Quarterly Report as at March 31, 2012

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

www.adr.it

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CORPORATE OFFICERS

Aeroporti di Roma S.p.A.

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

Board of Directors *(Three-year period 2010-2012)*	
Chairman	Fabrizio Palenzona
Deputy Executive Chairman	Carlo Bertazzo
Managing Director	Lorenzo Lo Presti
Directors	Giuseppe Angiolini Mario Canapini Stefano Cao Beng Huat Ho Enzo Mei Gianni Mion Clemente Rebecchini Paolo Roverato
Secretary	Antonio Sanna

Board of statutory Auditors *(Three-year period 2010-2012)*	
Chairman	Maria Laura Prislei
Statutory Auditors	Luca Aurelio Guarna Silvano Montaldo Enrico Proia Mario Tonucci
Alternate Auditors	Piero Alonzo Cristiano Proserpio

Independent Auditors *(period 2007-2012)*	Deloitte & Touche S.p.A.

HIGHLIGHTS

The following table summarizes the main traffic data of the first quarter of 2012 for Rome's airport system managed by the Parent Company Aeroporti di Roma S.p.A. ("ADR S.p.A."), showing changes with respect to the same period of 2011.

TRAFFIC PERFORMANCE

Traffic component	1st Quarter 2012	
	SYSTEM (°)	% Change (*)
Movements (no.)	81,228	(6.4%)
Tonnage	6,325,964	(6.0%)
Total passengers (no.)	8,511,741	(1.4%)
Total cargo (kg)	34,224,213	(9.3%)

(°) Fiumicino + Ciampino (*)
(*) compared to the same period of 2011

The following table shows the Aeroporti di Roma Group's ("ADR Group") financial and operational highlights for the first quarter of 2012.

ADR GROUP

Consolidated financial and operational highlights *(€000)*	***1st Quarter 2012***		***1st Quarter 2011***
Revenues	131,048		129,813
EBITDA	54,974		53,656
EBIT	21,842		22,325
Net income (loss):			
minority interest	124		156
Group share	(1,447)		(886)
Investments (including the portion charged to the Civil Aviation Authority)	8,795		15,193
	03.31.2012	***12.31.2011***	***03.31.2011***
Invested capital	1,910,212	1,946,587	1,974,408
Shareholders' equity (including minority interest)	791,225	792,548	749,722
Group shareholders' equity	790,498	791,945	749,387
Net financial indebtedness	1,118,987	1,154,039	1,224,686
Headcount at end of period	2,502	2,589	2,611
Ratios	***1st Quarter 2012***		***1st Quarter 2011***
Average revenue per employee (€000)	58		56
No. of passengers/ Average headcount	3,745		3,751

INTERIM REPORT ON OPERATIONS

QUARTERLY REVIEW

As regards the results for the first quarter of 2012, note that the levels of ADR business are related to movement flows of people and goods, which for the business and leisure segment are strongly affected by seasonal differences. Traffic volumes in the first quarter are traditionally the lowest of the year, whereas the third quarter normally records a high concentration of traffic. This seasonal nature of business is therefore also reflected in the operating and financial results of each quarter.

In the first quarter of 2012 the traffic trend recorded in the last two months of 2011 continued, added to which are the negative effects of the general macroeconomic performance.

However, it is important to note that the Roman Airport System, in terms of its traffic characteristics and geographic location, still shows a strong resilience to such negative scenarios. In fact, the decrease recorded in volumes for the period is much more limited than those recorded by other transport segments in general.

The ADR Group has in any event shown a strong reactive capacity to such a negative situation, controlling its costs and investments and thereby containing the negative economic effects and at the same time further improving its net financial position.
Of particular importance, in fact, is the 2.5% improvement in EBITDA in absolute terms, which becomes negative (-2.2%) at EBIT level due to the effect of the increased amortization, depreciation and allowance for risks and charges.
The final residual balance (65.5 million euros) of the bank loan signed in 2005 was repaid in February 2012.

Definition of the Planning Agreement continued during the quarter. In particular, ADR worked with the Civil Aviation Authority (ENAC) on the draft of the final Preliminary Report sent to the Italian Ministry of Transport and Infrastructure and the Ministry of Economy and Finance at the end of March. The Preliminary Report was accompanied by the full text of the draft Planning Agreement, together with all annexes including the Investment Plan covering the period up to 2044 (for a total of 12 billion euros), the Business Plan and tariff structure for the entire period of the concession.

We are therefore waiting for in-depth discussion at ministerial level to begin on the proposal submitted, after which the second series of consultations of airport users in relation to the tariff system will be arranged.

We repeat that there is an absolute and urgent need to successfully conclude the new proposed Planning Agreement, also with a view to carrying out the related investments necessary to overcome the current infrastructural saturation.

GROUP FINANCIAL REVIEW

Consolidated economic position

In such an operating environment and again in the absence of a suitable tariff framework, in the first quarter - low season for the sector - the Group recorded a negative result of -1.4 million euros compared to the 0.9 million euros loss in the corresponding quarter of last year.

Reclassified consolidated income statement
(€/000)

Year 2011		First Quarter 2012		First Quarter 2011		Change	Change %
614,408	Revenues from sales and services	129,650		128,491		1,159	0.9%
5,628	Contract work in progress	1,398		1,322		76	5.7%
620,036	A.- REVENUES	131,048	100.0%	129,813	100.0%	1,235	1.0%
4,631	Capitalized costs and expenses	710		651		59	9.1%
624,667	B.- REVENUES FROM ORDINARY ACTIVITIES	131,758		130,464		1,294	1.0%
(204,005)	Cost of materials and external services	(46,588)	(35.6%)	(46,076)	(35.5%)	(512)	1.1%
420,662	C.- GROSS MARGIN	85,170	65.0%	84,388	65.0%	782	0.9%
(125,008)	Payroll costs	(30,196)	(23.0%)	(30,732)	(23.7%)	536	(1.7%)
295,654	D.- GROSS OPERATING INCOME	54,974	41.9%	53,656	41.3%	1,318	2.5%
(116,106)	Amortization and depreciation	(29,138)		(28,968)		(170)	0.6%
(7,367)	Other provisions	(985)		(609)		(376)	61.7%
(20,772)	Provisions for risks and charges	(2,228)		(749)		(1,479)	197.5%
5,888	Other income (expense), net	(781)		(1,005)		224	(22.3%)
157,297	E.- OPERATING INCOME	21,842	16.7%	22,325	17.2%	(483)	(2.2%)
(71,578)	Financial income (expense), net	(16,976)	(13.0%)	(17,851)	(13.8%)	875	(4.9%)
	Adjustments to financial assests	0		0		0	0.0%
85,719	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	4,866		4,474		392	8.8%
127	Extraordinary income (expense), net	(1,306)		211		(1,517)	(719.0%)
85,846	G.- INCOME BEFORE TAXES	3,560		4,685		(1,125)	(24.0%)
(52,626)	Income taxes for the period	(6,238)		(6,070)		(168)	2.8%
8,696	Deferred tax assets	1,355		655		700	106.9%
41,916	H.- NET INCOME FOR THE PERIOD	(1,323)		(730)		(593)	81.2%
	including:						
424	- Minority interest	124		156		(32)	(20.5%)
41,492	**- Group interest**	**(1,447)**		**(886)**		**(561)**	**63.3%**

Consolidated revenues amounted to 131.0 million euros, up 1.0% on the first quarter of 2011 due to the positive contribution of the non-aeronautical segment (+1.7%). Overall, however, revenues from aeronautical activities were in line with 2011 (+0.2%) as no benefit has been achieved as yet from the scheduled inflation-linked tariff increase (for further information reference should be made to the section on “Legal and regulatory framework”).

The negative traffic trend led to a decrease in all aeronautical business components: airport fees -2.6%, security -2.0%, assistance to passengers with reduced mobility (PRM) and other aeronautical services -0.5%. On the other hand, revenues from centralized infrastructures were up (+19.2%) as a result of income generated by the new transit baggage handling system, not yet recorded in the comparison period.
In terms of non-aeronautical activities, the overall 1.7% growth came from revenues for floor space and commercial sub-concessions (+3.9%). Direct sales, most affected by the traffic, recorded revenues in line with the first quarter of 2011 (+0.1%) due to the 1.6% increase in average spend per passenger. Car park revenues were down slightly (-1.3%), against a 1.8% decrease in outgoing passengers, as were revenues from advertising (-3.2%).

For a more extensive description of the Group's revenue performance reference should be made to the section on "Group operations".

The **cost of materials and external services** totaled 46.6 million euros, recording a 1.1% increase due mainly to the combined effect of:

- *raw materials and goods for resale*: increase of 1.7 million euros primarily as a result of higher electricity purchase costs deriving from the rise in oil prices and excise dues;
- *external service costs*: decrease of 1.2 million euros due to the lower costs for consultants' fees, overheads and communications.

Payroll costs totaled 30.2 million euros, down 1.7% as a result of the lower average headcount (-27.2 staff) and the unit cost decrease, partially offset by a less positive breakdown of the headcount mix.

Gross operating income stood at 55.0 million euros, up 2.5% on the comparison period and with an impact on revenues increasing from 41.3% in 2011 to 41.9%.

Despite the positive contribution from operations, the higher allowance for bad debt and for risks and charges of 1.9 million euros due to potential liabilities arising from relations with customers, personnel and contractors led to a 2.2% decrease in **operating income**, which reached 21.8 million euros compared to 22.3 million euros in 2011.

Net financial expense amounted to 17.0 million euros, recording a 0.9 million euros decrease on the first quarter of 2011 mainly due to the reduced average exposure to the banking system from repayment of the Term Loan.

Extraordinary expense recorded a negative balance of 1.3 million euros, compared to net income of 0.2 million euros in 2011, relating to non-recurring costs incurred with reference to corporate transactions in progress.

The effect of the above and the more limited tax burden (-0.5 million euros), also in relation to new tax regulations introduced by the "Save Italy Budget", mean that the ADR Group closed the quarter with a negative result for the period of 1.4 million euros compared to the 0.9 million euros loss recorded in the same period last year.

Consolidated financial position

Consolidated invested capital as of March 31, 2012 amounts to 1,910.2 million euros, down 36.4 million euros compared to the end of the previous year, attributable both to fixed assets and working capital for the period.

Reclassified consolidated balance sheet
(€/000)

03-31-2011		03-31-2012	12-31-2011	Change
	A. - NET FIXED ASSETS			
1,898,039	Intangible fixed assets *	1,845,857	1,864,611	(18,754)
191,912	Tangible fixed assets	186,011	189,075	(3,064)
2,920	Non - current financial assets	2,771	2,782	(11)
2,092,871		2,034,639	2,056,468	(21,829)
	B. - WORKING CAPITAL			
21,449	Inventory	20,760	18,494	2,266
170,761	Trade receivables	165,916	183,529	(17,613)
60,927	Other assets	78,175	76,321	1,854
(146,125)	Trade payables	(132,351)	(133,455)	1,104
(70,567)	Allowances for risks and charges	(85,978)	(84,333)	(1,645)
(126,392)	Other liabilities	(145,975)	(145,645)	(330)
(89,947)		(99,453)	(85,089)	(14,364)
	C. - INVESTED CAPITAL, minus			
2,002,924	short-term liabilities (A+B)	1,935,186	1,971,379	(36,193)
28,516	D. - EMPLOYEE SEVERANCE INDEMNITIES	24,974	24,792	182
	E. - INVESTED CAPITAL, minus short-term			
1,974,408	**liabilities and E.S.I. (C-D)**	**1,910,212**	**1,946,587**	**(36,375)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
749,387	- Group interest	790,498	791,945	(1,447)
335	- Minority interest	727	603	124
749,722		791,225	792,548	(1,323)
1,367,377	G. - MEDIUM/LONG-TERM BORROWING	790,861	1,295,111	(504,250)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
30,745	.Short-term borrowing	529,605	89,465	440,140
(173,436)	.Cash and current receivables	(201,479)	(230,537)	29,058
(142,691)		328,126	(141,072)	469,198
1,224,686	(G+H)	1,118,987	1,154,039	(35,052)
1,974,408	**I. - TOTALE AS IN "E" (F+G+H)**	**1,910,212**	**1,946,587**	**(36,375)**
1,638,680	*(*) including the value of the concession totaling*	*1,589,396*	*1,601,717*	*(12,321)*

Containment of the infrastructural investment program by the Parent Company ADR affected the level of **net fixed assets**, down 21.8 million euros compared to December 31, 2011 due to depreciation for the period being higher than investments.

Working capital recorded a 14.4 million euros decrease primarily due to the drop in trade receivables of 17.6 million euros, which despite the low season derived from an improvement in collection times, also compared to March 31, 2011.
The main changes in other working capital components were:
- an increase in inventories of 2.2 million euros largely attributable to inventories of goods for resale, the procurement policies for which were conditioned by disposal of the retail business unit finalized at the beginning of April;
- an increase in "other assets" of 1.8 million euros, of which 1.4 million euros for higher deferred tax assets;
- a decrease of 1.1 million euros in trade payables;

- an increase of 1.6 million euros in the allowances for risks and charges relating to the updated assessment of risks/litigations with personnel and contractors.

In reference to the financial structure, note that the decrease in invested capital is essentially reflected in the lower **net debt** (-35.1 million euros), which stood at 1,119.0 million euros as of March 31, 2012.

Shareholders' equity was down slightly compared to the year-end figure for 2011 (-1.3 million euros attributable to the loss for the period).

Consolidated net debt

(€/000)

03-31-2011		03-31-2012	12-31-2011	Change
(2,758)	Titles - Bonds	(2,758)	(2,758)	0
170,116	Due to banks	93,600	97,850	(4,250)
1,200,019	Due to other financial institutions	700,019	1,200,019	(500,000)
1,367,377	**A- MEDIUM/LONG -TERM BORROWING**	**790,861**	**1,295,111**	**(504,250)**
10,543	Due to banks	9,392	75,322	(65,930)
20,202	Due to other financial institutions	520,214	14,143	506,071
30,745	**Short-Term Borrowing**	**529,606**	**89,465**	**440,141**
(56,055)	Receivables due from others	(50,516)	(56,112)	5,596
(117,381)	Cash on hand and in banks	(150,963)	(174,425)	23,462
(173,436)	**Cash and current receivables**	**(201,479)**	**(230,537)**	**29,058**
(142,691)	**B- NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)**	**328,127**	**(141,072)**	**469,199**
1,224,686	**NET DEBT (A+B)**	**1,118,987**	**1,154,039**	**(35,051)**

Net debt saw a decrease in the **medium/long-term component** of 504.3 million euros deriving from:

- reclassification among short-term debt of Tranche A1, amounting to 500.0 million euros, of the Romulus Finance S.r.l. debt expiring in February 2013;
- reclassification among short-term debt of 4.3 million euros of the Banca BIIS loan expiring in March 2013.

The **short-term component of debt**, on the other hand, is up by 469.2 million euros due to the combined effect of:

- a 65.9 million euros decrease in amounts due to banks, of which 65.5 million euros relating to repayment on the due date of February 20, 2012 of the residual amount of the Term Loan Facility; reclassification of 4.3 million euros of the Banca BIIS loan falling due in March 2013 was offset by payment of the BIIS loan installment for the same amount in March 2012;
- an increase in amounts due to other financial institutions of 506.1 million euros, 500.0 million euros of which attributable to reclassification of Tranche A1 and 6.1 million euros to the assessment of interest accrued for the period but not yet paid;
- lower cash on hand and in banks and current loans for 29.1 million euros due mainly to repayment of the debts mentioned above.

Cash on hand and in banks of the Group amounting to 151.0 million euros as at March 31, 2012 include 75.4 million euros as the balance of the "loan collateral" account, on which at the application date of March 2012 a further 23.2 million euros were deposited to securitize Tranche A1.

Statement of consolidated cash flows

(€/000)

2011		First Quarter 2012	First Quarter 2012
222,235	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**141,072**	**222,235**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
41,916	Net income (loss) for the period	(1,323)	(730)
116,106	Amortization and depreciation	29,138	28,968
(2)	(Gains) losses on disposal of fixed assets	0	0
0	(Revaluations) write-downs of fixed assets	0	0
(4,292)	Net change in working capital	14,364	566
(3,698)	Net change in employee severance indemnities	182	26
150,030		42,361	28,830
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(42,924)	.intagible	(5,131)	(5,182)
(21,847)	.tangible	(2,295)	(8,690)
(8)	.financial	0	0
194	Proceeds from disposal, or redemption value of fixed assets	117	20
(64,585)		(7,309)	(13,852)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
(92,766)	Repayments of loans	0	(90,272)
(74,022)	Current portion of m/l term financial debt	(504,250)	(4,250)
180	Other changes	0	0
(166,608)		(504,250)	(94,522)
0	E.- DIVIDENDS PAID	0	0
(81,163)	F.- CASH FLOW FOR THE PERIOD (B+C+D+E)	(469,198)	(79,544)
141,072	**G.- NET CASH AND CASH EQUIVALENTS (NET SHORT-TERM BORROWING) - closing balance (A+F)**	**(328,126)**	**142,691**

The operating cash flow of the ADR Group in the first quarter of 2012 amounted to 42.4 million euros, up strongly on the total 28.8 million euros in the comparison period, benefiting from a greater contribution of resources from working capital.

Internally generated funds were only partially absorbed by the amount used to cover net investments, which were down to 7.3 million euros compared to 13.9 million euros in 2011.

In relation to reclassification to current payables of 504.3 million euros as the portion of medium/long-term loans falling due, the cash flow for the period was negative by 469.2 million euros. The Group therefore closed the quarter with a current net debt of 328.1 million euros compared to a positive net cash flow of 142.7 million euros at the end of the first quarter of 2011.

Analysis of consolidated net debt
(€/000)

2011		First Quarter 2012	First Quarter 2011
(1,239,664)	**A.- NET FINANCIAL BORROWING - opening balance**	**(1,154,039)**	**(1,239,664)**
295,654	EBITDA	54,974	53,656
(33,022)	Net change in operating working capital	13,258	(3,781)
(3,698)	Net change in employee severance indemnities	182	26
5,886	Other income (exp.), net	(781)	(1,005)
410	Extraordinary income (exp.), net	(1,306)	211
(46,214)	Current taxes paid	(132)	(142)
2,588	Other assets/liabilities (included allowances for risks and charges)	(8,423)	(3,839)
221,604	**B.- OPERATING CASH-FLOW**	**57,773**	**45,127**
(64,779)	Capex (tangibles, intangibles and financial)	(7,426)	(13,872)
194	Proceeds from disposal, or redemption value of fixed asset	117	20
157,019	**C.- FREE CASH-FLOW**	**50,464**	**31,275**
(71,574)	Financial income (exp.), net	(15,412)	(16,297)
180	Other changes	0	0
85,625	**D.- NET CASH-FLOW**	**35,052**	**14,978**
(1,154,039)	**E.- NET BORROWING - closing balance (A+D)**	**(1,118,987)**	**(1,224,686)**

REVIEW OF OPERATIONS DURING THE QUARTER

Traffic trends

The world "air traffic" demand recorded a 5.9% increase during the first two months of 2012[1] , with a performance of +4.8% in January and +7.0% in February. This result was driven by growth in the Middle East (+10.4%) and the Far East (+8.4%), as well as in Africa that with its increased volumes of 6.5% started to recover the losses consequent to its 2011 "socio-political problems".

Although it closed the two-month period with a 3.2% increase in passenger volumes, Europe is the segment with the lowest growth (Domestic +1.3% and International +4.0%), therefore confirming it is the area in which the negative economic scenario of reference made the biggest impact.

Traffic in Italy during the same period dropped on the whole by 1.2%, with a negative change of 1.1% in the domestic component and 1.3% in the international component. This is also due to the snow emergency that affected most of the country in February, with repercussions on air transportation as well.

The traffic of Rome's airport system in the first quarter of 2012 is analyzed hereunder, broken down by airport (Fiumicino and Ciampino) and into domestic and international segments:

Progressive figures as at March 31, 2012

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	81.228	68.538	12.690	32.819	48.409
D% vs PY	-6,4%	-8,0%	+3,0%	-7,0%	-6,0%
Mtow	6.325.964	5.667.192	658.772	2.094.002	4.231.962
D% vs PY	-6,0%	-6,7%	+0,5%	-6,4%	-5,9%
Total Pax	8.511.741	7.443.181	1.068.560	2.940.541	5.571.200
D% vs PY	-1,4%	-1,2%	-2,6%	-2,4%	-0,8%
Freight (Kg)	34.224.213	29.928.361	4.295.852	1.283.848	32.940.365
D% vs PY	-9,3%	-9,7%	-6,4%	-23,3%	-8,6%

The greater drop in capacity than that of transported passengers brought about an increased coefficient of airplane occupancy that on the whole was 66.4%, with a 2.1 percentage point increase over the same period of 2011.

International traffic is analyzed below and broken down in EU and non-EU flights.

[1] latest data available; source: ACI and Assaeroporti

	International	Intl' EU	Intl' Extra EU
Movements	48.409	32.865	15.544
D% vs PY	-6,0%	-5,2%	-7,6%
Mtow	4.231.962	2.263.537	1.968.425
D% vs PY	-5,9%	-6,9%	-4,6%
Total Pax	5.571.200	3.633.440	1.937.760
D% vs PY	-0,8%	-0,5%	-1,5%
Freight (Kg)	32.940.365	7.362.768	25.577.597
D% vs PY	-8,6%	-9,9%	-8,2%

Both airports of the Rome airport system sustained reduced passenger volumes.

The **Fiumicino** airport recorded a decline in passenger traffic just below that of the System (-1.2%), and the capacity offered during the quarter also showed negative results compared to those of the first quarter of 2011. Movements fell by 8.0%, while tonnage dropped by 6.7%.

Two events negatively affected air traffic in the first three months of the year: the snow emergency and the negative impact of several days of strike that all in all led to a loss estimated as being over 90,000 passengers and the cancellation of more than 500 flights. These effects were only partially compensated by the 29 days of February (leap year) compared to the 28 days in 2011.
Nevertheless, the reduction in traffic is basically a result of rationalization of the capacity offered by the airlines aimed at optimizing costs to meet both the fall in demand, affected by the negative economic scenario, and the continuous rise in fuel cost.
The start-up of new flights from and to Fiumicino also during this first part of 2012 should however be pointed out. They add on to the network already operating at the airport. These new flights include the Blue Panorama flight to the Seychelles (which replaced the flight previously operated by Air Seychelles), the new Jet2.com flight to Glasgow and those of Monarch Airlines going to Birmingham and London Luton, and the increased frequency of Wizz Air to Budapest.

During the first quarter of 2012 Alitalia, the carrier of reference for the Fiumicino airport, recorded a substantial confirmation of transported passenger volumes (-0.02%), however accompanied by reduced capacity offered in terms of both movements (-7.0%) and seats offered (-3.3%). As for transported passengers, Alitalia obtained -0.5% in the international segment (with EU -5.2% and non-EU +4.0%) with domestic volumes slightly higher by 0.3%. By virtue of this performance, Alitalia posted a slight recovery in terms of market share during the first quarter, 47.1%, which is a 0.5% improvement over the same period of 2011.

As far as **Ciampino** is concerned, passenger traffic fell by 2.6% but with an increased capacity of movements (+3.0%) and tonnage (+0.5%), respectively.
Ciampino also sustained the negative effects of the strikes and snow emergency, which led to an overall reduction of traffic amounting to about 20,000 passengers, with approximately 110 flights cancelled.

Group activities

The Group's activities in the first quarter of 2012 generated total revenues of 131.0 million euros.

(in millions of euros)		First Quarter 2012		First Quarter 2011	Change %
Airport fees		36.9		37.9	(2.6%)
Centralized Infrastructures		8.8		7.3	19.2%
Security		14.0		14.3	(2.0%)
Other (PRM services, check-in desks, etc.)		6.4		6.5	(0.5%)
AERONAUTICAL REVENUES		**66.1**		**66.0**	**0.2%**
"Duty free" and "duty paid"		17.3		17.3	0.1%
Sub-concessions and utilities					
- sub-concession and utilities	14.4		13.8		4.1%
- commercial activities in sub-concession	12.5		12.1		3.9%
		26.9		25.9	3.9%
Parking		7.2		7.3	(1.3%)
Advertising		4.6		4.8	(3.2%)
Canteen		1.9		1.9	2.4%
Contract work in progress		1.4		1.3	5.7%
Other (maintenance, other sales, cleaning, ICT, etc)		5.6		5.3	5.5%
NON AERONAUTICAL REVENUES		**64.9**		**63.8**	**1.7%**
TOTAL REVENUES (*)		**131.0**		**129.8**	**1.0%**
(*) Revenues net of contract work in progress		129.6		128.5	0.9%

A review of operations during the quarter in the various areas of business in which the Group is involved and the trends of the first quarter of 2012 are provided below.

<u>Aeronautical business</u>

Revenues from **airport fees**, equal to 36.9 million euros, dropped 2.6% compared to the same period of 2011, and are broken down as follows:

- take-off, landing and aircraft parking fees: these are equal to 12.5 million euros, down 5.3% compared to the first quarter of 2011 because of the lower number of recorded movements (-6.4%);
- passenger boarding fees: these amount to 23.8 million euros and fell 0.9% compared to 2011 due to the lower number of boarded passengers (-1.4%);
- cargo revenues: in connection with the 9.3% lower cargo traffic, these revenues are down by 10.1%, equal to 0.6 million euros.

Management of the **centralized airport infrastructures** recorded a turnover of 8.8 million euros during the period in question (of which 3.7 million euros regard the baggage handling systems, 4.3 million euros the boarding bridges and 0.8 million euros the other centralized infrastructures), corresponding to a 19.2% increase over the previous year, attributed to:

- increase of 46.2% of revenues deriving from the baggage handling systems. This positive difference can be attributed to the "NET6000" transit baggage handling system, for which revenues were not verified in the first quarter of 2011; in fact, please be reminded that the consideration was validated by ENAC with a provision of May 2011, with retroactive effective date at January 1, 2011. As far as the outstanding litigation with several carriers regarding the consideration for using the above-mentioned "NET6000" system is concerned, injunctions on the previous sums are being issued following the negative opinion of the Attorney General on the possibility that ENAC forces a departure prohibition for the flights of defaulting carriers;
- 6.4% increase in loading bridge revenues over the previous year due to greater availability of some systems of Satellite West (penalized due to upgrade works in 2011) and improvements in bridge management.

Security activities (security checks on passengers, carry-on baggage, checked baggage, explosive detection checks and services requested) generated revenues of 14.0 million euros in the first quarter of 2012, 2.0% less than the same period of 2011. This performance derives from both a decrease in passenger traffic and in revenues for on-demand services provided at Fiumicino (special entry points, goods in simulation room, etc.).

The following trends were recorded under **other aeronautical activities**, equal to a total of 6.4 million euros (-0.5%):

- assistance to passengers with reduced mobility ("PRM"): for this activity, carried out by the Parent Company ADR through a service contract given to the subsidiary ADR Assistance S.r.l., revenues totaling 2.8 million euros were recorded, down 3.5% compared to the previous year due to fewer boarded passenger and the various considerations applied during the two years compared;
- passenger check-in desks: revenues, equal to 2.6 million euros, dropped 2.2% compared to the previous year because of the fewer departing flights;
- other aeronautical revenues: equal to 1.0 million euros and consisting of revenues for the use of common assets, luggage porters and left luggage, etc.

<u>Non-aeronautical assets</u>

Non-aeronautical activities directly managed closed the first quarter of 2012 with revenues equal to 17.3 million euros, basically in line with the period compared (+0.1%), recording a 1.6% increase in average cost per passenger.

With reference to the **real estate assets** (with total revenues for **sub-concessions and utilities** equal to 14.4 million euros), revenues from retail and other sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amount to 11.5 million euros, registering a 6.2% increase compared with the same period of the previous year. This increase is basically attributable to adjustment of the unit values of the sub-concession fees to the inflationary dynamics - where contractually envisaged - recorded in the previous year and to the higher "rent a car" fees following transfer to "Office Tower 2" in April 2011, with a considerable doubling of the spaces used.

Please also note a general increase in electricity consumption with consequent positive impact on the charges for recovering the relevant costs.
Again with reference to real estate assets, revenues from sub-concessions (service stations, catering companies, hotels, etc.) calculated on the volume of activity carried out amount to 2.9 million euros, with a negative change of 5.6% compared to the year 2011, even if the trend of the month of March points to a slight recovery that partially mitigates the negative effects of the first two months.

This trend can mainly be attributed to:

- 9.7% reduction in revenues to aeronautical service stations, 1.3 million euros, whose unit fee – in compliance with the Civil Aviation Authority criteria that ensure annual cost-related increases for the operator – moved from 3.91 euros in the first two months of 2011 to 3.62 euros per cubic meter in the same period of 2012, accompanied by a general drop in supplied fuel volumes resulting from the reduced aircraft tonnage (-6.0%). The new unit fee was fixed at 3.65 euros per cubic meter starting from March 1, 2012;
- the 13.9% reduction of revenue from the catering companies, equal to 0.3 million euros, can basically be ascribed to the decrease of the "movements" traffic item (-6.4%).

Revenues from other activities (hotel, car hire companies, etc.), equal to 1.3 million euros, are basically in line with the first quarter of 2011.

Revenues coming from the **commercial activities based on sub-concession** in the first quarter of 2012 totaled 12.5 million euros, showing an increase over the first quarter of 2011 of 3.9%; average revenue per passenger went up +5.4%.
"Specialist retail" activities recorded revenue amounting to 6.6 million euros, which increased over the same period of 2011 by +4.7% (+6.2% in terms of average revenue per passenger).
The "other royalties" category reported revenues for 1.2 million euros, down 2.5% versus the same period of 2011, a drop higher than the reduced traffic basically due to termination of the contract with ATA Hotel.
In the first quarter of 2012 revenues of the "food & beverage" activities amounted to 4.7 million euros, 4.4% higher than the first quarter of 2011; revenues per passenger increased by +5.9%.

Car park management generated 7.2 million euros in revenues, down 1.3% compared to the previous year. The reduction was in any case lower than the trend of the potential customer market made up of "originating" passengers, which fell 1.8% to bring about a positive value in terms of cost per passenger equal to +0.5%.
In detail the following trends were registered:

- passenger car parking: revenues of 6.0 million euros (down -1.7%) with a 0.1% increase in average cost for originating passengers;
- airport operator car parking: revenues equal to 1.1 million euros (+0.8%).

New tariff measures were implemented during the first quarter, aimed at recovering profitability margins on passenger car parking customers of the on-line and walk-in booking distribution channels.
As far as the marketing activity supporting the Easy Parking brand is concerned, the Telepass campaign continued in the media and two Telepass points were installed in the terminals; the online portion of the media plan (Google Adwords) was implemented, and the new Short-term signs were placed at Ciampino.

Revenues coming from **advertising space management**, carried out by ADR inside directly managed shops and by ADR Advertising S.p.A. on airport soil, amount to 4.6 million euros, down 3.2% compared to the first quarter of 2011.

Food and beverage, consisting of management of the canteens for airport operators, recorded revenues for 1.9 million euros, up 2.4%.

Contract work in progress, substantially comprising the revenues to repay the works financed by the State relating to departure area F (formerly Pier C) net of the change in works in progress of the same nature, totaled 1.4 million euros (+0.1 million euros compared to the first quarter of 2011).

Other activities, whose revenues are equal to 5.6 million euros, present the following trends with respect to the period compared:

- revenues for maintenance operations provided to third parties, equaling 2.4 million euros, up 0.2 million euros;
- revenues for cleaning and biological wastewater treatment for 0.9 million euros, down 2.7%;
- revenues for other sales (fuel, consumable materials, etc), equal to 0.7 million euros, up 23.6%.

Environmental protection

The maintenance and development activities of the Fiumicino and Ciampino Environmental Management ISO 14001 Systems (SGA) continued during the period under review according to what was planned.

The sorting of recyclable waste program continued at Fiumicino and Ciampino.
Starting from May 2012 the sorting, transport and disposal of waste produced at Fiumicino will be carried out with new waste selection procedures and five new waste sorting and disposal points provided with large pieces of equipment for compacting it. Construction of the first recycling point was also completed, and construction of the remaining four will commence soon.
The Italian Civil Aviation Authority issued a special ordinance (2/2012) upon ADR's request in February. Its purpose is to regulate management of municipal solid waste and relevant control methods at Fiumicino starting from May 1, 2012.
The start of operations, at Fiumicino and Ciampino airports, for the S.I.S.T.R.I (a waste tracking monitoring system), which was established under a Ministerial Decree issued by the Ministry of the Environment and Protection of Land and Marine Resources, set for April 2012, was delayed until June 30, 2012.

The “Project for the quantification of CO_2 emissions caused by the G. B. Pastine di Ciampino Airport activity” was started up, and will be checked by the control body to obtain certification (Airport Carbon Accreditation) that certifies the methodology for quantifying CO_2 emissions. A new annual monitoring campaign commenced in January.

Ongoing monitoring of the efficiency of the wastewater treatment systems on Fiumicino soil continued, and it has demonstrated their optimum operation, also confirmed by ARPA Lazio (Regional Agency for Environmental Protection) that performed the annual checks on the wastewater treatment system in February and March. Samplings of drinking water have been further stepped up with the aim of having all of the infrastructures on airport soil checked.

Quality

The monitoring of the service levels provided at Fiumicino and Ciampino in the first quarter of 2012 was ensured by carrying out about 14,000 objective controls as set out in the Quality Plan for 2012. Specifically, the quality of the main services provided to passengers was checked on a daily basis: check-in services, hand baggage check, baggage redelivery and punctuality of departing flights.

The analysis of the performance of the quality levels shows overall compliance with the indicators of the Service Charter, except for the carry-on baggage security checking process at Fiumicino.

- passengers checked in at the domestic area within the established 10 minutes in 98.6% of cases (the figure recorded in the same period of 2011 is 95.1%) and at the international area within 20 minutes in 93.3% of cases (2011: 88.9%) compared to a standard of 90%;
- passengers went through carry-on baggage security checks in under 12 minutes in 81.1% of cases, basically worse than the 92.0% recorded in the first quarter of 2011;
- baggage was redelivered within the required time in 91.1% of cases for the first piece of baggage and 93.1% of cases for the last piece (90.2% and 93.7% in 2011, respectively);
- 16.2% of flights departed with delays of more than 15 minutes (standard: 25%), improved by 1% over the 2011 figure.

Analysis of the performance of the quality levels at Ciampino reveals overall compliance with the indicators of the Service Charter:

- passengers checked in within the established 20 minutes in 99.8% of cases, recording further improvement over the 95.3% recorded in the same period of 2011;
- passengers went through carry-on baggage security checks in under 14 minutes in 96.4% of cases, 6% better than the standard published in the Service Charter (98.1% in the first quarter of 2011);
- baggage was redelivered within the required time in 98.9% of cases for the first piece of baggage and 99.5% of cases for the last piece (95.8% and 97.6% in 2011, respectively);
- 14.2% of flights departed with delays of more than 15 minutes. The airport abided by the standard set out for departing flight delays (17%), with a 2.1% improvement over 2011.

Group capital investment

In an unchanged context of reference marked by uncertainties concerning tariff adjustment time frames and the continuation of cash management restrictions set out in the loan contracts, the Group limited its investment volume to 8,795 thousand euros versus the 15,193 thousand euros of the same period in 2011. Like in 2011, investments during this first quarter were concentrated on extraordinary maintenance investments necessary to keep the current security and quality levels.

Below the main investments made in the quarter are described.

(in millions of euros)	**First quarter 2012**	**First quarter 2011**	**Δ**
The boarding Area E/F (Pier C and 3° BHS)	2,9	3,0	(0,1)
Interventions on runways and aprons	0,7	0,5	0,2
Fiumicino - electrical maintenance	0,6	0,0	0,6
Works on Luggage plants and new machinery RX	0,5	5,4	(4,9)
Maintenance works and optimization of terminals	0,5	1,1	(0,6)
Ciampino: infrastructural works	0,5	1,0	(0,5)
Works on airport road network	0,4	0,3	0,1
Fiumicino - Maintenance works on plant electromechanical	0,3	0,7	(0,4)
North Fiumicino: plan for long-term development	0,3	0,2	0,1
Fiumicino - Maintenance works on electrical network and air conditioning	0,3	0,1	0,2
Fiumicino: Maintenance works on civil works	0,2	0,1	0,1
Fiumicino - Maintenance works on water supply and drainage	0,2	0,1	0,1
Works of commercial areas and parking	0,1	0,4	(0,3)
Acquisition of Plant and machinary	0,1	0,1	0,0
Maintenance works on building in subconcession	0,0	0,5	(0,5)
HBS/BHS ex Cargo Alitalia	0,0	0,4	(0,4)
Upgrade of "Satellite" for A380	0,0	0,2	(0,2)
New Airport (flights low-cost)	0,0	0,1	(0,1)
Others	1,2	1,0	0,2
TOTAL INVESTMENTS	**8,8**	**15,2**	**(6,4)**
including:			
- autofinancing	*7,4*	*13,9*	*(6,5)*
- state-funded	*1,4*	*1,3*	*0,1*

- Terminals

The construction works a boarding area F (formerly Pier C) continued at a slow place as in the previous year. To date, the following activities are underway: placement of the metal framework comprising the structure of the new pier, creation of stairways and laying of roof tiles.

Installation of the new service elevator for the transportation of goods to the direct retail warehouses of Terminal 3 so that the work site of the "avant-corps" building can be set up as part of the Pier C works was also completed.
The "New Terminal 3 arrivals layout, landside" initiative that sets out to relieve congestion of the T3 arrivals hall while increasing passenger traffic spaces and making them better used, centralization and reconfiguration of the customs areas and relevant Public Bodies, and upgrading and restoration of the restrooms on the land and air sides started in March.
Installations of the new informative riser cards of the airlines at the Terminal departures level were completed as part of the interior/exterior terminal sign system integration initiatives aimed at improving direction information given to passengers.
As for the infrastructural improvements necessary for modifying the route in front of the Terminals, for improving traffic flow, rationalize the parking time and avoid congestion, the ordinance authorizing commencement of works to modify the route at the Departures are as issued at the end of March; the activities will be completed by the end of June.

- Baggage handling

The previously interrupted renovation works of the area (former Alitalia cargo area) were completed. The area will house the automatic baggage handling system (BHS/HBS) for Terminal 1, whose executive design has been completed.

- Infrastructures and various buildings

Construction of the first recycling point for sorting recyclable waste coming from airport activities was completed, and negotiations are under way to award contracts for the construction of another four points.
The works to remake the road connections on the departures flyover will be completed within April.

- Runways and aircraft aprons

Legal activities regarding the appeal against the award presented by both the company being formed A.T.I. Claudio Salini (excluded following the appraisal of suitability) and the company being formed A.T.I. Mattioli for the upgrading works of Runway 07-25 are in progress.
Upgrading of the northern portion of Runway 16L/34R and executive design of the extraordinary maintenance operations of the Runway 16C/34C strip were completed. The final extraordinary maintenance project for the Ciampino runway was completed and sent to ENAC for approval.

- Infrastructure planning and development

The drafting of the Fiumicino Masterplan up to 2044 continues and the company Scott Wilson, with the collaboration of Changi Airports Planners Engineers (CAPE), carried the study on the structure of the new north terminal and the environmental aspects connected with the infrastructural development forward. The Masterplan must contemplate considerable environmental integration and sustainability, also by planning a high degree of intermodality. During the early months of the year specimens and drivers of the most modern Ground Transportation Centers ("GTC"), which will later be looked at in detail, were examined. The GTC of the Fiumicino airport will be essential for making it easier for passengers and airport operators to reach the airport and will be the element that links it to the area and local community.
The preliminary assessment of the environmental impact of the project to complete the Fiumicino South infrastructures is moving forward. ADR testified at the hearing before the Preliminary Assessments Committee of the VIA Commission in February.
The actions and fulfillments scheduled following approval of the airport acoustic zoning continue at Ciampino.

- *Information Technology*

Technological and functional improvements of the Information Technology (ICT) area carried out during the quarter include:
- start-up of the IT system adaptation design activities to manage the newcos ADR Retail, ADR Mobility and ADR Security;
- start-up of activities to execute the new integrated Airport Access Control system.

Group personnel

The changes in terms of **staff** recorded between the closing of the year 2011 and March 31, 2012 are provided in the following tables:

Headcount	03.31.2012	12.31.2011	Δ
Managers	42	45	(3)
Supervisors	184	184	
White-collar	1,758	1,791	(33)
Blue-collar	518	569	(51)
Total Group	**2,502**	**2,589**	**(87)**
including:			
on permanent contracts	2,054	2,017	37
on temporary contracts	448	572	(124)

	03.31.2012			12.31.2011			Δ 2012 vs 2011		
Headcount	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**
ADR S.p.A.	1,826	383	2,209	1,788	464	2,252	38	(81)	(43)
ADR Engineering S.p.A.	33		33	34		34	(1)		(1)
ADR Tel S.p.A.	16		16	16		16			
ADR Advertising S.p.A.	8	1	9	8	1	9			
ADR Assistance S.r.l.	171	64	235	171	107	278		(43)	(43)
Total Group	**2,054**	**448**	**2,502**	**2,017**	**572**	**2,589**	**37**	**(124)**	**(87)**

The reduced staff employed by the ADR Group is mostly due to the reduced operations compared to the closing of the previous year, which affected the fixed term contracts (-124 resources at consolidated level).
ADR had an increase in open-ended contracts (+38 units) compared to year-end 2011 due to:

- implementation of the current regulations concerning transformation of fixed-term contracts (+40 units),
- termination of employment due to resignations and dismissal (-2 units).

Open-ended contract staff reduction at ADR Engineering S.p.A. is tied to a resignation.

The **average headcount** recorded in the first quarter of 2012 is 2,273 full-time equivalents, broken down by category, type of contract and Group company as follows:

Average Group headcount	Jan-Mar 2012	Jan-Mar 2011	Δ
Managers	42.2	42.7	(0.6)
Supervisors	184.0	178.8	5.2
White-collar	1,585.2	1,582.6	2.7
Blue-collar	461.6	496.1	(34.5)
Total Group	**2,273.0**	**2,300.2**	**(27.2)**
including:			
on permanent contracts	1,936.7	1,796.1	140.6
on temporary contracts	336.3	504.1	(167.8)

	Jan-Mar 2012			Jan-Mar 2011			Δ 2012 vs 2011		
Average Group headcount	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**	**Perm. Contract**	**Temp. Contract**	**Total**
ADR S.p.A.	1,713.7	293.0	2,006.7	1,569.9	461.4	2,031.3	143.9	(168.4)	(24.5)
ADR Engineering S.p.A.	33.2		33.2	34.0		34.0	(0.8)		(0.8)
ADR Tel S.p.A.	16.0		16.0	15.0	1.0	16.0	1.0	(1.0)	
ADR Advertising S.p.A.	8.0	1.0	9.0	7.0	1.0	8.0	1.0		1.0
ADR Assistance S.r.l.	165.8	42.3	208.1	170.2	40.7	210.9	(4.4)	1.6	(2.8)
Total Group	**1,936.7**	**336.3**	**2,273.0**	**1,796.1**	**504.1**	**2,300.2**	**140.6**	**(167.8)**	**(27.2)**

Comparison with the same period of the previous year shows, for the Group, a decrease in the workforce equal to 27.2 full-time equivalents, with ADR accounting for the lion's share.
For the parent company, the recorded reduction of employees (-24.5 full-time equivalents) is the result of both management actions aimed at reducing the workforce employed in the operations areas, also by using 4-hour part-time contracts (-20.3 full-time equivalents), and the effect on the current year of the efficiency programs started during 2011 (-4.2 full-time equivalents).
Again for ADR, the increased presence of permanent employees (+143.9 full-time equivalents) compared with the first quarter of the previous year is for the most part associated with the expected stabilization of fixed-term contracts in compliance with current regulations which went into effect between November 2011 and January 2012, compensated with fewer fixed-term recruits.

The productivity of the ADR Group dropped by 0.2% (indicator: passengers/full-time equivalents) due to a negative change in passenger traffic (-1.4%) versus 1.2% reduced staff.

The new **organizational structure** of the Airport Management (previously called Aeronautical) and Infrastructure Development (previously called Infrastructures) divisions was defined at ADR during the first quarter of the year with the goal of creating the conditions for constant improvement of efficiency and effectiveness of the processes characteristic of the two areas. In this context an organizational model that separates the activities tied to design and development of the airport system from those geared toward ensuring its optimum operation has been defined.

With reference to **industrial relations**, the preliminary notice to the Trade Unions on the spin-off initiatives that ADR had scheduled for the "direct retail", "security" and "parking" activities, which was started in December 2011, carried on.
The intervention - which is part of a broader Group readjustment project aimed at concentrating the entire organization on the “core” activities to a greater extent (development of the airport infrastructures, coordination of the operational and quality processes) - was released to the Trade Unions on March 2, 2012 by way of a formal notification (pursuant to art. 47 of Law 428/90 and subsequent amendments and supplements).
The procedure of awarding the three business units mentioned above to three new companies to be formed within May 3, 2012 was started with this notification.
In compliance with the minimum time under the procedure in question, on March 29, 2012 a Report of the Agreement that concluded the procedure of transferring the three company business units to newly-formed companies and the possible subsequent sale of two of them (Retail and Parking) was signed with Air Transport CISL, UIL and UGL. A 16% reduction of salaries (minimum and cost-of-living allowance) until 2014 for all new employees, whether with fixed-term or open-ended contracts, for these three new companies and the stabilization of 90 fixed-term contracts within December this year are two of the interventions set out in the agreement. FILT CGIL did not agree to the agreement because it did not share the goals at the heart of the spin-offs and above all the salary cut for the new employees, consistent with the forthcoming opening of negotiations for renewing the national labor contract.

On March 1, 2012 the ordinary shareholders' meeting of Gemina S.p.A. approved the general lines and the rules of a stock incentive plan pursuant to art. 114-bis of Legislative Decree no. 58 of February 24, 1998 called “***Stock option plan 2012***”.
In observance of the guidelines approved by the shareholders' meeting, on March 1, 2012 the board of directors of Gemina S.p.A. approved a specific regulation in which the terms and conditions of the Plan aimed at encouraging the beneficiaries in valorizing the Gemina Group while creating a loyalty instrument that promotes a value generating culture were defined.
The Plan is reserved for employees, collaborators and directors in special positions in Gemina S.p.A. and its subsidiaries, identified by the board of directors at its unquestionable discretion on the proposal of the Remuneration and Human Resources Committee, among the subjects holding strategically important positions within the company and its subsidiaries, having regard for the respective position held.

Other significant events during the quarter

Legal and Regulatory Overview

In the first part of 2012, a host of actions took place of general interest for the industry and of specific interest for ADR. Specifically:

- "Liberalization" Law Decree

The final outline of the liberalization provisions took shape during the first quarter of 2012. Of them, those concerning regulation of transport and airport fees, implementing directive 2009/12/EC, are particularly important.

Law Decree 1/2012 containing "Urgent provisions for competition, development of infrastructures and competitiveness" (so-called "liberalization" law decree) was published in Official Gazette no. 19 of January 24, 2012. It introduces important innovations aimed at modernizing and developing national infrastructures and at the liberalization and competition of the markets. The decree was converted into Law 27/2012 with amendments, published in the Gazette on March 24, 2012.

We report a few of the important new developments:

- establishment and definition of the functions of the new regulation Authority, with competences in the transport sectors, and access to the relevant transport infrastructures and accessory services. The Authority will have to adopt its resolutions on organization and operation that will allow it to start exercising its competences by June 30, 2012. Financing of the Authority will be regularly ensured by the contribution paid by the operators of the infrastructures and services to an extent no greater than 0.1 per cent of the revenues of the last year. With reference to fees, the decree provides for the Authority to define and approve, subject to the opinion of the Ministries of Infrastructures and the Economy, the tariff models calibrated on the basis of annual passenger traffic, in observance of the principles and criteria set out in art. 11 *nonies* of Law Decree 203/2005 converted with amendment by Law 248/2005 (so-called Law Decree on system requirements). The operator is authorized to single out the tariff model from those the Authority prepares, determine the airport fees subject to consultation with the airport users, and submit them to the Authority that verifies and approves them within 40 days.
  As part of its vast supervisory, inspection and sanctioning competences, the new Authority may order suspension of the new tariff regime in the event the principles of correlation to costs, transparency, reasonableness, consultation of the users, non-discrimination and orientation toward European media are breached. The Authority must also supervise the periodic consultations between airport operators and users regarding the system and amount of the charges and quality of services. As for the national supervisory authority functions, art. 73 of the decree established that they will be exercised during the provisional period before full effectiveness of the transport regulation authority, subject to the guidelines of the Ministry of Infrastructure and Transport;
- equalization of the infrastructural interventions to the strategic infrastructures of prime national interest regarding the larger airport systems, including those parts of the planning agreements or single agreement. For the approval and execution of the aforesaid infrastructural interventions and Airport Development Plans, the airport management companies avail themselves of the approbative procedures regulated by the Code of Tenders and Law 449/1985 "Expansion and modernization interventions to implement in the Rome and Milan airport systems";
- integration of the regulation covering the content of the service charters of the operators of public services and infrastructures, ensuring that the fees - even those that are indemnifying in nature - that the users can demand from the operators are specified therein.

- Law Decree "Simplifications" and procedures in progress for drawing up planning agreements

Law Decree 5/2012[2], in effect since February 10, 2012, introduced rules safeguarding procedures in progress for drawing up planning agreements with the airport management companies.

[2] "Urgent provisions for simplification and development" published in Ordinary Supplement 27/L to OG no. 33 of February 9, 2012.

Specifically, art. 22, paragraph 2 establishes that implementation of Directive 2009/12/EC on airport rights under Law Decree 1/2012 in any case safeguards the completion of the procedures in progress to stipulate the "ordinary" planning agreements (pursuant to Law 248/2005) and those "in derogation" (art. 17, paragraph 34-bis of Law 102/09) with the airport management companies. According to this same provision, these procedures must be completed by and no later than December 31, 2012 and in any case, the duration of the program contracts stipulated according to the provisions in force at the time of the previous period is set in compliance with national and community regulations on the subject and related tariff models.
Finally art. 22, paragraph 3 lays out that the measure of the airport fees set in the planning agreements, stipulated prior to January 24, 2012 (coming into force of Law Decree no. 1/2012), may be determined according to the new methods defined by the provision implementing EU regulations on airport fees upon the expiration of the same agreements.

- Extension of the terms related to the updating of fees

Law 14/2012 "Conversion into law, with amendments, of Law Decree no. 216 of December 29, 2011, containing extension of terms envisaged by legislative decrees" (so-called "Milleproroghe" law decree) was published in the Gazette on February 27, 2012.
As for the infrastructure and transport extensions, the term for identifying airports and airport systems of national interest pursuant to art. 698 of the Navigation Code is extended until December 31, 2012. The Decree also confirm extension of the term for updating, with a Ministry of Infrastructure and Transport decree, the measure of the airport fees at the inflation rate scheduled for 2012 from December 31, 2011 until December 31, 2012. As at March 31, 2012 issue of the mandatory interministerial decree that identifies the airport fees adjustment percentage to the scheduled inflation rate concerning the year 2011, with application from the time said measure takes effect, is being awaited.

- Security Planning Document update

The Security Planning Document on personal data was updated and signed by the ADR S.p.A. data controller on March 30, 2012.

Company operations

The activities aimed at changing the company structure of the ADR Group continued during the first quarter of 2012. They will be carried out by forming new companies having the purposes of managing the following activities: direct retail, car parks, security and vehicle maintenance. Specifically:

- **Direct retail**

All activities necessary for preparing for the spin-off of the ADR Duty Free/Duty Paid trade activities were carried out during the quarter.
Measures for relaunching and increasing the value of the business were also identified, and the sale process was started by requesting declarations of interest.

- **Car parks**

The project to spin off the mobility activities was started during the quarter, envisaging the set-up of the company ADR Mobility, controlled by ADR. Its objective is to manage and increase the value of the car parks of the Fiumicino and Ciampino airports for a total of more than 18,000 parking spaces, in addition to managing relations with the car hire companies and additional value-added services (car valet, for example).
At the same time the sale process was started by requesting declarations of interest.

- **Security**

Activities preparing for the spin-off of the security activity from ADR, to grant to a newly formed company, were carried out during the period under review.

- **Vehicle maintenance**

The possibility of selling the business unit to an operator of the sector still remains, and contacts are in an advanced stage.

Information on financial risk update

On March 2, 2012, the agency Standard & Poor's confirmed the rating assigned to ADR as **BB** and placed the company in "CreditWatch with developing implications". This "CreditWatch" will evolve within 90 days depending on the outcome of the refinancing project in progress.
Moody's on the other hand kept the Ba2 level assigned on December 16, 2011 unaltered. It however remains "under observation for possible additional downgrading" as well.

On March 2, 2012 the Security Agent of ADR's financial creditors notified the Company its permission to extend derogation from several consequences of the Trigger Event - Cash Sweep[3] until the application date of September 2012 (included).

However, with the approaching deadlines for the repayment of the individual debt tranches, an additional constraint has now been imposed on the allocation of available cash on the accounts of the Account Bank. Contractual provisions in particular require the available cash to be used to repay/collateralize the upcoming debt repayment on the March and September application dates.

In application of this condition, ADR allocated all available liquidity to the accounts of the Account Bank - equal to 23.2 million euros - also on the application date of March 2012 to collateralize the upcoming Tranche A1 (500 million euros on February 20, 2013), taking the balance of this Retention Account to the total value of 75.4 million euros.

With regard to the refinancing project to repay this upcoming debt tranche, it should be emphasized that during the advanced definition stage, finalization of the refinancing contract called Revolving and Term Loan Facility Agreement that ADR will sign with a pool of eight banks which notified a commitment letter to ADR for a total amount of up to 500 million euros for a loan falling due in February 2015, broken down as follows:

- up to 400 million euros in the form of Term Loan to disburse in February 2013 and that, together with the cash that from this date until maturity will be collateralized on the Retention Account, will allow Tranche A1 to be repaid;
- 100 million euros as Revolving line that will replace the current line of the same amount already refinanced in August of last year, coming due in February 2013.

The pool of banks consists of Barclays Bank Plc - Milan Branch, BNL - BNP Paribas Group, Credit Agricole Corporate & Investment Bank - Milan Branch, Mediobanca - Banca di Credito Finanziario S.p.A., Natixis - Milan Branch, The Royal Bank of Scotland Plc - Milan Branch, Societè Generale - Milan Branch ed Unicredit S.p.A.

The contract is expected to be signed within the month of June.

Litigation

With its March 14, 2012 verdict, the Latium Regional Administrative Court upheld the appeal with which ADR in 2003 contested the proceedings of the Municipality of Fiumicino that altered the pre-existing zoning regulations, consequently opening the way to the possibility to build areas adjacent to the airport (called "West Quadrant" and "North Fiumicino"). With this decision ADR was acknowledged its own interest and active legitimation to protect the necessary and suitable conditions in the territory for developing air traffic.

[3] For more information about the Trigger Event - Cash Sweep condition, please refer to the Financial Statements as at December 31, 2011

With reference to the tender litigation, please note that with the sentence filed on March 15, 2012, the Rome Court of Appeal totally rejected the appeal of Consorzio Aerest - however ordering the counterparty to pay the legal costs - concerning the claim for damages quantified at a total of 2.2 million euros plus interest and revaluation that it claimed to have sustained during the contract work of expanding and restructuring the international terminal of the Fiumicino airport (Pier B) and relevant appurtenances (1990's).

No other significant events during the quarter are reported. For an analysis of the litigation in which the Group is involved, please refer to the consolidated financial statements as at December 31, 2011.

SIGNIFICANT EVENTS AFTER THE CLOSING OF THE QUARTER

- Compared to the same period of 2011, **traffic** figures for the Rome airport system in the period January-April 2012 recorded the following trends, which have been broken down by airport (Fiumicino and Ciampino) and into domestic and international segments:

Progressive figures as at April 30, 2012 and changes compared to the same period of the previous year [4]

	ROME SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	111.670	94.807	16.863	44.204	67.466
D% vs PY	-5,6%	-6,8%	+1,6%	-7,2%	-4,6%
Mtow	8.717.006	7.842.419	874.587	2.821.749	5.895.257
D% vs PY	-5,3%	-5,8%	-0,6%	-6,4%	-4,7%
Total Pax	12.087.840	10.614.466	1.473.374	4.035.716	8.052.124
D% vs PY	-0,7%	-0,7%	-0,9%	-2,8%	+0,4%
Freight (Kg)	46.684.344	41.036.722	5.647.622	1.618.167	45.066.177
D% vs PY	-10,0%	-10,2%	-8,4%	-29,5%	-9,1%

International traffic is analyzed below and broken down in EU and non-EU flights.

	International	Intl' EU	Intl' Extra EU
Movements	67.466	45.909	21.557
D% vs PY	-4,6%	-4,1%	-5,6%
Mtow	5.895.257	3.188.941	2.706.316
D% vs PY	-4,7%	-5,3%	-4,0%
Total Pax	8.052.124	5.298.458	2.753.666
D% vs PY	+0,4%	+0,5%	+0,2%
Freight (Kg)	45.066.177	9.732.455	35.333.722
D% vs PY	-9,1%	-10,3%	-8,7%

The Rome Airport System sustained a 0.7% decrease in transported passengers during the first four months of the year. This is attributed to the fall in domestic component (-2.8%) versus the slight rise in international component (+0.4% with EU +0.5% and non-EU +0.2%, respectively).

[4] Temporary figures

Compared to the same period of the previous year, **Fiumicino** recorded a reduction in passenger traffic equal to 0.7% during the first four months of 2012, accompanied by a sharper reduction of capacity of both aircraft movements (-6.8%) and tonnage (-5.8%).
Growth in transported volumes of 0.5% was recorded in the month of April only, as the summer season commenced, and this is attributable the increase in the International segment (+4.0%), which was able to counter-balance the losses in the Domestic segment (-6.2%).
In terms of network development on the Fiumicino terminal, with the beginning of the "summer" season, in addition to some increased flights on already existing routes (including, but not limited to, Alitalia to Rio de Janeiro, China Eastern to Shanghai, Singapore Airlines to Singapore, Air Transat to Toronto, Norwegian to Stockholm and Copenhagen), new flights are opening up (including, but not limited to, Azerbaijan Airlines to Baku, Meridiana to Yerevan, Bmibaby to Birmingham, Vueling and Transavia France to Nantes).
With an increase in transported passengers equal to +4.0% recorded in April, **Ciampino** closed the four-month period with 0.9% fewer transported passengers versus slightly higher movements (+1.6%) and basically the same tonnage (-0.6%).

- With reference to the **spin-off** projects, please note that:
  - ADR Retail S.r.l. was set up on April 2, 2012 and took effect on April 3 with share capital of 480 thousand euros fully paid-up by the sole shareholder ADR and paid by assigning the business unit called "Direct Retail" pursuant and consequent to art. 2465 of the Italian Civil Code. This business area consists of the assets and liabilities pertaining to management of the Duty Free and Duty Paid stores inside the Fiumicino and Ciampino airports, managed by ADR, and the existing directly connected contractual relations, including those regarding employees of the area;
  - ADR Security S.r.l. was formed on May 2, 2012 and took effect on May 3 with share capital of 400 thousand euros fully paid-up by the sole shareholder ADR and a share premium reserve of 100 thousand euros. Pursuant and consequent to art. 2465 of the Italian Civil Code, the capital was paid by assigning the business unit called "Security", consisting of the assets and liabilities pertaining to management of the security activities inside the Fiumicino and Ciampino airports, managed by ADR, and the directly connected existing contractual relations, including those regarding employees of the area;
  - ADR Mobility S.r.l. was formed on May 3, 2012 and took effect on May 4 with share capital of 1,500 thousand euros fully paid-up by the sole shareholder ADR and a share premium reserve of 200 thousand euros. Pursuant and consequent to art. 2465 of the Italian Civil Code, the capital was paid by assigning the business unit called "Mobility", consisting of the assets and liabilities pertaining to management of the parking activities inside the Fiumicino and Ciampino airports and relations with the car hire companies, managed by ADR, and the directly connected existing contractual relations, including those regarding employees of the area.

- Law 35 converting and amending Law Decree 5/2012 containing "**Urgent provisions for simplification and development**" was published in the Official Gazette of April 6. The outcome of the parliamentary procedure of converting the decree into law confirmed the original formulation of art. 22, paragraph 2, which safeguards the procedures in progress for stipulating planning agreements with airport operators despite the coming into force of the new regulations for implementing Directive 2009/12/EC (of which art. 71 and 82 of Law Decree 1/2012, converted with amendments into Law 27/2012) provided that they are completed by December 31, 2012. Neither did art. 22, paragraph 3 that defined application of the new regulations upon expiration of the agreements drawn up prior to January 24, 2012 undergo amendments during the process of converting Law Decree 5/2012.

- The Official Gazette Italian Republic (GURI) no. 103 of May 4, 2012 published the Decree of November 11, 2011 regarding an **inflation update for airport fees** in 2011: the decree will come into force next June 3 and, therefore, since then the new measure for airport fees will be applicable, based on a 1.5% increase in inflation.

- The Board of Directors of ADR resolved new governance tools on May 11, 2012 in order to ensure utmost transparency and continuous improvement to the competitive procedures in the company processes. Specifically:

  - a "*Tender Governance Committee*" was formed; chaired by Maria Grazia Cappugi (formerly president of the chamber of the Council of State), it will define guidelines on credit lines through public tender in observance of current regulations and will report on its activities to the AdR Board of Directors every year;
  - the "*Committee for Management of the Valuation Process and Sale of the Direct Retail and Mobility Business Areas*" was formed; its members are independent directors of Gemina Giuseppe Angiolini and Giuseppe Bencini and AdR Managing Director Lorenzo Lo Presti, and its purpose is to verify total transparency, rigour and objectivity of the sale process in progress while assessing maximum conformity with the company's interests;
  - a "*New Procedure for Awarding Commercial Space Sub-concessions*" was approved; it establishes criteria of equal treatment, transparency, non-discrimination and proportionality on selecting sub-licencees through the identification of specific competitive procedures based on the different features of the activities to entrust to third parties.

BUSINESS OUTLOOK

Considering the negative performance of traffic and the short-term forecasts that are not positive, it is becoming ever more necessary to focus on improving operations of the existing structure, winding up the spin-off initiatives in a positive manner, and stipulating the refinancing of the debt falling due in February 2013 within the month of June 2012, all this while awaiting the increasingly urgent and imperative conclusion of the new Planning Agreement with the consequent start-up of the ADR infrastructure relaunching plan.

THE BOARD OF DIRECTORS

ANNEXES: ACCOUNTING STATEMENTS OF ADR S.P.A.

ADR S.p.A.: reclassified income statement
(euro/000)

2011		First Quarter 2012		First Quarter 2011		Change	%
610,225	Revenues from sales and services	128,608		127,488		1,120	0.9%
5,391	Contract work in progress	1,369		1,321		48	3.6%
615,616	A.- REVENUES FROM ORDINARY ACTIVITIES	129,977	100.0%	128,809	100.0%	1,168	0.9%
(215,502)	Cost of materials and external services	(48,964)	(37.7%)	(48,549)	(37.7%)	(415)	0.9%
400,114	B.- GROSS MARGIN	81,013	62.3%	80,260	62.3%	753	0.9%
(109,294)	Payroll costs	(26,654)	(20.5%)	(27,168)	(21.1%)	514	(1.9%)
290,820	C.- GROSS OPERATING INCOME	54,359	41.8%	53,092	41.2%	1,267	2.4%
(115,743)	Amortization and depreciation	(29,100)		(28,951)		(149)	0.5%
(6,643)	Other provisions	(959)		(592)		(367)	62.0%
(20,691)	Provisions for risks and charges	(2,182)		(723)		(1,459)	201.8%
5,824	Other income (expense), net	(644)		(1,181)		537	(45.5%)
153,567	D.- OPERATING INCOME	21,474	16.5%	21,645	16.8%	(171)	(0.8%)
(71,527)	Financial income (expense), net	(16,966)	(13.1%)	(17,832)	(13.8%)	866	(4.9%)
0	Adjustments to financial assests	0		0		0	0.0%
82,040	E.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	4,508		3,813		695	18.2%
94	Extraordinary income (expense), net	(1,305)		215		(1,520)	(707.0%)
82,134	F.- INCOME BEFORE TAXES	**3,203**		**4,028**		(825)	(20.5%)
	Income taxes for the period:						
(50,620)	current taxes	(6,069)		(5,799)		(270)	4.7%
8,172	deferred tax assets (liabilities)	1,352		675		677	100.3%
(42,448)		(4,717)		(5,124)		407	(7.9%)
39,686	**G.- NET INCOME (LOSS) FOR THE PERIOD**	**(1,514)**		**(1,096)**		**(418)**	**38.1%**

ADR S.p.A.: reclassified balance sheet

(euro/000)

03-31-2011		03-31-2012	12-31-2011	Change
	A. - NET FIXED ASSETS			
1,930,765	Intangible fixed assets *	1,879,956	1,899,128	(19,172)
195,943	Tangible fixed assets	189,624	192,542	(2,918)
10,158	Non current - financial assets	10,010	10,021	(11)
2,136,866		2,079,590	2,101,691	(22,101)
	B. - WORKING CAPITAL			
21,356	Inventory	20,658	18,324	2,334
167,943	Trade receivables	162,702	182,057	(19,355)
54,053	Other assets	70,639	68,865	1,774
(151,394)	Trade payables	(136,728)	(141,985)	5,257
(69,720)	Allowances for risks and charges	(85,346)	(83,746)	(1,600)
(121,507)	Other liabilities	(140,628)	(141,749)	1,121
(99,269)		(108,703)	(98,234)	(10,469)
	C. - INVESTED CAPITAL, minus			
2,037,597	short-term liabilities (A+B)	1,970,887	2,003,457	(32,570)
27,223	D. - EMPLOYEE SEVERANCE INDEMNITIES	23,603	23,461	142
	E. - INVESTED CAPITAL, minus short-term			
2,010,374	**liabilities and E.S.I. (C-D)**	**1,947,284**	**1,979,996**	**(32,712)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
62,310	- Paid-up share capital	62,225	62,225	0
723,395	- Reserves and retained earnings (accumuled losses)	763,346	723,660	39,686
(1,096)	- Net income (loss) for the period	(1,514)	39,686	(41,200)
784,609		824,057	825,571	(1,514)
1,367,377	G. - MEDIUM/LONG-TERM BORROWING	790,861	1,295,111	(504,250)
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
29,483	.Short-term borrowing	531,277	89,822	441,455
(171,095)	.Cash and current receivables	(198,911)	(230,508)	31,597
(141,612)		332,366	(140,686)	473,052
1,225,765	**(G+H)**	1,123,227	1,154,425	(31,198)
2,010,374	**I. - TOTALE AS IN "E" (F+G+H)**	**1,947,284**	**1,979,996**	**(32,712)**
1,665,681	*(*) including the value of the concession totaling*	1,615,585	1,628,109	(12,524)

ADR S.p.A.: statement of cash flows

(euro/000)

2011		First Quarter 2012	First Quarter 2011
217,959	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**140,686**	**217,959**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
39,686	Net income (loss) for the period	(1,514)	(1,096)
115,743	Ammortization and depreciation	29,100	28,951
(2)	(Gains) losses on disposal of fixed assets	0	0
0	(Revaluations) write-downs of fixed assets	0	0
3,325	Net change in working capital	10,469	4,360
(3,776)	Net change in employee severance indemnities	142	(14)
154,976		38,197	32,201
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(44,666)	.intagible	(4,796)	(5,075)
(21,240)	.tangible	(2,316)	(8,970)
(8)	.financial	0	0
272	Proceeds from disposal, or redemption value of fixed assets	113	19
(65,642)		(6,999)	(14,026)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
(74,022)	Current portion of m/l term financial debt	(504,250)	(4,250)
(92,765)	Repayments of loans	0	(90,272)
180	Other changes	0	0
(166,607)		(504,250)	(94,522)
0	E.- DIVIDENDS PAID	0	0
(77,273)	F.- CASH FLOW FOR THE PERIOD (B+C+D+E)	(473,052)	(76,347)
140,686	**G.- NET CASH AND CASH EQUIVALENTS - closing balance (A+F)**	**(332,366)**	**141,612**