax Commission for the Province of Rome, dated April 9, 1999, which had accepted the grounds for ADR's appeal against the allegations of income tax violations regarding the years 1985 and 1986.
  On July 10, 2002 the tax authorities appealed to the Supreme Court, and the Parent Company responded by depositing its counter-evidence with the Court. At a hearing to discuss the matter on November 7, 2007, the Supreme Court accepted the appeal and referred the case to a different department of the Regional Tax Commission.
  Thus far the outcomes of the hearings conducted by the various tax commissions have been in ADR's favor, confirming the legal interpretation adopted and a positive outcome for the Company.

- On November 3, 2006 Tax Office of Rome (UTF) initiated an audit of the Company's accounts regarding taxation of the consumption of electricity.
  In its report dated February 23, 2007, the Tax Office informed the Company that it *"intended to recover the amounts relating to the consumption tax and related local surtaxes on electricity sold to third parties for the years between 2002 and 2005, in that, in the Office's opinion, the said amounts were not duly paid"*. In this regard, the Office specifies that *"it is necessary to know, for each of the above years, the electricity suppliers that in the role of withholding agents applied the exemptions in question, as well as the list of sub-concessionaires that were supplied electricity with exemption and the related amounts invoiced, even if for the purposes of reimbursement"*.
  The Tax Office formalized the request for data and information regarding the supply of electricity for the above period. ADR replied in a letter dated June 1, 2007, reiterating that, on the basis of the legal framework governing the Company's activities, the electricity obligatorily supplied to airport premises and infrastructures utilized by other entities cannot be considered as energy *"acquired by the Company and sold, subject to reimbursement of expenses, to third parties"*.
  Between July 3 and 13, 2007, the Tax Office carried out additional audits aimed at *"carrying out technical checks on the equipment and on the means of distribution and consumption of electricity on*

the part of ADR, in order to identify and separate the consumption subject to the tax exemption in accordance with art. 52 of Consolidated Act no. 504/1995 for the tax period January 1, 2002 – May 31, 2007".

Following the audits, the Tax Office issued 15 demands for payment of a total of 4.4 million euros, regarding failure to pay the tax on electricity consumption and the related surtax for the period 2002-2006. This amount includes interest expense, penalties for late payment and notification expenses.

Generally speaking, the disputes relate to the alleged sale to third parties of the electricity acquired by ADR, as well as the refusal to recognize the favorable terms applied in accordance with art. 52 of the Consolidated Customs Act to entities qualifying for inclusion in the category "industrial operators".

Along with the demands for payment, there were 9 notifications of administrative irregularities, amounting to a total of 1.5 million euros for 2002, concerning the sanctions imposed in relation to the failure to pay the above taxes.

Backed up by the opinion of its tax experts, ADR SpA deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed the demands in question before Rome's Provincial Tax Commission.

Following the hearing of March 10, 2008, the Provincial Tax Commission of Rome accepted the first nine appeals submitted for discussion.

- On December 27, 2006, the Municipality of Fiumicino notified ADR SpA of its failure to declare and pay local property tax for 2001 regarding Rome Airport's Hilton Hotel.
  On December 28, 2007 the Municipality of Fiumicino notified ADR SpA of a tax assessment for 2002 regarding the same building previously assessed for 2001.
  The Company, considering that there are valid arguments in favor of its non-liability to pay said tax, has appealed against these tax assessments to the Provincial Tax Commission of Rome.

- On August 16, 2007, the Rome II Customs District Office notified ADR SpA of reported irregularities in the sales carried out at its duty free shops from January 1, 1993 to January 31, 1998. The findings essentially regard sales made to passengers traveling within the EU that exceeded duty free allowances in terms of amount and value.
  On December 18, 2007, the same Customs District Office ordered payment of sums regarding VAT, as well as excise and tobacco duties, as a result of the findings set out in the assessment report. The total amount of taxes and interest charged adds up to around 22.2 million euros.
  Backed up by the opinion of its tax experts, ADR SpA deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed this demand for payment before the Provincial Tax Commission.

- On January 22, 2008 the tax authorities began carrying out a general tax assessment of the subsidiary, ADR Tel SpA, in order to check compliance with tax regulations regarding IRES, IRAP and VAT for 2005.
  On February 18, 2008, the tax inspectors formally notified the company that certain declared costs, totaling 394 thousand euros, were non-deductible. The Company reserved its right to formulate any further considerations, comments or exceptions regarding said findings, as well as to assert its arguments before all the competent administrative and jurisdictional authorities.

Administrative, civil and labor litigation

Administrative, civil and labor litigation is followed by the Group through its internal legal department which has provided, for the preparation of the accounts as of and for the period ended June 30, 2008, a complete and exhaustive breakdown of the different civil, administrative and arbitration proceedings outstanding as of that date.

As regards litigation as a whole, the Group carried out a valuation of the risk of negative outcomes leading to the creation of a specific allowance under "Allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions in accordance with the principles and procedures governing the preparation of financial statements. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

Significant disputes are summarized below:

- With regard to relations with public bodies, subsequent to Supreme Court sentence no. 15023/01, which, on the one hand, established that public bodies should have rent-free access to the premises needed to carry out their legally required duties regarding aircraft, passenger and cargo movements, whilst, on the other hand, requiring such bodies to pay for the services and utilities relating to said premises, ADR applied to the Ordinary Court for injunctions allowing it to recover receivables due from the various ministries. The latter have opposed such injunctions, not questioning that payment is due for use of services, but challenging the determination of amounts and the methods of calculation. All of the judgments were made in first instance, and in all cases the Civil Court rejected the ministries' opposition. The time limits in which to appeal two of the judgments are expiring, and for the other two the sentences in first instance have become final given that no appeals were made.
- On May 26, 1999, ADR appealed Ministry of Finance Decree 86, dated March 5, 1999, before the Lazio Administrative Court. The Decree establishes the license fees to be paid by airport operators for the years prior to 1997. Judgment is still pending.
  A similar action brought by ADR SpA before the Civil Court of Rome, with the aim of ascertaining that the Company is not required to pay any back-dated fees to the Ministry of Transport for the years prior to 1997, ended with the issue of sentence no. 5283/2004. This sentence, which upheld ADR SpA's position, declared that the Company has no obligation to pay the government license fees for the years prior to 1997 in application of the Convention of June 26, 1974.
- In a resolution of September 20, 2000, the Antitrust Authority closed the investigation of ADR SpA, launched with the resolution of November 4, 1999, finding that the Company had not abused its dominant position either with respect to the fees charged for ground handling services, or with regard to self-handling. The Authority did, however, find anti-competitive practices in relation to Aviation Services (Meridiana Group), although no fine was inflicted. The Company has appealed the latter finding before the Lazio Administrative Court, but the date for the hearing has yet to be set.
- Alitalia and Alitalia Airport have appealed to the Lazio Regional Administrative Court against the Italian Civil Aviation Authority and the Director of Fiumicino Airport and against ADR SpA and ADR Handling SpA as interested parties. The appellants have requested the cancellation, subject to suspension, of both the Aviation Authority's provisions of September 26, 2000, by which the Authority defined the centralized infrastructure at Fiumicino Airport, including the cargo storage plant, and the act of March 29, 2001, by which the Director of Rome Fiumicino Airport ordered the appellants to "cease, with immediate effect, all activities regarding cargo handling, in relation to both services subject to limits and those for which it might have been necessary to use Alitalia's cargo plant". An announcement of the date of the relevant hearing is awaited, given that the appellants have withdrawn their request for a suspension.
- The Ministerial Decree of November 29, 2000 requires the operators of public transport services and relative infrastructure to draw up action plans for the reduction and abatement of noise, and to make provisions in line with forecast penalties if such limits should be exceeded. The legislation has been independently appealed by all airport operators to the Council of State, with the aim of obtaining an annulment of Lazio Regional Administrative Court's sentence no. 3382/2002. Sentence no. 5822/2004 of September 7, 2004 partially rejected the appeals brought by the airport operators. The consequences of this judgment are summarized below.
  The Appeal Judge, citing grounds that are partially different from those on which the appealed sentence was based, has decided that airport operators have an obligation to reduce noise pollution and thus prepare noise abatement action plans under two conditions:
  - identification of the boundaries of the areas covered by the Ministerial Decree of October 31, 1997 (see the section of the Management Report on Operations dealing with Environmental protection: Noise abatement);
  - verification, according to a precise schedule, of instances when noise pollution limits are exceeded outside the areas covered by the regulations, as established by the Prime Ministerial Decree of November 9, 1997, with reference to be made to the limits established in municipal zoning bylaws or, in their absence, by art. 6, paragraph 1 of the Prime Ministerial Decree of March 1, 1991.

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

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

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

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

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

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

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

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

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

- In September 2003 ADR SpA issued notice of appeal to Lazio Regional Administrative Court against Ministerial Decree 14/T of March 14, 2003 (published in the Official Gazette of June 3, 2003) containing provisions regarding the payment of fees for the 100% screening of hold baggage, as interpreted, in relation to the date from which such fees are to be applicable, in Civil Aviation Authority letters dated June 3, 2003 and June 11, 2003. The main reasons for the appeal are: (a) the contradictory nature of the two letters from the Civil Aviation Authority; and (b) the lack of any provision regarding collection of the fees prior to the implementation of the Ministerial Decree. In fact, pursuant to local airport authority ordinance 14/2002, as interpreted by the local airport authority's letter of January 9, 2003, ADR SpA was obliged, as of February 1, 2003, to carry out 100% screening of hold baggage with no possibility of charging fees for the service. Such fees were belatedly determined by the Ministerial Decree published in the Official Gazette on June 3, 2003. The appeal aims, among other things, to recover the fees due for the period between the date the decree became valid (June 3, 2003) and the date authorized by the Civil Aviation Authority in a separate letter (June 26, 2003).

- In September 2003 ADR SpA lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 (definition of airport license fees for 2003) published in the Official Gazette on July 7, 2003, as amended in the notice published in the Official Gazette on September 6, 2003. This decree established methods different from those previously applied for calculating annual fees due from, among others, global airport operators pursuant to special laws. Such methods of calculation are deemed to be illegitimate as they introduce an element of "adjustment" to the resulting figures regarding the "revenues" that passengers produce in relation to the airport.

In a parallel judgment in civil court, on July 12, 2007 ADR SpA was notified of the purview of sentence no. 12189 of June 13, 2007 with which the Court of Rome, accepting ADR's request, "following misapplication of the executive decree issued by the director of the state property office on June 30, 2003", declared "Aeroporti di Roma S.p.A. did not owe the Italian Civil Aviation Authority any amounts greater than the license fees due for the years 2003, 2004 and 2005 calculated in conformity with Law no. 662/1996, in application of the calculation criteria set forth in the Ministerial Decree dated December 12, 1998".

On June 16, 2008 the state property office formally lodged an appeal against this sentence. A preliminary hearing has been set for December 20, 2008.

- With regard to the preparatory phase for the Planning Agreement 2005-2009, in November 2005 ADR SpA appealed to Lazio Regional Administrative Court for an annulment of the decisions and considerations contained in the document issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy on September 22, 2005, in which Aeroporti di Roma is substantially denied the right to include any component of the purchase cost of the airport management concession for Fiumicino and Ciampino in the regulatory asset base, to be used in determining the airport fees it will charge. The appeal also includes a claim for damages from the ministries concerned, in view of the unwarranted delay the above document has caused in finalizing the Planning Agreement provided for in Point 5 of the regulatory framework annexed to CIPE (Interdepartmental Committee for Economic Planning) Resolution 86/2000 and art. 4 of the Ministerial Decree of November 14, 2000. The Agreement governs the determination of airport fees and the other regulated revenues earned by ADR. The date of the related hearing has yet to be announced.
- On October 28, 2005, ADR SpA submitted a complaint to the European Commission asking it to examine the provisions of Legislative Decree no. 211/2005 regarding so-called "system requirements", which was subsequently included in Legislative Decree no. 203/2005, converted into Law no. 248/2005. ADR's complaint aims to bring to the Commission's attention the fact that the above legislation violates EU law, with particular regard to the rules governing state aid.

  This complaint was followed on February 20, 2006 by a further communication to the European Commission from ADR, reinforcing and expanding on the previous complaint, in response to the guidelines issued by the Ministry of Infrastructure and Transport.
- Actions brought by the Parent Company, including those contesting certain provisions regarding the implementation of regulations introduced by Law no. 248/2005 (so-called "system requirements"), include the proceedings held before the civil court in February 2006 against the Ministry of Infrastructure and Transport. This regards a claim for damages, estimated at 27.6 million euros, caused to ADR SpA as a result of the failure to bring airport fees into line with the target inflation rate until December 2005, in compliance with article 2, paragraph 190 of Law no. 248/2005, which was repealed by Law no. 248/2005. The next hearing is scheduled to take place on March 20, 2009 in order to finalize the conclusions.
- A further action relating to "system requirements" regards the appeal filed by ADR SpA at the Administrative Court in February 2006, with a view to revoking the guidelines issued by the Ministry of Infrastructure and Transport on December 30, 2005, regarding the entry into effect of Law no. 248/2005. Specifically, this regards a request for annulment of both the regulations concerning the reduction of airport fees and the Civil Aviation Authority's memorandum of January 20, 2006, fixing the level of temporary airport fees. With sentence no. 2289/2007 lodged on June 5, 2007 the Lazio Regional Administrative Court rejected the appeal. In November 2007 ADR appealed against this sentence before the Council of State. A date has yet to be fixed for a hearing to deal with the matter.
- Moreover, in March 2006 ADR SpA appealed to the Lazio Administrative Court, without a request for revocation, against the Civil Aviation Authority's memorandum of February 3, 2006 and subsequent memoranda in which the Authority deemed it appropriate to suspend payment of royalties on the sub-concession of airport fuel supply to third parties. The suspension is to remain in force until the submission by airport operators of data regarding the costs incurred in relation to the service provided by oil companies and until the completion of checks to be carried out on these companies by the Civil Aviation Authority. A date has yet to be fixed for a hearing to deal with the matter.
- Finally, ADR SpA lent its support to the appeals brought before the Constitutional Court by the Campania, Emilia Romagna, Piedmont, Tuscany and Sicily regional authorities in order to have Law no. 248/2005 declared unconstitutional.The hearing to discuss the matter called for by the Piedmont Region was held on January 9, 2007. In May 2007 the Constitutional Court decided to "re-enter the case for trial" and fixed a hearing to discuss the appeal on January 15, 2008. On March 7, 2008, with sentence no. 51, the Court ruled in favor of

the objections raised by the authorities relating to the constitutional issues contained in art. 11-9 of Law no. 248/2005 regarding the violation of regional legislative authorities and the violation of the principle of fair cooperation, in the part in which this article does not provide for mandatory consultation of both state and regional authorities by CIPE, pursuant to Law no. 281/97, within the scope of the procedures for adopting the resolution that identifies general criteria for determining airport fees.

- Assaero (National Association of Airline Carriers and Air Transport Operators) and Blu Panorama lodged an appeal with the Lazio Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (and another decision dated October 31, 2006 that does not concern Roman airports) with which the Civil Aviation Authority communicated the results of the controls carried out on airports' total operations "in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis".
  At the hearing on December 14, 2006 the appellant revoked the request for revocation and requested an adjournment. A hearing to discuss the matter was held on October 11, 2007. With sentence no. 11154/2007 the Administrative Court rejected the appeal. The carriers lodged an appeal on January 2, 2008. The date of the related hearing has yet to be announced.
- IBAR (Italian Board Airlines Representatives) and 6 carriers (Iberia, Tap, American Airlines, Delta Airlines, Ethiopian Airlines and Cyprus Airlines) lodged an appeal with the Lazio Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (in addition to other fire prevention measures), with which the Civil Aviation Authority communicated the results of the controls carried out airports' total operations "in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis". At the hearing on January 11, 2007 IBAR revoked its request for revocation. A hearing was held to discuss the matter on October 11, 2007. On February 27, 2008 Esso Italian proposed taking measures to oppose the judgment and requested that the appeal lodged by IBAR be rejected. Judgment is awaited. The effects of the appeal are not currently quantifiable.
- IBAR, together with 13 carriers, on the one hand, and Assaero and Volare, on the other hand, in separate requests, appealed to the Lazio Regional Administrative Court, with concomitant request for suspensive relief, for the cancellation of Civil Aviation Authority rulings no. A0035898 and no. 0035899 of June 5, 2007, regarding the setting of fees for the catering carried out at Rome and Milan airports, respectively. The plaintiffs have withdrawn their request for suspension. A hearing on the matter is awaited, although it is not expected to take place in the immediate future.
- Ryanair appealed to the Lazio Regional Administrative Court requesting cancellation – with prior suspension – of Ordinance no. 14/2007 of July 9, 2007 issued by the management of Ciampino airport, stipulating that no more than 100 commercial movements by the holders of slots could be effected in any one day, with slots to be allocated between 6am and 11.30pm during the winter of 2007/2008. At the hearing held on October 11, 2007 to discuss suspensive relief, the Administrative Court rejected Ryanair's appeal, thereby maintaining the restricted number of slots for the winter of 2007-2008. With Ordinance no. 5752/2007 the Council of State upheld Ryanair's appeal (and therefore the original application for suspensive relief submitted by the airline). On March 25, 2008 Ryanair notified ADR SpA of an appeal on additional grounds to the Lazio Regional Administrative Court, following the denial by Assoclerance of two slots that did not exceed the current daily of limit of 138 slots, and which the airline had not made use of during the summer of 2007. This denial was based on a contradictory interpretation by the Civil Aviation Authority, according to which the effects of the contested Civil Aviation Authority ordinance remained in force, even after the ruling by the Council of State, if Ryanair were to request slots different from those allocated to it in the summer of 2007, as only the loss of these slots would constitute the serious and irreparable harm that the ordinance intended to avoid. At a hearing held to discuss the matter on April 24, 2008, Ryanair requested that the case be adjourned until a hearing on the merits, a date for which is awaited. At the same time, regarding the carrier's request to execute Council of State Ruling no. 5752/2007, the same judge, with Ruling no. 2046/08, rejected Ryanair's demands on the following grounds: "*for the purposes of executing Ruling no. 5752 of November 6, the position taken by the appellant with regard to the present dispute, appears to be correct and satisfactory regarding maintenance of the same number of SO7 slots previously allocated to Ryanair by the Civil Aviation Authority and Assoclearance, including the S08 season, given that the damages claimed by Ryanair should be measured only on the basis of the number of slots allocated to the airline at the time when the number of total slots allocated to Ciampino airport were reduced from 138 to 100*".

- ENI has brought a claim before the Rome civil court against its own client airline carriers (Air One, Alitalia, Eurofly, Livingston, Meridina and Neos) in order to ascertain the obligation to pay oil companies the amounts regarding the license fee that the company owes to airport operators, and, consequently, that the carriers are ordered to pay ENI the amounts accrued to this effect since October 2005 (with Legislative Decree no. 211/2005 regarding "system requisites" came into effect).
  In the same claim, ENI has also brought a secondary claim against airport operators, including ADR SpA (and the Civil Aviation Authority for the airports managed by the State) in order to ascertain that ENI does not owe the airport operators payments for the license fee calculated on the basis of the amount of fuel supplied to airline companies. Moreover, as specifically regards ADR, on the one hand, ENI requests that it is ordered to pay an amount corresponding to the sum paid since October 2005, totaling 276 thousand euros, and, on the other, that it be determined that ENI does not owe ADR the amount of 1.1 million euros (determined up to May 31, 2006), as yet unpaid. The case has been adjourned until a hearing on November 19, 2008.
- Airone has taken out legal proceedings at the Civil Tribunal of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators (SAB – Aeroporto di Bologna, ADR, SEA and SAVE), claiming the illegality of the payments requested by the managements of oil companies for the use of airport infrastructures, which these companies subsequently "pass on" to carriers. Consequently, Airone also requests that Tamoil – together with the above airport operators, each according to their portion of responsibility – be ordered to repay the sum paid by Airone since 2003, amounting to 2.9 million euros.
  The preliminary hearing will take place on September 25, 2008.
- On December 19, 2006 the Antitrust Authority notified ADR of the start (with decision no. 16246 of December 14, 2006) of proceedings against the Company, following:
  - reports from IBAR regarding the methods applied by ADR SpA to determine some fees for the use of airport infrastructures and capital goods used to service air transportation and passenger and aircraft assistance operations;
  - a complaint (also on the part of ALAS, ASSODOR and ANAMA) regarding the cargo sector, which focused on the anti-competitive aspect of the methods of determining fees for office space sub-concessions as well as the limits put forward by ADR regarding competitors' access to the cargo services assistance market.

  The Authority holds that ADR has abused its dominant position, pursuant to art. 82 of the EC Treaty, in the airport infrastructure management market at Fiumicino and Ciampino airports and in the cargo handling services market at Fiumicino.
  March 19, 2007 was the deadline by which ADR could exercise the faculty pursuant to art. 14*ter* of Law no. 287/90, enabling it to give the Authority commitments that would resolve the issue of the anti-competitive practices forming the subject of the investigation. Taking account of ADR SpA's reasonable and defendable stance in the face of the accusations put forward, it was decided not to make any such commitments and to fully defend the Company's position.
  On April 23 and on June 14 2007, ADR SpA gave evidence during an Antitrust Authority hearing as part of the proceedings.
  Following the second hearing the Authority asked ADR SpA to present documentation backing the facts that had emerged: the documentation will be presented on July 20, 2007.
  On November 15, 2007 the Authority extended the deadline for concluding the proceedings – previously fixed for January 31, 2008 – until June 30, 2008.
  On November 21, 2007 the Authority asked the Company to provide further information (accompanied by relevant documentation) regarding the state of progress of ADR's procedure to spin off the cargo business at Fiumicino airport, the allocation of spaces at Cargo City and the number of all-cargo flights operating at Fiumicino airport. ADR submitted all the requested information and documents on December 13, 2007.
  On June 16 2008 the Authority notified the Company of the results of the preliminary inquiry.
  The assessment of the Authority's investigative department, regarding the charges levied by ADR, changed in the sense that it excluded the abusive connotation of certain behaviors described in the initial proceedings of December 2006 and regarding these markets: (i) access to centralized infrastructures; (ii) the provision of assets for common and exclusive use to carry out catering assistance activities; and (iii) the provision of spaces at the airport to carry out additional security activities.

Indeed, in its report on the findings of the preliminary inquiry the Authority described ADR's behavior in the following markets as potentially abusive: 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.
The Authority extended the deadline for completing the proceedings, initially fixed for June 30, 2008, until July 31, 2008. Following the granting of the Company's request to extend the deadline on June 27, 2008, with a ruling on July 16, 2008, The Antitrust Authority fixed the deadline for gathering evidence at September 30, 2008; ADR may submit its final defense and any other documents by September 25, 2008.
The deadline for concluding the preliminary inquiry was set at October 24, 2008.
Based on information provided by legal advisors, the maximum fine imposed by the Authority would amount to around 26 million euros in terms of the findings of the preliminary inquiry. It is still difficult to make an objective assessment of the final outcome. In any case, the chances of a higher fine being imposed may be considered remote.

- On June 3, 2008 the Antitrust Authority took out proceedings against ADR regarding unfair commercial practices.
  These proceedings were launched following a report by Federconsumatori (Italy's consumers' association). Moreover, prior to the launch of the proceedings, ADR, in the spirit of collaboration and transparency that marks its relations with consumers, had already met with Federconsumatori, in order to come to an amicable agreement regarding the alleged unfair commercial practices.
  In launching the proceedings, the Authority has requested information from ADR regarding certain advertising messages displayed by the Company in its retail outlets at Fiumicino airport, which might be considered unfair pursuant to articles 20, 21 and 22 of the Consumer Code.
  ADR's conduct, which is under investigation by the Antitrust Authority, refers to advertising messages aimed at promoting food items with the slogan "Best Price in Europe", as well as the display of illuminated signs and/or billboards bearing the wording "Good Buy Roma Duty Free Shops offer up to 40% savings on prices in the city".
  Moreover, the Authority requested information on the wording "Duty Free" displayed in areas reserved for domestic flights, which might mislead consumers.
  On June 26, 2008 the Company sent the information requested to the Authority and, having decided it was opportune to do so, on July 4, 2008 ADR submitted its "commitments" to the Antitrust Authority (as provided for under article 27, paragraph 7, of the Consumer Code, as well as article 8 of the "Regulations for preliminary investigations regarding unfair commercial practices"). If the Authority accepts these commitments, the proceedings may conclude without imposition of any penalties on ADR or, on the other hand, the proceedings might continue and be concluded by October 1, 2008.
  In such cases the fine imposed by the Authority would range from 5 thousand euros to 500 thousand euros.
- On November 21, 2007 ADR lodged an appeal with the Lazio Regional Administrative Court (without a request for suspension) to obtain cancellation of CIPE Resolution no. 38/07 and the attached "Directive regarding tariff regulation of airport services offered on an exclusive basis". Subsequently, ADR appealed (also without request for suspension) against the Guidelines issued by the Civil Aviation Authority in implementation of this Directive.
  The principal grounds for the appeal regard the remuneration of invested capital and, more generally speaking, the allocation of concessionary charges, application of the single till criterion (the contribution of a percentage of commercial margins towards the determination of airport fees) and regulated tariff trends.
  The date of the related hearing has yet to be announced.
- A case brought by a former employee is pending before the Supreme Court against his dismissal for disciplinary reasons in August 1993 regarding "alleged offenses" whilst carrying out his duties at work. In the first and second instance the outcome was positive for ADR (the plaintiff was granted only one month's salary regarding the period of preventive suspension). At June 30, 2008 the petitum in the case amounts to more than 660 thousand euros as the plaintiff has requested, in addition to reinstatement of his position at the Company, payment of salary backdated to his dismissal. The case was discussed at a hearing on March 26, 2008, and a sentence is awaited.
- A case is pending before the Appeal Court of Rome brought by the heirs of an ADR employee who died in June 2000 as the result of an accident in the workplace, who are claiming various types of damages (1.7 million euros). In first instance the labor court judge rejected all the plaintiffs' claims, having failed to recognize ADR's responsibility for the accident that caused the death of the employee.

- A judgment is pending before the Lazio Regional Administrative Court in a case brought by ADR against the Ministry of Labor and Social Policies regarding obligatory employment. The case derives from a request submitted by ADR to the Ministry of Labor regarding the possibility of excluding from the reserve quota of disabled workers ADR employees who carry out security, property surveillance and safety duties (472 staff at the time of the request), as such personnel are involved in activities that are included or assimilable amongst those exonerated under the relevant legislation (Law no. 68/1999). As the Ministry refused to grant this request, ADR appealed to the Regional Administrative Court with a request for preventive suspension. In a ruling on May 4, 2006, handed down with regard to the preventive suspension, the Regional Administrative Court accepted ADR's claim and consequently suspended the Ministry's refusal with immediate effect.
- A group of 16 parties summonsed ADR and the bankrupt Ligabue Gourmet, thereby challenging the validity of ADR's sale of the West catering business unit to Ligabue, with a claim for damages totaling around 9.8 million euros until the end of 2006, including future damages and employee severance indemnities. Despite the lack of previous decisions regarding such a case, acceptance of these claims is deemed highly unlikely.
- A case is pending before the Court of Appeal of Rome brought by a group of 31 plaintiffs, all of whom are former ADR employees transferred to Ligabue after the sale of the West catering business unit by ADR to the latter company, which subsequently went bankrupt. The petitum is unquantifiable. The claim specifically regards a ruling that dealt with the issue of employment following the bankruptcy of Ligabue signed at the Ministry of Labor and Social Policies, and endorsed by ADR and other interested companies, and the relevant national and regional authorities and labor organizations. Initially, a group of 54 former Ligabue employees lodged an urgent appeal (pursuant to art. 700 of the Civil Procedure Code) requesting that the signatories of the Ministerial ruling of August 2, 2002 be obliged to provide the plaintiffs with suitable employment and execute the terms of the ruling. With regard to preventive action, the judge cancelled the judgment for 11 plaintiffs who were recruited by the Municipality of Rome and, recognizing that the others had been denied the capacity to be made defendants, condemned ADR "*to give permanent employment within the scope of airport-related activities*" to the other 43 plaintiffs. Subsequent to lodging of an appeal, this measure was modified as the Ministry's ruling was not deemed to contain any commitment by ADR to directly employ former Ligabue employees, but only to act on their behalf in seeking their employment amongst the companies operating at the airport. The subsequent judgment in first instance acknowledged the validity of the above principle, resulting in a cessation of the case for the 11 plaintiffs recruited by the Municipality of Rome and the rejection of the claim made by the other plaintiffs. As already mentioned, only 31 of the original plaintiffs lodged appeals.
- A case is pending before the Supreme Court brought by the heirs of an Alitalia employee who died in May 1994 due to employment-related causes, according to the plaintiffs. In first instance the plaintiffs only took out legal proceedings against Alitalia but, at the latter company's request, the judge also involved Assicurazioni Generali and INAIL (National Institute for Insurance against Labour Accidents) in the case, as well as ADR, as Alitalia pointed out that the first aid center that provided assistance to the Alitalia employee who was taken ill was managed by ADR. In the first and second instance the opposing claims were completely rejected. The petitum in the case, for claims for damages submitted by the plaintiffs, amounts to over 950 thousand euros at June 30, 2008. A date for the Supreme Court hearing has not yet been fixed.

The following claims with regard to contract work, services and supplies are pending before civil law courts:

- At the hearing on January 10, 2007 ATI Alpine Bau, awarded the contract for works relating to the structural and operational upgrading of runway 16/34L (runway 3) at Leonardo da Vinci Airport in Fiumicino, appealed sentence no. 1347/06 handed down on January 16, 2006 by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest from the time of the claim, totaling 0.2 million euros.

  The appeal reiterates the claims for damages made in first instance (66 million euros, plus legal interest accrued from the time of the claim) and a request was made to combine the three proceedings. In addition, a further appeal is pending against the partial judgment in first instance (the hearing for final judgment, originally set for October 2, 2007 was adjourned by the Court until October 20, 2009).

At the hearing on January 10, 2007 ATI Alpine's legal counsel made a request to combine the present proceeding with the preceding underway for which a partial judgment has been made (cited above). ADR's legal experts opposed to the combination of the proceedings and the judge, in accepting this opposition, rejected the request, but at the same time ordered that, merely for the purposes of reducing the number of court appearances, the present proceeding and that for which a partial judgment has been made be handled during the same hearing set for October 2, 2007. This hearing was adjourned by the Court until January 19, 2010.

- In 2002 a lawsuit was taken out by ATI Elsag SpA - CML Handling Technology SpA regarding payment of sums posted to accounts relating to the contract to construct the new baggage handling system at Fiumicino airport, amounting to 7.4 million euros, plus interest. With sentence no. 23167/07 Aeroporti di Roma was ordered to pay damages to Elsag, amounting to 1.2 million euros, plus interest and revaluation. The Company is considering whether to lodge an appeal or to seek an agreed settlement of the dispute.
- A claim for damages, in relation to the contract for the extension and restructuring of the international terminal at Rome's Fiumicino Airport and related works, has been brought by Consorzio Aerest (in liquidation). The claim amounts to approximately 2.2 million euros plus VAT, interest and revaluation. On October 8, 2004 the Court of Rome partially upheld the Consorzio Aerest's claim, requiring ADR SpA to pay the consortium the sum of approximately 167 thousand euros, rejecting all other claims and apportioning the legal costs to both parties.
  On April 27, 2005 Consorzio Aerest appealed against the above-mentioned sentence, substantially reiterating the claim submitted in first instance. At the hearing for final judgment held on May 20, 2008, the judge adjourned the hearing until April 6, 2010 for the same purpose.
- In the parallel civil judgment instigated by Consorzio Aerest to obtain, amongst other things, restitution from ADR SpA of the so-called withholding on accidents and injuries, equal to 0.5% of the entire amount of the contact describe in the above paragraph, with sentence no. 2691/2007, notified on June 28, 2007. Rome's civil court ordered ADR SpA to pay the amount of 280 thousand euros, in addition to legal interest and court expenses accruing from the time of the claim. The appeal is going forward in consideration of the fact that ADR SpA has already paid the contested amount on the basis of the inspection certificate approved at that time, even if the nature of said amounts was not specified in said certificate, thereby causing the judgment in first instance to be erroneous. At the hearing held on February 1, 2008 the Court adjourned the case until May 20, 2008 for possible combination with the above proceedings. On that occasion, the judge adjourned the case until a hearing on April 6, 2010 for passing of judgment, but did not make provisions for combining it with the above judgment.
- A civil lawsuit brought by Finprest to obtain recognition of its right to a sum of 3.2 million euros pertaining to review of contract prices, revaluations and interest in relation to a contract (dating back to 1988) for restructuring and extension works at the "old" domestic terminal (Terminal A) at Leonardo da Vinci airport in Fiumicino. At the hearing for gathering evidence held on June 6, 2006, the judge adjourned the proceedings to a hearing on October 16, 2007 for final judgment. Issue of the sentence is awaited.
- On December 30, 2004 ATI NECSO ENTRECANALES - Lamaro Appalti notified its decision to appeal sentence 35859/2003 issued by the Civil Court of Rome, summonsing ADR SpA to appear before the Appeal Court of Rome at a hearing on March 30, 2005. In addition to rejecting ATI Necso's claims, the judge at the initial hearing also ordered the company to pay ADR SpA's costs. ATI NECSO is claiming damages of 9.8 million euros, plus VAT, interest, revaluation and costs, from ADR SpA in relation to 7 claims posted in the accounts relating to the contract for work on the extension and restructuring of the international terminal (Satellite West) at Fiumicino. In view of the positive outcome of the initial hearing, the Group believes the likelihood of a negative outcome to be remote. The case was adjourned until November 18, 2008.
- On February 1, 2005 Fondedile Costruzioni Srl lodged an appeal against sentence no. 23019/2004 of the Civil Court of Rome, which rejected all the requests made by Fondedile, and also ordered the company to reimburse ADR's legal costs. Such appeal reiterates the claim submitted in first instance for a total of 3.6 million euros, as well as legal and overdue interest and revaluation. At a preliminary hearing on May 3, 2005 before the second section of the Appeal Court of Rome, the judge adjourned the hearing until February 5, 2008 for final judgment. On that occasion, the case was adjourned for "court list" reasons until a hearing on April 21, 2009, also for pronouncement of final judgment.

- On March 31, 2006 a summons was issued in which ATI Opere Pubbliche SpA - Opere Idriche SpA, the company contracted to carry out works on the multistory car park (fifth module)at Leonardo da Vinci airport in Fiumicino, requests that ADR be ordered to pay the 17 reserves recorded in the accounts regarding said works, for a total of 2.0 million euros, plus legal interest, as well as legal costs and fees. The request submitted from the alleged design error which obliged the contractor, ATI, to use greater quantities of material than those provided for in the project and, above all, the increase in the prices of materials used for the work in question, primarily metals (iron, steel, copper, etc.). With the order of April 3, 2007, the judge accepted the preliminary and prejudicial questions raised by ADR SpA during the hearing on March 30, 2007, rejecting, at the same time, the requests put forward by the plaintiff. The hearing was adjourned until March 20, 2009 for final judgment.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

* * *

In conclusion, we declare that these consolidated financial statements present a true and fair picture of the Group's financial position and results of operations for the period.

THE BOARD OF DIRECTORS

AEROPORTI DI ROMA SPA:
SEPARATE ACCOUNTING SCHEDULES

(unaudited)

BALANCE SHEET
as of June 30, 2008
(in euros)
(Translation from the original issued in Italian)
ASSETS

	30/06/2008			31/12/2007		
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS:						
▪ Industrial patents and intellectual property rights		2,200,931			2,295,454	
▪ Concessions, licenses,trademarks and similar rights		1,807,204,754			1,832,274,814	
▪ Leasehold improvements in process and advances		62,206,396			41,808,644	
▪ Leasehold improvements		184,601,457			180,034,154	
			2,056,213,538			2,056,413,066
TANGIBLE FIXED ASSETS:						
▪ Land and buildings		2,991,951			3,102,806	
▪ Plant and machinery		42,670,276			37,543,992	
▪ Industrial and commercial equipment		1,400,179			1,578,883	
▪ Fixed assets to be relinquished		87,989,824			76,116,680	
▪ Other assets		4,453,192			4,190,763	
▪ Work in progress and advances		19,541,667			16,437,400	
			159,047,089			138,970,524
NON-CURRENT FINANCIAL ASSETS:						
▪ Equity investments in:						
- subsidiary undertakings	4,388,132			4,378,132		
- associated undertakings	49,001			49,001		
- other companies	2,718,532			2,252,718		
		7,155,665			6,679,851	
▪ Receivables due from others:						
. within 12 months	3,099			3,099		
. beyond 12 months	527,956			711,586		
		531,055			714,685	
			7,686,720			7,394,536
Total fixed assets			**2,222,947,347**			**2,202,778,126**
CURRENT ASSETS						
INVENTORY						
▪ Raw, ancillary and consumable materials		2,865,416			2,817,101	
▪ Contract work in progress		7,690,348			7,515,348	
▪ Finished goods and goods for resale						
- goods for resale	8,650,899			8,298,091		
		8,650,899			8,298,091	
▪ Advances		0			113,439	
			19,206,663			18,743,979
RECEIVABLES						
▪ Due from clients		161,848,421			137,646,498	
▪ Due from subsidiary undertakings		11,866,241			11,687,054	
▪ Due from associated undertakings		529,543			529,543	
▪ Due from tax authorities		2,542,616			2,090,942	
▪ Deferred tax assets		18,865,345			9,757,345	
▪ Due from others:						
- various						
. within 12 months	62,488,000			51,509,226		
be rendered		62,488,000			51,509,226	
			258,140,166			213,220,608
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
▪ Bank and post office deposits		120,015,003			157,390,127	
▪ Cash and notes in hand		1,424,385			1,143,033	
			121,439,388			158,533,160
Total current assets			**398,786,217**			**390,497,747**
ACCRUED INCOME AND PREPAID EXPENSES						
▪ Accrued income and other prepaid expenses			**6,461,937**			**4,496,565**
TOTAL ASSETS			**2,628,195,501**			**2,597,772,438**

BALANCE SHEET
as of June 30, 2008
(in euros)
(Translation from the original issued in Italian)

	30/06/2008			31/12/2007		
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY						
▪ SHARE CAPITAL						
ordinary shares			62,309,801			62,309,801
▪ SHARE PREMIUM RESERVE			667,389,495			667,389,495
▪ REVALUATION RESERVES			0			0
▪ LEGAL RESERVE			12,461,960			12,461,960
▪ RESERVE FOR OWN SHARES			0			0
▪ STATUTORY RESERVES			0			0
▪ OTHER RESERVES			416,300			416,300
▪ RETAINED EARNINGS (ACCUMULATED LOSSES)			23,814,301			4,881,808
▪ NET INCOME (LOSS) FOR THE YEAR			(4,952,840)			18,932,493
Total shareholders' equity			**761,439,017**			**766,391,857**
ALLOWANCES FOR RISKS AND CHARGES						
▪ Other		39,972,500			29,627,399	
Total allowances for risks and charges			**39,972,500**			**29,627,399**
EMPLOYEE SEVERANCE INDEMNITIES			**36,250,344**			**36,377,465**
PAYABLES						
▪ Due to banks						
. within 12 months	1,528,293			5,981,349		
. beyond 12 months	293,350,000			243,250,000		
		294,878,293			249,231,349	
▪ Due to other financial institutions:						
. within 12 months	1,994,338			14,640,355		
. beyond 12 months	1,200,018,896			1,265,018,896		
		1,202,013,234			1,279,659,251	
▪ Advances:						
- from clients						
. from the Ministry of Transport:						
. within 12 months	278,106			278,106		
. beyond 12 months	4,770,000			4,770,000		
. other	6,703,501			4,531,198		
		11,751,607			9,579,304	
▪ Due to suppliers:						
. within 12 months	167,359,040			126,137,634		
. beyond 12 months	4,457,232			3,833,119		
		171,816,272			129,970,753	
▪ Due to subsidiary undertakings:						
. within 12 months	16,698,604			14,932,635		
		16,698,604			14,932,635	
▪ 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	20,578,488			14,106,960		
		20,578,488			14,106,960	
▪ Taxes due:						
. within 12 months	20,670,731			20,251,372		
		20,670,731			20,251,372	
▪ Due to social security agencies		5,937,623			6,546,613	
▪ Other payables: various creditors						
. within 12 months	35,018,576			33,497,620		
. beyond 12 months	1,214,699			1,462,636		
		36,233,275			34,960,256	
Total payables			**1,781,581,107**			**1,760,241,473**
ACCRUED EXPENSES AND DEFERRED INCOME						
▪ Accrued expenses and other deferred income			**8,952,533**			**5,134,244**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,628,195,501**			**2,597,772,438**

BALANCE SHEET
as of June 30, 2008
(in euros)
(Translation from the original issued in Italian)

MEMORANDUM ACCOUNTS	30/06/2008		31/12/2007	
▪ General guarantees:				
- Sureties	110,522		110,522	
- Other	638,655		686,421	
		749,177		796,943
▪ Collateral guarantees:		0		0
▪ Commitments on purchases and sales		99,613,509		112,323,422
▪ Other		940,305,094		917,577,282
TOTAL MEMORANDUM ACCOUNTS		**1,040,667,780**		**1,030,697,647**

INCOME STATEMENT
for the period January-June 2008
(in euros)
(Translation from the original issued in Italian)

	First Half 2008			First Half 2007		
TOTAL REVENUES						
▪ Revenues from sales and services:						
- revenues from sales	40,270,211			37,081,068		
- revenues from services	226,685,459			222,415,335		
		266,955,670			259,496,403	
▪ Changes in contract work in progress		175,000			0	
▪ Other income and revenues:						
- profits on disposals	8,600			13,700		
- other	1,909,539			1,508,414		
		1,918,139			1,522,114	
			269,048,809			**261,018,517**
OPERATING COSTS						
▪ raw, ancillary and consumable materials and goods for resale		36,481,349			31,258,899	
▪ services		55,440,859			50,844,886	
▪ leases		6,244,838			5,059,224	
▪ payroll:						
- wages and salaries	43,855,461			40,873,893		
- social security	11,287,356			11,739,144		
- employee severance indemnities	3,408,342			3,105,109		
- other	529,560			514,982		
		59,080,719			56,233,128	
▪ Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	43,172,012			40,467,940		
- depreciation of tangible fixed assets	8,720,429			7,536,043		
- provisions for doubtful accounts	980,456			4,067,656		
		52,872,897			52,071,639	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		(401,123)			1,024,720	
▪ Provisions for risks		10,645,558			1,785,011	
▪ Other provisions		110,000			0	
▪ Sundry operating costs:						
- license fees	9,769			17,193		
- other	2,384,894			2,065,184		
		2,394,663			2,082,377	
			(222,869,760)			**(200,359,884)**
Operating income			**46,179,049**			**60,658,633**
FINANCIAL INCOME AND EXPENSE						
▪ Other financial income:						
- from long-term receivables						
. other	4,950			9,435		
- other						
. Interest and commissions from subsidiary undertakings	40,152			44,798		
. Interest and commissions from banks	3,815,092			3,519,436		
. Interest and commissions from clients	281,880			619,275		
. Interest and commissions from others	3,865,748			87,328		
		8,007,822			4,280,272	
▪ Interest expense and other financial charges:						
- interest and commissions due to subsidiary undertakings	82,728			67,798		
- interest and commissions due to banks	6,821,468			5,877,630		
- interest and commissions due to other financial institutions	37,177,948			34,559,644		
- interest and commissions due to others	3,941,119			1,863,985		
- provisions for overdue interest on written down receivables	196,076			476,303		
		(48,219,339)			(42,845,360)	
▪ Profits and losses on exchange:						
- Profits	22,143			46,990		
- Losses	1,331			3,618		
		20,812			43,372	
Total financial income (expense), net			**(40,190,705)**			**(38,521,716)**

INCOME STATEMENT
for the period January-June 2008
(in euros)
(Translation from the original issued in Italian)

	First Half 2008			First Half 2007		
ADJUSTMENTS TO FINANCIAL ASSETS			**0**			**0**
EXTRAORDINARY INCOME AND EXPENSE						
• Income:						
- other	362,673			373,852		
		362,673			373,852	
• Expense:						
- other	2,068,310			1,023,592		
		(2,068,310)			(1,023,592)	
Total extraordinary income (expense), net			**(1,705,637)**			**(649,740)**
Income before taxes			**4,282,707**			**21,487,177**
Income taxes of the period, current, deferred assets (liabilities):						
- current		(18,343,547)			(17,570,480)	
- deferred tax assets (liabilities)		9,108,000			599,000	
			(9,235,547)			**(16,971,480)**
Net income (loss) for the period			**(4,952,840)**			**4,515,697**

AUDITORS REVIEW REPORT

Deloitte & Touche S.p.A.
Via della Camilluccia, 589/A
00135 Roma
Italia

Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

AUDITORS' REVIEW REPORT ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
AEROPORTI DI ROMA S.p.A.

1. We have reviewed the half-yearly condensed consolidated financial statements of Aeroporti di Roma S.p.A. and subsidiaries (the "Aeroporti di Roma Group"), which comprise the consolidated accounting schedules as of and for the six-month period ended June 30, 2008 and the related explanatory notes. The Company's directors are responsible for the preparation and presentation of this interim financial information in accordance with the accounting standards applicable to interim accounts set out by the accounting principle No. 30 established by OIC (*Organismo Italiano di Contabilità*). Our responsibility is to issue a report on these half-yearly condensed consolidated financial statements based on our review.

2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and substantive procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike our report on the year-end consolidated financial statements, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

   As far as comparative figures related to the year ended December 31, 2007 and the six-month period ended June 30, 2007 are concerned, reference should be made to our auditors' report dated March 31, 2008 and our auditors' review report dated September 27, 2007, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of Aeroporti di Roma Group as of June 30, 2008 are not prepared, in all material respects, in accordance with the accounting standards applicable to interim accounts set out by the accounting principle No. 30 established by OIC (*Organismo Italiano di Contabilità*).

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
August 7, 2008

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

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Perugia Roma Torino Treviso Verona

Member of
Deloitte Touche Tohmatsu

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Partita IVA/Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239