SIX-MONTH REPORT as of June 30, 2005

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

www.adr.it

Corporate Officers

Aeroporti di Roma S.p.A.

Board of Directors

Chairman	Federico Falck
Deputy Chairman	Paolo Savona *(until June 6, 2005)*
Managing Director	Francesco Di Giovanni
Directors	Marcus Charles Balmforth Martyn Booth Andrea Ciffo Giuseppina Corsi *(from July 15, 2005)* Nicholas Moore Cesare Pambianchi John Stuart Hugh Roberts Pier Giorgio Romiti Cesare Romiti Massimo Scarpelli Francesco Sensi
Secretary	Massimo Faccioli Pintozzi

Board of Statutory Auditors

Chairman	Fabrizio Rimassa
Statutory Auditors	Roberto Ascoli Giuseppe Cappella Giorgio Palasciano Luigi Tripodo
Alternate Auditors	Giorgio Bovi Guido Zavadini

Independent Auditors	Deloitte & Touche S.p.A.

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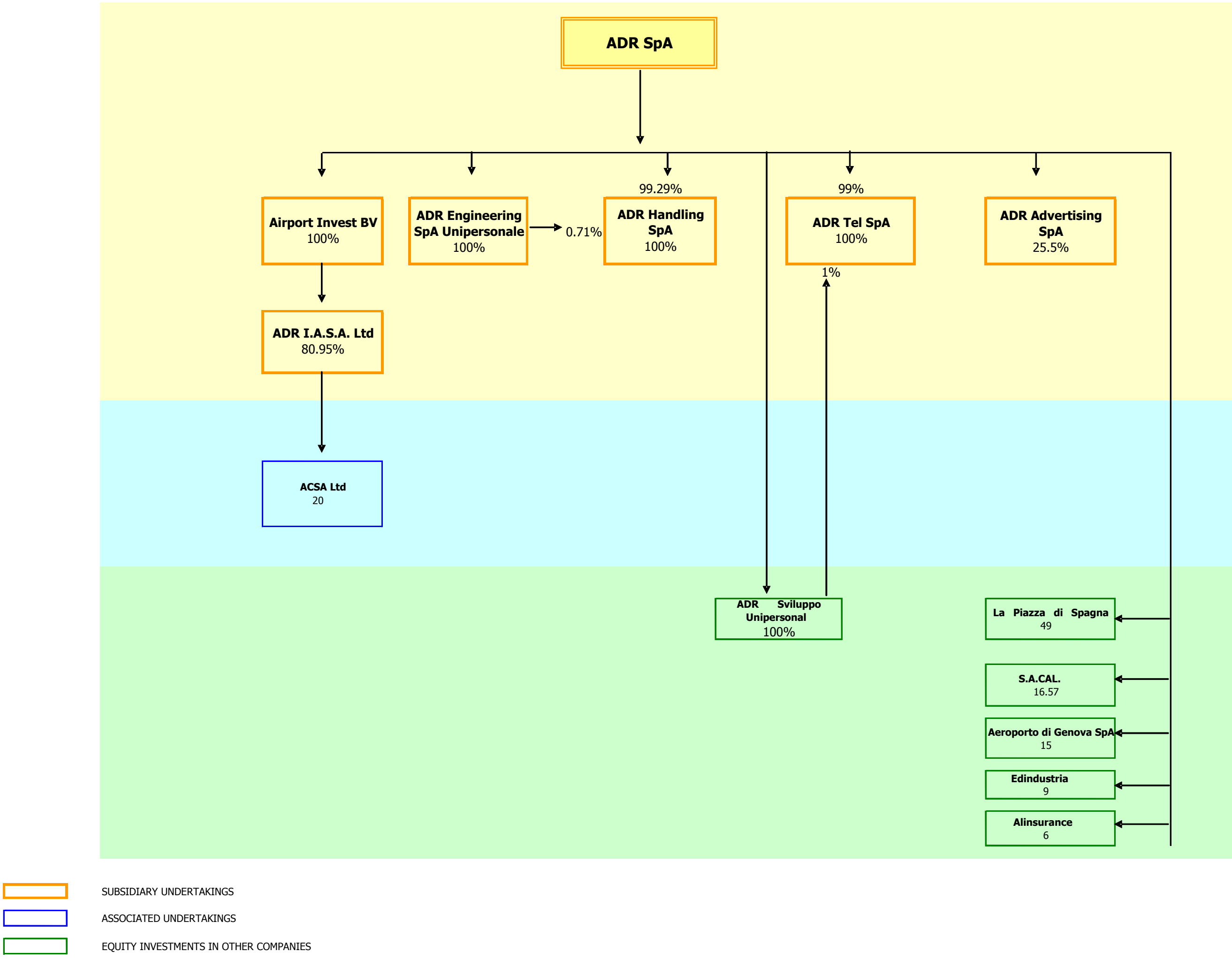
THE ADR GROUP



HIGHLIGTS

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 2004.

TRAFFIC PERFORMANCE

Traffic component	SYSTEM (°)	% CHANGE
Movements	180,135	*+6.1%*
Aircraft tonnage	12,604,001	*+5.5%*
Total passengers	15,595,320	*+9.5%*
Total freight (tons)	73,920	*(1.8%)*

(°) Fiumicino + Ciampino

The following table summarizes key economic, financial and operational data for the ADR Group for the first half of 2005.

ADR GROUP

Key consolidated economic, financial and operational data *(€000)*	***H1 2005***		***H1 2004***	***H1 2003***	***H1 2002***
Revenues	276,601		262,246	240,614	244,607
EBITDA[1]	119,855		110,220	91,046	92,762
EBIT	67,585		55,397	39,301	53,033
Net income for the period:					
minority interest	1,227		1,412	2,977	275
Group's share	8,168		(4,525)	(14,901)	858
Investment (€000)	43,410		26,652	30,551	26,123
	June 30, 2005	***Dec 31, 2004***	***June 30, 2004***	***June 30, 2003***	***June 30, 2002***
Invested capital	2,283,923	2,306,006	2,352,874	2,370,995	2,353,357
Shareholders' equity (including minority interest)	715,689	723,729	716,250	728,742	754,065
Group shareholders' equity	693,795	701,558	694,147	675,301	706,125
Net debt	1,568,234	1,582,277	1,636,624	1,642,253	1,599,292
Headcount at the end of the period	4,004		4,018	3,664	3,711
Ratios	***H1 2005***		***H1 2004***	***H1 2003***	***H1 2002***
Revenues/Average headcount (€000)	81		77	73	71
No. of passengers/Average headcount	4,545		4,174	3,891	3,569

[1] For purposes of comparison, EBITDA for the first half of 2004, 2003 and 2002 has been amended following reclassification of certain Income Statement items. For details of these reclassifications, see the section on the Group's financial position and operating results.

ADR SPA

The same information with reference to the Parent Company, ADR S.p.A., is provided below:

Key economic, financial and operational data *(€000)*	***H1 2005***		***H1 2004***	***H1 2003***	***H1 2002***
Revenues	242,038		228,586	217,441	218,291
EBITDA[2]	113,944		104,630	89,163	92,590
EBIT	62,181		52,071	39,575	54,676
Net income for the period	1,355		(1,091)	(16,415)	832
Investment (€000)	41,032		25,486	30,970	26,666
	June 30, 2005	***Dec 31, 2004***	***June 30, 2004***	***June 30, 2003***	***June 30, 2002***
Invested capital	2,325,314	2,358,392	2,387,751	2,377,085	2,376,161
Shareholders' equity	748,192	758,053	744,718	728,325	773,866
Net debt	1,577,022	1,600,339	1,643,033	1,648,760	1,602,295
Headcount at the end of the period	2,343		2,303	2,326	2,341
Ratios	***H1 2005***		***H1 2004***	***H1 2003***	***H1 2002***
Revenues/Average headcount (€000)	110		105	98	98
No. of passengers/Average headcount	7,089		6,527	5,748	5,523

[2] For purposes of comparison, EBITDA for the first half of 2004, 2003 and 2002 has been amended following reclassification of certain Income Statement items. For details of these reclassifications, see the section on the Group's financial position and operating results.

ADR GROUP: CONSOLIDATED ACCOUNTS FOR THE SIX MONTHS ENDED JUNE 30, 2005

CONSOLIDATED BALANCE SHEET
as of June 30, 2005

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

	06/30/2005			12/31/2004		
ASSETS						
UNPAID SHARE CAPITAL DUE						
FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS						
▪ Incorporation and development costs		736			923	
▪ Industrial patents and intellectual property rights		753			779	
▪ Concessions, licenses,trademarks and similar rights		1,924,582			1,949,454	
▪ Goodwill arising on consolidation		3,831			4,022	
▪ Leasehold improvements in process and advances		30,502			19,541	
▪ Others		160,365			165,776	
			2,120,769			2,140,495
TANGIBLE FIXED ASSETS						
▪ Land and buildings		2,944			2,216	
▪ Plant and machinery		23,623			20,340	
▪ Industrial and commercial equipment		1,150			1,168	
▪ Fixed assets to be relinquished		67,170			69,908	
▪ Other assets		4,004			3,583	
▪ Work in progress and advances		27,265			13,713	
			126,156			110,928
NON-CURRENT FINANCIAL ASSETS:						
▪ Equity investments in:						
- unconsolidated subsidiary undertakings	100			100		
- associated undertakings	133,410			132,646		
- other companies	1,895			1,895		
		135,405			134,641	
▪ Receivables due from others:						
. within 12 months	3			3		
. beyond 12 months	3,354			3,828		
		3,357			3,831	
			138,762			138,472
Total fixed assets			**2,385,687**			**2,389,895**
CURRENT ASSETS						
INVENTORY						
▪ Raw, ancillary and consumable materials		2,821			2,802	
▪ Contract work in progress		9,719			10,799	
▪ Finished goods and goods for resale						
- goods for resale	8,284			8,862		
		8,284			8,862	
▪ Advances		96			102	
			20,920			22,565
RECEIVABLES						
▪ Due from clients						
. within 12 months	145,597			124,528		
. beyond 12 months	279	145,876		0	124,528	
▪ Due from associated undertakings		665			720	
▪ Due from tax authorities		2,141			892	
▪ Defered Tax assets		23,108			24,923	
▪ Due from others:						
- various						
. within 12 months	66,213			52,086		
. beyond 12 months	2,248			2,248		
- advances to suppliers for services to be rended	3			6		
		68,464			54,340	
			240,254			205,403
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
▪ Bank and post office deposits		117,098			129,890	
▪ Checks		0			0	
▪ Cash and notes in hand		897			466	
			117,995			130,356
Total current assets			**379,169**			**358,324**
ACCRUED INCOME AND PREPAID EXPENSES						
▪ Accrued income and other prepaid expenses			**6,395**			**4,033**
TOTAL ASSETS			**2,771,251**			**2,752,252**

CONSOLIDATED BALANCE SHEET
as of June 30, 2005

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

	06/30/2005			12/31/2004		
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			12,445	
STATUTORY RESERVES		0			0	
RESERVE FOR OWN SHARES		0			0	
OTHER RESERVES		0			0	
RESERVE FOR FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		(8,754)			(4,039)	
RETAINED EARNINGS (ACCUMULATED LOSSES)		(47,780)			(40,489)	
GROUP NET INCOME (LOSS) FOR THE YEAR		8,168			3,942	
			693,795			701,558
MINORITY INTEREST						
▪ Share capital, reserves and net income (loss) for the year		21,894			22,171	
			21,894			22,171
GROUP AND MINORITY INTEREST IN CONSOLIDATED SHAREHOLDERS' EQUITY			**715,689**			**723,729**
ALLOWANCES FOR RISKS AND CHARGES						
▪ For Taxes		1,731			1,851	
▪ Other		29,281			29,164	
Total allowances for risks and charges			**31,012**			**31,015**
EMPLOYEE SEVERANCE INDEMNITIES			**66,405**			**67,117**
PAYABLES						
▪ Due to banks						
. within 12 months	2,386			2,408		
. beyond 12 months	480,000			480,000		
		482,386			482,408	
▪ Due to other financial institutions:						
. within 12 months	1,456			13,956		
. beyond 12 months	1,265,019			1,265,019		
		1,266,475			1,278,975	
▪ Advances:						
- from clients						
. from the Ministry of Transport:						
. within 12 months	382			525		
. beyond 12 months	4,770			4,770		
. other	6,063			3,046		
- prepayment of invoices to be paid in installments						
. from clients	54			54		
		11,269			8,395	
▪ Due to suppliers:						
. within 12 months	104,172			86,829		
. beyond 12 months	5,665			5,864		
		109,837			92,693	
▪ Due to associated undertakings		1,003			1,003	
▪ Due to parent companies:						
. within 12 months	0			0		
		0			0	
▪ Taxes due:						
.within 12 months	36,126			19,112		
		36,126			19,112	
▪ Due to social security agencies		8,275			9,146	
▪ Other payables: various creditors						
. within 12 months	34,850			31,972		
. beyond 12 months	827			797		
		35,677			32,769	
Total payables			**1,951,048**			**1,924,501**
ACCRUED EXPENSES AND DEFERRED INCOME						
▪ Accrued expenses and other deferred income			**7,097**			**5,890**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,771,251**			**2,752,252**

MEMORANDUM ACCOUNTS
as of June 30, 2005
(in thousands of euros)
(Translation from the original issued in Italian)

	06/30/2005		12/31/2004	
General guarantees				
▪ Sureties	111		111	
▪ Other	459		396	
		570		507
Collateral guarantees		0		0
Commitments on purchases and sales		41,996		51,705
Other		894,401		894,590
		936,967		**946,802**

CONSOLIDATED INCOME STATEMENT
for the First half 2005
(in thousands of euros)
(Translation from the original issued in Italian)

	First half 2005			First half 2004		
TOTAL REVENUES						
▪ Revenues from sales and services:						
- revenues from sales	26,413			22,268		
- revenues from services	249,920			239,843		
- revenues from contract work	1,348	277,681		200	262,311	
▪ Changes in contract work in progress		(1,080)			(96)	
▪ Capitalized costs and expenses		1,911			1,345	
▪ Other income and revenues:						
- revenue grants	0			31		
- profits on disposals	92			97		
- other	2,936			1,781		
		3,028			1,909	
			281,540			**265,469**
OPERATING COSTS						
▪ raw, ancillary and consumable materials and goods for resale		24,482			22,503	
▪ services		43,025			40,208	
▪ leases		11,696			11,026	
▪ payroll:						
- wages and salaries	57,112			57,871		
- social security	16,504			16,930		
- employee severance indemnities	4,527			4,534		
- other	721			707		
		78,864			80,042	
▪ Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	40,133			39,696		
- depreciation of tangible fixed assets	6,792			6,560		
- provisions for doubtful accounts	2,019			931		
		48,944			47,187	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		560			(462)	
▪ Provisions for risks		4,224			6,123	
▪ Other provisions		245			100	
▪ Sundry operating costs:						
- losses on disposals	0			14		
- license fees	30			54		
- other	1,885			3,277		
		1,915			3,345	
			(213,955)			**(210,072)**
Operating income			**67,585**			**55,397**
FINANCIAL INCOME AND EXPENSE						
▪ Income from equity investments:						
- dividends from other companies	0			26		
		0			26	
▪ Other financial income:						
- from long-term receivables						
. other	49			69		
- other						
. interest and commissions from others and sundry	4,668			1,830		
		4,717			1,899	
▪ Interest expense and other financial charges:						
- interest and commissions to others and sundry charges	49,961			50,702		
		(49,961)			(50,702)	
▪ Profits and losses on Exchange						
- Profits	31			117		
- Losses	18			85		
		13			32	
Total financial income (expense), net			**(45,231)**			**(48,745)**

CONSOLIDATED INCOME STATEMENT
for the First half 2005
(in thousands of euros)
(Translation from the original issued in Italian)

	First half 2005			First half 2004		
ADJUSTMENTS TO FINANCIAL ASSETS						
▪ Revaluations						
- of equity investments		6,288			2,194	
▪ Write-downs:						
- of equity investments		0			0	
Total adjustments			**6,288**			**2,194**
EXTRAORDINARY INCOME AND EXPENSE						
▪ Income:						
- other	168			372		
		168			372	
▪ Expense:						
- taxes relating to previous period	219			146		
- other	1,750			1,922		
		(1,969)			(2,068)	
Total extraordinary income (expense), net			**(1,801)**			**(1,696)**
Income before taxes			**26,841**			**7,150**
Income taxes of the year, current, defferred assets (liabilities) :						
- current		(15,631)			(10,324)	
- deferred tax assets (liabilities)		(1,815)			61	
			(17,446)			**(10,263)**
Net income (loss) for the period			9,395			(3,113)
of which:						
▪ minority interest			1,227			1,412
▪ Parent Company's share			8,168			(4,525)

MANAGEMENT REPORT AND NOTES TO THE CONSOLIDATED ACCOUNTS

MANAGEMENT REPORT ON OPERATIONS

GROUP OPERATIONS

The Aeroporti di Roma Group (ADR) reported net income of 8.2 million euros for the first half of 2005 compared with a loss of 4.5 million euros for the same period of 2004.

The Parent Company, ADR SpA, also improved performance posting net income of 1.4 million euros for the period compared with a loss of 1.1 million euros at the end of the first half of 2004.
Such results were achieved thanks to increased volumes of activity on the back of traffic performance growth rates that, as was also the case in 2004, have enabled the Roman airport system to confirm its leading role among major European airports.

Passenger traffic through the Roman airport system rose by 9.5%, with a decisive contribution from the international component (up 16.5%). Domestic traffic was substantially in line with the same period of the previous year (up 0.1%).
Steady growth continued at Ciampino airport, which registered a 65.4% rise in the number of passengers, linked once again to the activities of low-cost carriers.

This positive traffic performance was not entirely reflected in turnover growth, which was up 5.5% on the first half of 2004 with total revenues of 276.6 million euros.
It should be pointed out that this performance is partly due to the delay experienced by the Parent Company regarding conclusion of the authorization procedure for adjustment of airport fees, as well as all regulated tariffs in general, which have not been revised since 2001.

The first half of the year saw investment of 43.4 million euros (up 60%), a significant increase compared with the same period of 2004, which was primarily undertaken to support growth in traffic and activities.

Nevertheless, during the period the Group's net debt fell 14.1 million euros from the 1,582.3 million euros at the end of 2004 to 1,568.2 million euros at June 30, 2005, after distribution of dividends amounting to 11.9 million euros.

EBITDA amounted to 119.9 million euros with an EBITDA margin of 43.3%, whilst EBIT totaling 67.6 million euros rose by 22%.

Net financial expense fell by 3.5 million euros.

ADR Group personnel responded magnificently to the additional demands placed on them as a result of the increase in volumes and the operating difficulties arising from the exceptional influx of pilgrims on the occasion of Pope John Paul II's funeral.

BACKGROUND

Principal macro-economic indicators

Based on data for the first quarter of 2005[3], growth in world trade for the whole of 2005 is estimated at 2.9%. Economic slowdowns, and in some cases contractions, have been registered, mainly in Europe and Japan. The United States and China continue to bolster world growth, but a gradual slowdown is forecast for the yearly average, with consequences in the broader context of world trade.

This trend will also depend on the extent to which the Chinese government's economic policies succeed in cooling down the Asian giant's economy. The projected deceleration in world trade is also in line with the forecast slowdown in the US economy and the sluggish performances of the European and Japanese economies. The projected downturn in the more established economies, such as the United States, the European Union and Japan, limited to 2005, will be partly offset by strong growth in the more dynamic Asian economies.

The oil market will continue to condition the global economy. High and volatile oil prices primarily arise from concerns regarding shortfalls in refining capacity at world level. Refineries, which are working near maximum capacity, are finding it hard to keep pace with the sharp growth in demand for petroleum products. The situation is further aggravated by geopolitical factors (especially the situation in Iraq) and increased speculation on oil future markets.

The US economy, which grew at an average rate of 4.4% in 2004, gradually started slowing down in the second quarter of the previous year. The slowdown was confirmed by domestic figures for the first quarter of 2005, which nevertheless presented a more balanced overall growth scenario for the US economy than in recent years. The GDP growth rate fell from 5.0% in the first quarter of 2004 to 3.7% in the first quarter of 2005. Internal demand continued to grow at a steady pace. After a sharp downturn in the second quarter of 2004, household consumer spending edged back towards growth. Investment, whilst slowing down, continued to make a significant contribution, sustained by the good performance of corporate profits and still favorable interest rates.

According to the latest GDP estimates, in Japan the economy rallied sharply in the first quarter of 2005 (up 1.2% on the previous quarter). This result follows on from the moderate rise registered in the last quarter of 2004, which officially interrupted the period of technical recession reported in mid-2004. Therefore the Japanese economy seems to have overcome the sluggishness of the previous year. GDP growth was primarily driven by household consumer spending coupled with strong support from non-residential investment. Such buoyant demand was offset by more lackluster performance in the overseas sector, which continued to hamper growth. Japanese exports are feeling the effects of the downturn in international demand, especially from its two principal trading partners, China and the United States.

In Europe (the euro area), after the positive result of 2004 (2.0%), the pace of growth is set to fall. The positive figure for the first quarter of 2005 (0.5%), which was affected by a steady decline in imports (down 1.1%), is misleading. However, the clear downturn in investment (down 0.7%) is significant. Messages from the second quarter are mixed, but overall they point towards extremely limited growth. Industrial production rallied after the first quarter and business confidence rose slightly in June following improvements regarding production forecasts and reductions in stocks of finished goods.

[3] Source: Macro-economic Forecasts - Confindustria – June 2005

On the other hand, consumer confidence settled below the long-term average and unemployment forecasts worsened on the back of a sluggish job market. It should be borne in mind that performance within the euro area is highly differentiated, often with completely different factors underpinning the growth process. Whilst in Germany it is exports that are driving the economy, in other countries such as Italy, France and Spain overseas sales have failed to make up for waning domestic demand. Such varied economic performance significantly complicates forecasting for the euro area. Against this backdrop, average annual growth of 1.3% is expected in 2005. For the euro area as a whole the overseas component will not contribute to growth in 2005, due to a loss of competitiveness in overseas markets and the slowdown in international demand. Therefore, euro area growth will primarily derive from consumer spending and investment. Regarding consumer spending, the strong euro will help to keep down inflation arising from high commodity prices, especially oil. However, the lack of substantial improvement on the employment front points towards a continuation of moderate consumer spending trends. Investment is unlikely to gather significant momentum during the year given that industry is operating below full capacity.

South Africa is bucking the international trend of economic downturn. The growth rate for 2005 is estimated at around 4.0%, reflecting appreciation of the economic program launched by the government together with relative political and social stability. Growth is accompanied by moderate inflation and increasing exchange rate stability.

Finally, after two consecutive quarters of negative growth (– 0.4% in the fourth quarter of 2004 and – 0.5% in the first quarter of 2005, respectively), Italy is technically in recession. This result has eroded GDP, bringing it back below the level where it stood at the beginning of 2004. The extent of negative developments and their timing make the current economic downturn appear more severe than previous periods of recession (1982, 1992 and 2003). The drop in GDP in the first quarter of 2005 is almost entirely due a plunge in exports, which has lopped half a percentage point off growth. First quarter trade balance figures, which are also effected by the current slowdown in global demand, show that the total amount of goods exported fell by 15.6%. Exports to non-EU countries were the hardest hit. The strengthening of the euro against the dollar is given as the principal factor in hampering exportation by small- and medium-sized companies. Moreover, Italian exporters' prices are higher and rising faster than those in other major European countries, partly due to unit labor costs that have increased considerably more than in other countries. With domestic demand stagnant and overseas demand slowing down, companies have found themselves with surplus capacity and have therefore cut back on investment. A widespread consensus has prevailed for some time that the difficulties experienced by the Italian economy are primarily structural, which calls for radical changes designed to boost competitiveness.

Legal and regulatory context

On May 25, 2005 the Board of Directors of the Civil Aviation Authority approved the outcome of the procedure regarding the proposed Planning Agreement for 2005-2009 to be drawn up with ADR SpA. The proposal was forwarded to the Ministry for assessment of responsibilities and subsequent transmission to CIPE (Interdepartmental Committee for Economic Planning) for determination of responsibilities.
The Ministry of Infrastructure and Transport submitted further requests for clarification to the Civil Aviation Authority, which were replied to. The delay in the procedure led to postponement of the tariff reform plan contained in the agreement from the originally scheduled period of 2004-2008 to 2005-2009.

On April 1, 2005 Law no. 43 of March 31, 2005, which converts Legislative Decree no. 7 of January 31, 2005 that came into force on April 2, 2005, was published in the Official Gazette. Together with other issues, art. 6.4 of this law provides for a 1-euro increase per passenger in the municipal surtax on aircraft boarding fees pursuant to Law no. 350/2003 (which thereby amounts to 2 euros), as well as modifications to the percentage allocation of the surtax (in particular, an increased amount for the municipalities concerned and a consequent reduction in funding for security measures).
The increase in the surtax is designed – in accordance with the law – to cover provisions to a special fund to provide income support and to finance re-employment, reorganization and retraining initiatives for air transport sector personnel, established pursuant to Legislative Decree no. 249/04 as converted by Law 291/04.
Furthermore, art. 6.4 expressly states that the higher receipts deriving from the increased surtax should be paid to central government for reallocation to the appropriate budget item of the Ministry of Labor and Social Policy, which will then transfer the money to the special fund. The Ministry of the Economy and Finance is authorized to make any necessary budget amendments, via its own decrees.

In 2004 ADR SpA submitted a complaint to the European Commission (pursuant to Rule no. 17/62 and Rule no. 659/99) in which it requested that "the system for determining airport license fees for 2003, provided for by the State Property Office decree of June 30, 2003 be declared incompatible with European Union legislation pursuant to article 81.1 of the EU Treaty", and also called for an investigation of aspects of the decree that it alleges distort competition. In June 2005 the Competition Directorate-General of the European Commission informed ADR SpA of its intention to propose that the Commission file the complaint regarding anti-competition aspects, with the exception of any new elements that ADR SpA might submit to support its claims.

In a memorandum dated May 23, 2005, which was cancelled and replaced with another on June 13, 2005, the Civil Aviation Authority limited market access to ground handling at Ciampino to one more handler, in addition to ADR Handling SpA, to be selected via a tender at European level.
Such limitations were set for a two-year period, with no extension envisaged, to come into force as of the outcome of the European tender to select the second handler.
No limitations were expressly stipulated by the Civil Aviation Authority regarding access of handling service providers for air taxis, private flights, aircraft works services and general aviation, including flying school flights.
As a preliminary measure ADR sent two letters to the Civil Aviation Authority partially objecting to the content of the above-mentioned provisions, and on June 6, 2005 lodged an appeal at the Lazio Administrative Court against the Civil Aviation Authority directive of June 13, 2005, regarding the section in which it:

- provided for full liberalization of the airport on a temporary basis until the outcome of the handling tender;
- excluded air taxi flights from commercial aviation, reclassifying them under general aviation.

On rejection of such objection a further appeal was made to the Council of State resulting in a positive outcome for ADR. Both of these appeals are referred to in the section regarding "Subsequent events".
At the same time, ADR SpA began preparing the European tender to select a second handler.

On June 8, 2005 Legislative Decree no. 96 dated May 9 2005 and entitled "Revision of the aviation section of the Navigation Code, pursuant to Law no. 265 of November 9, 2004" was published in the Official Gazette.
The provisions of the Navigation Code introduced or amended by Legislative Decree no. 96/05 will come into force 120 days after the date of application of said Decree (October 21, 2005), with a further period of one year in which corrections and additions to the document may be issued.
Such reform radically alters the structure of the former Code, by adapting the regulatory framework to an aviation situation that has changed, partly driven by European Union legal and regulatory initiatives.
The principal innovations include:

- abolition of the position of airport director and the numerous powers and duties attributed to it by the 1942 Code;
- granting of supervisory, certification and technical regulation responsibilities to the Civil Aviation Authority;
- art. 705 which defines the duties of the airport operator;

- reintroduction in art. 802 of the Civil Aviation Authority's power (including on notification by the airport operator) to prevent aircraft from leaving if, among others, "airport fees and taxes" have not been paid;
- confirmation of the distinction between "airports of national importance" – already provided for by Law no. 265/04 – "as essential hubs for exclusive operation of State functions" and airports of regional concern;
- entire replacement of art. 14 of Legislative Decree no. 18/99 regarding social protection.

On February 17, 2005, Legislative Decree no. 13 of January 17, 2005 was published in the Official Gazette. This decree has implemented EC directive 2002/30 regarding operating restrictions regarding noise abatement at EU airports. Basically, such restrictions might entail, for example, a ban on night flights and/or a reduction or ban on flights that only just comply with regulations.

In accordance with legislation regarding emission trading ADR has been granted authorization to emit greenhouse gases and is awaiting a final decision from the Ministry of the Environment regarding allocation of CO_2 emission quotas for the period 2005-2007.

On April 21, 2005 ADR drafted the Security Planning Document included by art. 34 of Legislative Decree no. 196/03 among the minimum security measures regarding electronic processing of sensitive and/or legal personal data.

The model adopted by ADR SpA designed to prevent the commission of crimes pursuant to Legislative Decree 231/01, which is being monitored and managed by a supervisory body appointed by the Company, was also adopted by the Group companies ADR Handling SpA, ADR Tel SpA, ADR Engineering SpA and ADR Advertising SpA.

ACTIVITIES

Aviation activities

Air traffic

During the first four months of 2005 the upturn in world air traffic continued with a rise in passengers (up 6.9%) and movements (up 1.7%) compared with the same period in the previous year.

Europe also performed well. The first four months of 2005 saw an increase in passengers (up 6.6%) and movements (up 3.8%) compared with the same period in 2004.

In Italy the first six months of 2005 reported a 6.4% increase in passengers and a 3.8% rise in movements compared with the previous year.

Passenger traffic - monthly percentage increases compared with 2004

	Jan. '05	Feb. '05	Mar. '05	Apr. '05	May '05	Jun. '05
WORLD (a)	+7.8%	+5.2%	+9.4%	+5.1%	+7.8% (*)	n.a.
Europe (a)	+9.3%	+3.1%	+8.7%	+5.4%	+6.6% (*)	n.a.
Italy (b)	+7.3%	-0.1%	+7.8%	+3.6%	+7.6%	10.3%
FCO + CIA (°)	**+10.9%**	**+3.7%**	**+9.4%**	**+5.8%**	**+13.2%**	**+12.8%**

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

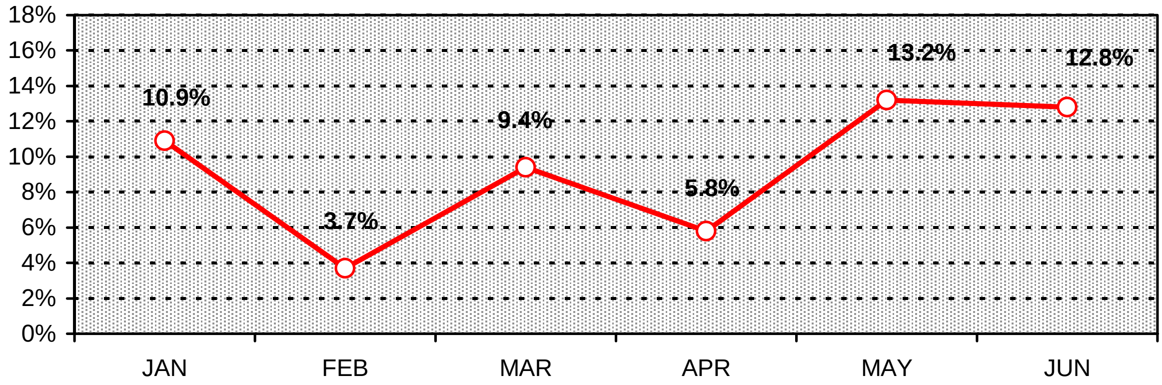
(°) = Roman Fiumicino and Ciampino Airport System

The Roman airport system

During the first half of 2005 the main European airports[4], against which the Group's performance is measured, achieved the following passenger traffic results: Madrid (up 7.5%), London (up 4.0%), Paris (up 4.2%), Amsterdam (up 3.2%) and Frankfurt (up 1.9%). During the same period the Roman airport system rose by 9.5%, confirming its position as Europe's best performer.

Monthly performances are shown in the following graph:

THE ROMAN AIRPORT SYSTEM
Total Passengers – Monthly percentage changes compared with 2004



Information regarding trends in traffic components is provided below:

Data up to June 30, 2005 (The figures in brackets indicate the percentage change with respect to the previous year)

Traffic component	SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	180,135	152,665	27,470	83,622	96,513
	(+6.1%)	*(+2.6%)*	*(+32.27%)*	*(-0.1%)*	*(+12.4%)*
Aircraft tonnage	12,604,001	11,369,705	1,234,296	4,697,398	7,906,603
	(+5.5%)	*(+2.7%)*	*(+40.8%)*	*(-2.4%)*	*(+10.9%)*
Total passengers	15,595,320	13,742,936	1,852,384	6,117,348	9,477,972
	(+9.5%)	*(+4.7%)*	*(+65.4%)*	*(+0.1%)*	*(+16.5%)*
Total freight (tons)	73,920	62,487	11,433	5,348	68,572
	(-1.8%)	*(-4.0%)*	*(+12.0%)*	*(-25.0%)*	*(+0.6%)*

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

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

Traffic component	International	EU	Non-EU
Movements	96,513	67,218	29,295
	(+12.4%)	*(+15.8%)*	*(+5.3%)*
Aircraft tonnage	7,906,603	4,510,570	3,396,033
	(+10.9%)	*(+16.1%)*	*(+4.6%)*
Total passengers	9,477,972	6,447,402	3,030,570
	(+16.5%)	*(+22.2%)*	*(+6.1%)*
Total freight (tons)	68,572	21,211	47,361
	(+0.6%)	*(+8.0%)*	*(-2.4%)*

At Fiumicino the recovery in traffic resulted in an increase in capacity (total movements up 2.6% and aircraft tonnage up 2.7%), accompanied by a greater increase in passenger traffic (up 4.7%) resulting in an improved load factor (up from 59.8% in 2004 to 61.5% in 2005).

Breakdowns for the different areas are as follows:

Domestic traffic: This sector, representing 43.8% of total passenger traffic, reported the following:

- Domestic, Alitalia (65.3% of passenger market share): the carrier reported a rise in passengers (up 4.9%) despite a decrease in capacity (movements down 2.0% and aircraft tonnage down 1.1%);
- Domestic, other carriers (34.7% of passenger market share): the downturn in passengers (down 11.0%) was primarily due to a decrease in capacity (movements down 3.6% and aircraft tonnage down 7.2%).

International European Union traffic: This sector, which was positively affected by the entry of ten new nations on May 1, 2004 and represents 35.0% of total passenger traffic, reported the following:

- European Union, Alitalia (31.3% of passenger market share): the carrier reported a sharp increase in passenger levels (passengers up 13.8%), due to an increase in capacity (movements up 7.0% and aircraft tonnage up 10.9%);
- European Union, other carriers (68.7% of passenger market share): all the other carriers reported a substantial rise of 14.8% in passenger levels due to a sharp increase in capacity (movements up 13.6% and aircraft tonnage up 11.8%).

International traffic outside the European Union: This sector, representing 21.1% of total passenger traffic, reported the following:

- Traffic outside the European Union, Alitalia (25.1% of passenger market share): the carrier saw a rise in passenger levels (up 6.4%) due to an increase in capacity (movements up 10.8% and aircraft tonnage up 8.2%);
- Traffic outside the European Union, other carriers (74.9% of passenger market share): other carriers registered an increase of 1.9% in passengers, and a slight decrease of 0.8% in movements and an increase of 2.1% in aircraft tonnage.

In terms of network development, at Fiumicino a series of new routes and increased frequencies were introduced.

The domestic sector saw Meridiana begin operating nine daily flights to Cagliari in February, whilst Alitalia added a flight to Bergamo in May.

Within the European Union new flights were launched by Air France to Toulouse, by Tap to Porto, by Air Lingus to Cork, by Czech Airlines to Riga and by Vueling to Bilbao. KLM increased flight frequencies to Amsterdam, and Air Berlin and SkyEurope did likewise on their respective networks.

Regarding non-European traffic Delta introduced a second summer period daily flight to Atlanta, Air Transat stepped up frequencies to Montreal, Air Canada started up a flight to Toronto and Pulkovo Aviation started flying to St Petersburg. In the medium haul sector, Darwin started new flights to Berne and Lugano, and Scandinavian began flying to Oslo.
Operations were also stepped up on existing routes, including by Alitalia to Boston and Toronto, with extension of summer season flights compared with 2004.

At **Ciampino** airport the increase in passengers (up 65.4%) compared with the first half of 2004 is still due to the expansion of low-cost traffic. Ryanair stepped up its operations with new flights to Alghero, Liverpool, Niederrhein, Teesside, Valencia, East Midlands, Dublin, Brescia and Treviso. New routes were opened by EasyJet to Basle, Norwegian to Oslo and Centralwings to Warsaw and Crakov.

Freight traffic performance at the airport, mainly arising from the activities of the express couriers, DHL, TNT and UPS, registered an increase of 12.0% compared with the first half of 2004.

Airport fees

During the first six months of 2005, revenues from airport fees, which are directly correlated with airport traffic, rose by 9.3% to 74.9 million euros compared with 68.5 million euros for the same period of the previous year.

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

- *landing and take-off fees:* The increase in revenues (up 5.3%) was substantially in line with overall traffic growth (aircraft tonnage: up 5.5%);
- *passenger boarding fees:* Passenger boarding fees, on the other hand, rose by 12.1% compared with the same period in the previous year, higher than the increase registered by passenger traffic (up 9.5%). This difference is primarily due to the greater increase in the international non-EU component (for which passenger boarding fees also have higher unit tariffs than the domestic and EU components) and the strong growth of traffic at Ciampino, which has higher average unit tariffs than Fiumicino.

Management of centralized infrastructures

The management of centralized infrastructures and terminal services, which are carried out directly by the Parent Company, ADR, reported revenues of 17.1 million euros, up by around 3.3% compared with the first half of 2004.

This rise is primarily due to increased revenues from the use of baggage handling systems, which reported increased earnings of around 0.5 million euros.

During the first half of 2005 the automated baggage handling system processed around 2,690,000 pieces of baggage (up 4.26% compared with the first half of 2004), with the number of misdirected pieces of baggage totaling 0.122% (up 0.04% with respect to the first half of 2004), of which 0.077% were caused by equipment and 0.045% were due to multi-level equipment and security checks.

Loading bridge revenues amounting to 9.9 million euros are substantially in line with the same period of the previous year.

Security

The security activities carried out by the Parent Company, ADR, consist of 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.

In February activities regarding entry permits for Fiumicino and Ciampino airports, which were previously carried out by the local airport authority, were completely taken over.

Training and refresher courses for ADR personnel also continued, and in May sales activities regarding training products were stepped up throughout Italy (aimed in particular at airport operators, security companies, the Italian Post Office, etc.).

During the first half of 2005 security activities generated revenues of 26.8 million euros, an increase of 9.2% with respect to the same period in 2004, primarily deriving from traffic growth.

Operational safety

At Fiumicino airport activities continued regarding inspection of runways and aprons, "follow-me" operations, the monitoring and clearance of birds and works assistance based on existing procedures (ISO 9001/2000 certificate), in order to deal with increases in traffic and the number of infrastructures to be checked.

In addition, monitoring of compliance with the requirements of Civil Aviation Authority certification and the correct use of airside infrastructure by handlers continued, with notification of any infringements. The first phase of computerizing safety data was also completed.

At Ciampino airport surveillance of operational safety – regarding "follow-me" operations, runway inspections, monitoring and clearance of birds and airside supervision – is fully up and running.
"Follow-me" operations were greatly increased due to traffic and Civil Aviation Authority directives regarding new apron traffic signs; the number of operations reached 4,000 in June.

The ornithological study provided for by current legislation was completed.

Real estate management

Sub-concessions

Revenues from sub-concessions, deriving from fees and utilities at Fiumicino and Ciampino airports, amounted to 13.5 million euros in the first half of 2005, up by around 4.7% compared with the same period in the previous year.

The results achieved at Fiumicino airport during the period benefited from an increase in sub-concessions arising from the opening of the new Cargo City, an increase in sub-concession fees for VIP lounges and the sub-concession of other spaces used by mobile telephone operators. This positive performance was offset by the relinquishment of certain spaces by Banca di Roma and Air One.

At Ciampino the amount of space in sub-concession increased thanks to settlement of certain prior disputes and consequent replacement of the sub-concessionaires concerned.

Revenues from royalties at Fiumicino and Ciampino amounted to 8.8 million euros, an improvement of 2.9% with respect to the same period in the previous year.
In particular, at Fiumicino aviation fuel revenues increased (up 3.3%), which was offset by the poor performances of other sectors (catering, etc), whilst Ciampino reported the best performances for aviation fuel (up 35.0%) and car hire (up 41.0%).

Noteworthy among operations concluded by June 30, 2005 – although it did not generate any revenues during the period under consideration – is the signing of a contract with Icarus SpA regarding sub-concession of an area that will accommodate a three-star hotel, to be built and subsequently managed by the above company.

Management of car parks

Management of the parking systems at Fiumicino and Ciampino airports brought in revenues of 13.6 million euros, up 11.7% compared with the previous year, primarily due to increased tariffs.

Infrastructure maintenance

Maintenance activities to guarantee the reliability of airport infrastructure continued during the period, and four-year maintenance contracts for airside green spaces were awarded after being put out to tender.
Following expiry of canteen management contracts at Fiumicino and Ciampino airport on March 31, 2005, a two-year canteen management contract was awarded to a single operator.
In February 2005 a two-year contract regarding mechanized and manual cleaning of the external areas of Fiumicino airport and waste collection, transport and disposal at Fiumicino and Ciampino was put out to tender and awarded.

Non-aviation activities

Revenues from direct sales rose by 18.3% with respect to the first half of 2004, compared with an increase of 9.9% in outgoing traffic. The average passenger spend rose by 7.7% compared with 2004, thanks to the effectiveness of such programs as the introduction of gourmet food in retail outlets (sales of food items rose by 44.5% with respect to 2004) and fine jewelry, as well as communications, merchandising and promotional activities that also aimed to eliminate slow-moving stock.

This performance was achieved despite a sharp drop in tobacco sales (down 9.2% on the previous year), which was also negatively impacted in the first four months by the decrease in sales to passengers from the ten new EU countries and absorption of VAT on other goods. Net of the effects of tobacco sales, the passenger spend registered a rise of 11.7% compared with the first half of 2004, with an increase of 16.0% in June alone.

Ciampino airport registered an increase in revenues of 50.6% compared with the first half of 2004, which was less than the growth in traffic (boarded passengers up 65.8%), primarily due to strong growth in the domestic component (up 550% on the first half of 2004) coupled with reduced passenger willingness to spend and the negative effects linked to growing congestion at the airport arising from the high levels of traffic achieved.

Revenues from outlets managed by sub-concessionnaires fell by 7.7%.
This result was negatively impacted by the problems connected to the project to replace the principal retail sub-concessionaire, The Nuance Group, at the airport system. Excluding the effects of this component, earnings increased by 12.4% in terms of sub-concessionaires' turnover and by 14.1% regarding Group revenues. Such figures, which therefore exceed growth traffic, were achieved thanks to good performances by the "Food & beverage" and "Other royalties" sectors, with the latter boosted by the new currency exchange businesses. The upturn in revenues also derived from restructuring of the Gucci shop, and the opening of four new outlets (Angelini Benessere, two Bijoux Terner – 12 euro shops and a Tre outlet). Four outlets belonging to the sub-concessionaire Alpha also started operations, although with a temporary layout. Alpha has taken over some of the spaces formerly held by The Nuance. These outlets will be restructured during the second half of 2005.
A development plan aimed at outlining new retail spaces within terminals was also completed. These new spaces will bring benefits during the second half of the year.
Regarding the situation of the sub-concessionnaire Cisim Food SpA (in liquidation since April 2003), on February 4 Cirio Finanziaria (the major shareholder of Cisim Food in liquidation) launched a public auction to sell its 55% stake in Cisim Food. This procedure was still in progress at the end of the first half of the year.

Revenues from advertising space grew by 3.7% with respect to the first half of 2004, primarily due to the sale of spaces relating to the new facilities built at Fiumicino's Pier A. Such contracts took effect as of January 1, 2005.

Technical and IT services

Maintenance of plant and facilities

During the first half of 2005 management and maintenance of existing infrastructures and facilities continued to guarantee reliability and provide quality services in line with customer expectations and leading European airports.

The most important initiatives carried out during the period are described below:
- launch of activities to establish an airport energy consortium to acquire utilities;
- participation in operating tests for new plant including: Extension of Western Pier, Terminal AA, L Block, the kilo 2 transit building, the Multi-story car park;
- coordination for ADR of activities regarding ICAO's security audit of Fiumicino.

In addition, plant investment was carried out, which is described in detail in the section entitled "Group investment".

Information Technology

A number of important works were completed, continued and launched in the first half of 2005. Such works are designed to upgrade the technology and practical use of certain applications. In particular:

- Outsourcing EDP: In the early months of 2005 T-Systems Italia SpA was selected to provide data processing center services and consolidate corporate applications on the new technological platform, which was accompanied by sale of the EDP business unit. On May 31, 2005, after completion of due diligence procedures, a contract was signed with effect as of June 1, 2005. This operation will enable the technological upgrading of hardware, consolidation of applications on fewer platforms and improved systemic support for development of new applications;
- Insourcing of applications from Alitalia's EDP system: The process of gradual migration of ADR SpA's mainframe applications to Alitalia's EDP system continued. The operation will be completed during 2005;
- New Handling Cargo System (HCS): Activities to implement and personalize the system released in 2004 continued. In particular, a study was completed regarding construction of a portal site that will enable shipping agents to obtain information online on the status of their freight orders, which has obvious operating advantages. Release of the portal site is expected by the end of 2005;
- New airport operations management system (UFIS): During 2004 management modules for airport infrastructure and passenger handling were acquired, as well as a wireless module for the system (Grams) which will enable real-time gathering of operational data. Implementation and personalization of the modules acquired in were launched ahead of their release by the end of 2005;
- SAP RE module (real estate): The SAP RE module, which will enable integration of the contracting and invoicing of retail sub-concessions with the ADR Group's accounting systems (SAP FI and CO modules) entered service. The activities will be completed by the end of 2005, with incorporation of the "asset reports" function;
- New sales management system: Implementation and personalization of the new ADR SHOP system, which entered service at the end of 2004, were launched. In particular, a data warehouse for gathering direct sales data is under construction and will be available by the end of 2005. The system, which was developed by ADR and is integrated within the corporate stock management system (SAP PM module), is also used by ALPHA Retail, the new sub-concessionaire for duty-free shops.

Environmental protection

Environmental impact

During the period, maintenance and development of the Environmental Management System (EMS) at Fiumicino and Ciampino continued according to plan.

In April 2005, the certifying body, Dasa - Rägister, carried out checks to renew ISO 14001 certification for Fiumicino airport, and confirmed full compliance with EMS standards. During the second half of the year, the certifying body will carry out the first integrated periodic maintenance check on the Environmental Management Systems at Fiumicino and Ciampino.

Ongoing monitoring of electromagnetic fields at Fiumicino, which began in 2002, continued, and a new air quality monitoring campaign was begun in the airport areas deemed to be most significant.
Both activities will be completed during the second half of the year, and report will be prepared to assess the results of monitoring.

In April 2005 the Province of Rome renewed ADR SpA's license for the waste water treatment plant at Fiumicino airport for a period of four years.

The ADR Environmental Report, which has been updated with 2004 data regarding Fiumicino and Ciampino airport, will be distributed during the second half of the year.

Noise abatement

Since its incorporation the Parent Company, Aeroporti di Roma, has actively sought to improve the compatibility of airport activities with the environment and the surrounding area.
In particular, with a view to lowering aircraft noise levels at Ciampino airport, installation of a new aircraft noise monitoring system with a radar interface to control aircraft flight paths was launched. Implementation of this system, which is financed by the Ministry of the Environment based on the Agreement of May 23, 2001, will be completed by July 2005. In addition, activities were launched to upgrade and modernize the monitoring system at Fiumicino airport, with funding from ADR SpA.
A project was also drawn up to redesign the layout of the "Via Coccia di Morto" pinewood which creates an obstacle. This will enable the use of the entire length of Runway 2 (runway head 25) and thus further reduce traffic on Runway 1. As this initiative concerns a protected area of the Roman Coastal Park, it's implementation entails a complex authorization procedure that has been underway for some time. The project is currently being examined by the "Coastal Reserve" Commission.

Pursuant to art. 5 of the Decree of October 31, 1997, the airport committee of which ADR is a member has approved current acoustic isolevel contours around airports, in accordance with the Decree of October 31, 1997, which implemented Law no. 447/95.
On August 1, 2005 the relevant documentation, pursuant to the Ministerial Decree of November 29, 2000, was submitted to the appropriate authorities.

Quality

The quality program was further developed during the first half of 2005:

- Over 160,000 objective checks, equivalent to around 13,000 reports, were carried out. These checks were based on daily surveys of the quality levels of baggage reclaim, the check-in service, carry-on baggage checks, the cleanliness of toilets, the functioning of display screens, passport control and refreshment services;
- a "micro" customer satisfaction plan was implemented, with spot checks of quality levels as perceived by customers in the places where services are provided. To date approximately 3,000 interviews have been conducted;
- A survey was launched to assess overall customer satisfaction at Fiumicino regarding all services not monitored by the "micro" customer satisfaction plan;
- Admission to the IATA "Airport customer satisfaction and performance program", which compares levels of passenger satisfaction reported at major airports worldwide, was also applied for. Via international benchmarking, this program will enable determination of Fiumicino's ranking at the end of the year.

Analysis of the data gathered reveals a good overall level of service provision at Fiumicino.

In particular, the operating performance of baggage handling and reclaim equipment, loading bridges and apron equipment (the reliability of these facilities averaged 99.8%) were excellent.

The performance of waiting times for carry-on baggage security checks was also good: compliance with the standard (6 minutes in 90% of cases) rose from 88.4% in the first half of 2004 to 90.4% in the same period of 2005.

Airport punctuality[5] improved: The percentage of incoming flights arriving more than 15 minutes late at Fiumicino fell to 21.06% in the first half of 2005 against 27.11% in the same period of 2004, a decrease of 6 percentage points.
A similar performance was reported for delays of more than 15 minutes for outgoing flights with an improvement of two percentage points over the first six months of 2004 (25.09% against 27.35%).
Fiumicino therefore respected the Service Charter indicator, equal to 25% of flights, regarding the "percentage of delayed outgoing flights".
Finally, the airport operator also posted a good performance, causing delays to only 0.1% of outgoing flights compared with a published target of 0.3%.

On the other hand, poorer performances were registered for certain aviation indicators, which did not meet set standards. In particular, the levels of baggage reclaim and check-in services at Fiumicino fell below the standards published in the Service Charter.

During the first half of the year, the quality plan, involving objective checks and passenger interviews, was also extended to the services provided at Ciampino airport. Results will be available as of the second half of the year, when the samples analyzed will have become statistically reliable.

GROUP INVESTMENT

During the period under consideration, the ADR Group carried out investment totaling 43.4 million euros (26.7 million euros in the first half of 2004).

Regarding infrastructure development, the following works were completed:

- *Terminals:* extension of the Western pier for 16 new departure gates, integrated seating system, telephone and data network and IT networks; conversion of former ceremonial area for use as check-in desks, Terminal C; insulation of x-ray building (phases 1 and 2), within the framework of the ALCE project; new public authority offices and preparation of retail outlets, Terminal C;
- *Plant:* entry into service of freight movement system (ETV) at Cargo City; construction of light monitoring systems for Runway 2, with Cat. III B operations for Runways 1 and 2; installation of holding position signs on aprons and taxiways to increase capacity in low visibility conditions; additional interactive information monitors for the general public;
- *Ciampino:* road network and car park maintenance; upgrading of aircraft aprons and extension of AC taxiway; upgrading of aircraft aprons and traffic signs; terminal, restructuring of departures area (phase 2).

The following works are underway:

- *Terminals:* Terminal A, new domestic baggage building and new remote departure lounges for domestic traffic ; Terminal C, extension of the Western pier for 16 new departure gates; Pier A, replacement of false ceilings and lighting equipment; Terminal C, upgrading of security check points (phase 1);
- *Infrastructure:* 5th module of the multi-story car park; extension of long-stay car park (phase 2); extraordinary maintenance on airport road network (phase 2); completion of work on upgrading Cargo City warehouses and offices;
- *Plant:* second phase works on the tunnel network; start of works to build light monitoring systems for Runways 2 and 3; continuation of activities to upgrade HBS (Hold Baggage Screening): increase of capacity of existing 2nd level security checking lines; construction of a back-up system for Terminal C HBS to check and handle baggage from Islands A and L; construction of HBS system at Terminal A;

[5] "Airport punctuality" is defined as the percentage of departing or arriving flights that are delayed by more than 15 minutes.

- *Runways:* urgent works on Delta taxiway; joint sealing on Alfa taxiway; construction of aircraft aprons in Southeastern area (phase one); construction of aircraft aprons in Western area; repair of perimeter road network and access runways;
- *Ciampino:* restructuring of retail areas (phase 2); activation of development plan (phase 1); upgrading of terminal air conditioning system; works to upgrade HBS facilities.

Moreover, on June 16, 2005 the European Union Commission decided to grant EU funds to the Parent Company, ADR SpA, to the project of public interest entitled "Rome Airport, Fiumicino: feasibility study and design of a people mover" (project no. 2004-it-90903-s07,42313), in the trans-European network infrastructure sector and within the scope of annual transport planning (TEN-T). The feasibility study will assess the viability of building a light railway for a high-speed link between the passenger terminals, Cargo City, the long-stay car parks and the freight agents' buildings, with further possible extensions in the Western area towards the archeological sites and the town of Fiumicino.

During the first half of 2005 the Parent Company, ADR SpA, submitted a report to Fintecna SpA on the state of progress of the commitments undertaken when acquisition by the Leonardo Consortium took place with the 2000 Business Plan. In particular, this Plan provided for the carrying out of infrastructure investment in the period 2000-2005 amounting to around 515 million euros, of which 360 million euros would be self-financed by Aeroporti di Roma SpA.

A breakdown of the investments provided for in the Business Plan, compared with investments carried out as of December 31, 2004, is shown in the table below:

Capex Plan	Plan Leonardo 2000-2004	Adr SpA Actual	Change	Plan Leonardo Year 2005	Plan Leonardo Total	Adr SpA First hlaf 2005	Adr SpA 1-1-2000 / 06-30-2005
Infrastructure	78.1	83.5	5.4	17.8	95.9	28.3	111.8
Maintenance	55.1	68.4	13.3	8.8	63.9	9.0	77.4
ICT	30.1	28.1	(2.0)	5.2	35.3	1.6	29.7
Other	18.9	16.0	(2.9)	5.2	24.1	2.1	18.1
Subtotal	182.2	196.0	13.8	36.9	219.1	41.0	237.0
New Pier C	110.1	0.0	(110.1)	0.0	110.1	0.0	0.0
Runway 3	31.0	0.0	(31.0)	0.0	31.0	0.0	0.0
Self-financing	**323.3**	**196.0**	**(127.3)**	**36.9**	**360.2**	**41.0**	**237.0**
New Pier C	66.2	0.0	(66.2)	0.0	66.2	0.0	0.0
Other	88.3	88.3	0.0	0.0	88.3	0.1	88.4
Financed by State	**154.5**	**88.3**	**(66.2)**	**0.0**	**154.5**	**0.1**	**88.4**
Total	**477.8**	**284.3**	**(193.5)**	**36.9**	**514.7**	**41.1**	**325.4**

As may be noted in the table, with the exception of works relating to Pier C and to Runway 3, ADR SpA has met the commitments undertaken at the time of acquisition, also taking into account an amount of approximately 41 million euros recorded in the first half of 2005. Moreover, the investments were carried out with lower traffic volumes than those estimated in the Business Plan.

In particular, regarding Pier C and its ancillary works and Runway 3, during the period 2000-2004 the Company was unable to go ahead with these important investments due to the following events:

- the failure of the Civil Aviation Authority to draw up the relative Formal Document to build the International Terminal Pier C, entailing a delay of around three years in starting works with respect to the original programs;
- suspension in 1999 of structural upgrading of Runway 3 (or Runway 16L/34R), with consequent litigation launched in May 2000 against the Temporary Consortium of Contractors.

A call for bids was published to select a contractor for construction of Pier C, a state-owned work co-financed by ADR pursuant to the Planning Agreement of April 30, 1996 and supplementary document II of Agreement no. 3997/86, signed on December 23, 2002. Moreover, in a letter dated February 4, 2005 the Civil Aviation Authority confirmed the availability of funds (approximately 43 million euros) pursuant to Law no. 449/85 and Law no 67/88. The Company is still awaiting confirmation from the Authority regarding the availability of the remaining funds amounting to around 36 million euros.

RESEARCH AND DEVELOPMENT

The ADR Group did not carry out any research and development activities during the first half of 2005.

MAIN GROUP COMPANIES

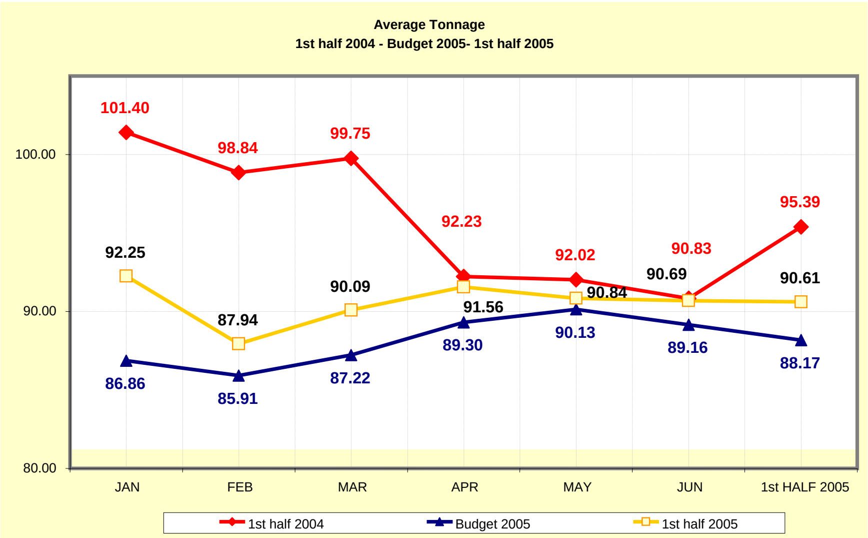
ADR Handling SpA

Air traffic served by ADR Handling S.p.A. (ADRH) at Fiumicino airport during the first half of 2005 breaks down as follows:

	H1 2005		**H1 2004**		***Change***	
Traffic component	**Handling at Fiumicino**	***% of total Fiumicino***	**Handling at Fiumicino**	***% of total Fiumicino***	***Handling at Fiumicino***	***% of total Fiumicino***
No. of aircraft movements	48,033	31.5%	46,785	31.4%	2.7%	0.1%
Aircraft tonnage	4,357,217	38.3%	4,463,014	40.6%	(2.4%)	(2.3%)
No. of passengers	4,453,492	32.4%	4,552,606	34.7%	(2.2%)	(2.3%)
Traffic unit[6]	4,645,748	32.4%	4,813,602	35.0%	(3.5%)	(2.6%)

Compared with the same period of 2004, an increase in the volumes of traffic handled by ADRH SpA was reported, substantially in line with the company's market share in terms of movements handled.

Regarding traffic data for 2005, it is to be noted that, on the occasion of the funeral of Pope John Paul II in April, 56 movements were handled using ADRH SpA vehicles and resources at Pratica di Mare military airport, which are not included in the total number of movements for the first half of the year.



[6] Traffic unit: local passengers + freight in quintals + mail in quintals

The decrease in aircraft tonnage (down 2.4%) and the increase in the number of movements handled (up 2.7%), show that traffic handled by ADRH during the first six months of the year comprised aircraft with a lower average tonnage than during the same period of 2004. This decrease (down 5.0%) directly influences earnings performance, together with a series of factors, including:

- Acquisition of new carriers: Deutsche as of March 28, 2005 (ramp services only), Brussels Airlines as of May 1, 2005 (ramp services only), Air Mediterranée as of April 15, 2005 (summer season) and Pulkovo as of April 2005;
- Increased carrier traffic volumes: Air Alps, American Airlines, Air Berlin (ramp services only), Finnair, British Airways, Aer Lingus, Sky Europe (ramp services only), Iberia, Delta Airlines (ramp services only), Fly Niki (ramp services only), Tarom and Sas Scandinavian International;
- Loss of customers: (China Airlines, Germania, Luxair and Ghana Airways).

Ciampino airport reported a sharp increase of 27.9% in the total number of movements compared with the first half of 2004.
Scheduled air traffic rose even more steeply (up 57.5%). This result, together with increases in the number of passengers benefiting from handling services (up 65.4%), indicates a greater number of flights with, on average, a higher load factor.

	ADRH activities		
Traffic component	H1 2005	H1 2004	Change %
No. of aircraft movements	26,632	20,827	27.9%
Aircraft tonnage	1,233,917	876,714	40.7%
No. of passengers	1,852,374	1,119,741	65.4%
Freight	11,431	10,186	12.2%

A breakdown of movements by sector shows a marked increase in the low-cost traffic component (Ryanair up 62.7%, EasyJet up 267%), at the expense of other scheduled flights which have significantly scaled down their operations (up 24.3%). The charter component reports a decrease of 6.4%.

		ADRH activities		
Traffic component		H1 2005	H1 2004	Change %
No. of aircraft movements		26,632	20,827	27.9%
SCHEDULED		13,447	8,540	57.5%
of which:	Ryanair	8,890	5,465	62.7%
of which:	EasyJet	2,809	765	267.2%
of which:	other airlines	1,748	2,310	(24.3%)
Charter		975	1,042	(6.4%)
Express couriers		2,490	1,947	27.9%
General aviation		9,720	9,298	4.5%

Ryanair and EasyJet stepped up their operations during the first half of the year. New low-cost and charter airlines also started operating.

Ticketing facilities, which are provided by almost all the carriers present at the airport, were also expanded.

During 2004 Ciampino airport reached the quota of 2 million passengers, which entails application of Legislative Decree no. 18/99 regarding liberalization of handling services. In a directive dated June 13, 2005 the Civil Aviation Authority therefore provided for limitation of ramp services (in particular baggage handling, freight transport and post and runway operations, excluding catering transport) to a single handling service provider in addition to ADR Handling, to be determined via a public selection procedure pursuant to art. 11 of Legislative Decree no. 18/99. For further information on this matter see the section entitled "Legal and regulatory context" in this Report on Operations.

Service quality indicators [7]during the period under consideration are shown below:

	H1 2005	H1 2004	Target for 2005
Left-behind	0.37	0.46	0,60
Airport punctuality	99.90%	99.70%	99.50 %

Finally, in relation to the zero minute airport punctuality standard with a target of 98%, the result achieved during the first half of 2005 stood at **99.58%.**

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

	H1 2005	H1 2004	Target for 2005
Baggage reclaim domestic flights - Service Charter first bag*	98.57%	96.34%	90.0%
Baggage reclaim domestic flights - Service Charter last bag*	99.34%	97.46%	90.0%
Baggage reclaim international flights - Service Charter first bag*	97.75%	97.84%	90.0%
Baggage reclaim international flights - Service Charter last bag**	95.35%	96.28%	90.0%

* Standard - domestic flights: baggage reclaim starts within 22 minutes and finishes within 30 minutes of flight arrival; to be respected for 90% of flights.
** Standard - international flights: baggage reclaim starts within 30 minutes and finishes within 38 minutes of flight arrival; to be respected for 90% of flights.

The slight decrease in revenues during the first half of 2005 (down 1% compared with the same period of 2004), which was in any case higher than the decrease in operating costs, led to a slight fall in EBITDA (4.6 million euros against 4.7 million euros in the first half of 2004).
The company reported net income of 0.6 million euros, up on the previous year, due to the retroactive effects of renewal of the labor contract reflected in the balance of extraordinary income and expense and a reduction in provisions.

Net liquidity of 5.9 million euros decreased by 6.8 million euros with respect to the end of 2004, primarily due to the effect of an increase in working capital.

ADR Engineering SpA

The company reported net income of 436 thousand euros for the first half of 2005, compared with substantial breakeven (up 5 thousand euros) for the same period of 2004.

This result derives from an increase in revenues of 1,236 thousand euros (up 53%), both from ADR SpA (1,021 thousand euros) and third parties (215 thousand euros).

Increased earnings were reflected in improved EBITDA, which stood at 792 thousand euros, compared with the 87 thousand euros of the first half of 2004.

[7] ***Key:***
LEFT-BEHIND: the figure indicates every 1,000 passengers boarded, the number of pieces of baggage not loaded together with their "owner", the responsibility for which can be attributed to the handler.
AIRPORT PUNCTUALITY: indicates the percentage of departing flights which did not experience a delay of more than 15 minutes, the responsibility of which can be attributed to the handler.
BAGGAGE RECLAIM: the figure shows the percentage of flights for which the time standards for baggage reclaim were respected, exclusively taking account of the responsibilities held by the handler. The standards of reference call for the last bag to be placed on the belt within a certain number of minutes of ATA (Actual Time of Arrival).

ADR Tel SpA

In its second year of full operation, ADR Tel reported net income of 205 thousand euros in the first half of 2005, deducting an increase of 81% in amortization and depreciation for the period (up 161 thousand euros) with respect to the first half of the previous year (262 thousand euros).

Revenues, amounting to 3,191 thousand euros, increased by 600 thousand euros (23%) compared with the first half of 2004, with 60% of such increase deriving from standard services and 40% from specific activities for the Parent Company, ADR SpA. Operating costs increased by 467 thousand euros with respect to the same period in the previous year, primarily due to the effect of cost increases directly related to the carrying out of works for the Parent Company, higher network operation and maintenance costs to guarantee the new Service Level Agreements requested by the Parent Company and an increase in Full-Time Equivalent (managers and supervisors).

EBITDA, totaling 804 thousand euros, was up 6% on the same period of the previous year.

ADR Advertising SpA

The company reported net income of 630 thousand euros for the first half of 2005, up 132 thousand euros compared with the same period in the previous year.

Revenues, totaling 11,287 thousand euros, grew by 5.5%, while EBITDA increased by 33.7%, representing an EBITA margin of 10.4% compared with the 8.2% registered in the first half of 2004.

ACSA Ltd

During the period under consideration the company, which is 20% owned by ADR IASA Ltd, saw an increase of 13% in outgoing passenger traffic. Revenues, amounting to 988 million rands, was up 4% and EBITDA (580.1 million rands) was up 6%. The company reported net income of 323.1 million rands (40.1 million euros, at the average exchange rate for the period) compared with 159.9 million rands in the first half of 2004 (19.5 million euros). Investment, which exceeded 375 million rands in the first half of the year, was also significant, with an increase of 50% on the first half of 2004.

This significant increase derives from the fact that the result for the first quarter of 2004 was particularly adverse as it included the prudent recognition in ACSA's accounts of a sum of 127 million rands before the related tax effect (15.0 million euros at the average exchange rate for the period). This regards a reduction in fees posted by the company in the years ended March 31, 2002 and March 31, 2003, as provided for in a document issued by the "Regulating Committee", appointed by the South African government.

On June 30 the right granted to ADR IASA Ltd to acquire a further 10% of ACSA's share capital from the South African Ministry of Transport expired. The Parent Company, ADR, has decided not to exercise this right.

GROUP PERSONNEL

The headcount as of June 30, 2005, including staff on temporary contracts, was **4,004** broken down as follows:

Category (°)	June 30, 2005	June 30, 2004	Change on June 2004	Dec. 31, 2004	Change on Dec. 2004
Managers	59	60	(1)	59	0
Supervisors	255	254	1	250	5
White-collar	2,136	2,109	27	2,039	97
Blue-collar	1,554	1,595	(41)	1,361	193
Total	**4,004**	**4,018**	**(14)**	**3,709**	**295**
Including:					
on permanent contracts	*2,913*	*2,925*	*(12)*	*2,938*	*(25)*
on temporary contracts	*1,091*	*1,093*	*(2)*	*771*	*320*

and broken down by company as follows:

Company (°)	June 30, 2005	June 30, 2004	Change on June 2004	Dec. 31, 2004	Change on Dec. 2004
ADR SpA	2,343	2,303	40	2,314	29
ADR Handling SpA	1,605	1,655	(50)	1,338	267
ADR Engineering SpA Unipersonale	29	32	(3)	29	0
ADR Tel SpA	17	17	0	17	0
ADR Advertising SpA	10	11	(1)	11	(1)
Total	**4,004**	**4,018**	**(14)**	**3,709**	**295**

(°) See at page 74 for the "average number of employees"

Compared with June 30, 2004, Group personnel decreased by a total of 14 (down 0.35%). Staff on permanent contracts decreased by 12 (down 0.41%), while those on temporary contracts decreased by 2 (down 0.18%).

In particular, the decrease in the number of staff on permanent contracts (down 33 at ADR SpA, up 27 at ADRH SpA, down 2 at ADR Advertising SpA, up 4 at ADR Engineering SpA) was due to redundancies and resignations. This decrease was moderated by the conversion of some temporary contracts into permanent ones, in implementation of the trade union agreement of May 29, 2004 regarding stabilization of long-term temporary contracts.

The number of staff on temporary contracts is substantially unchanged. Indeed, the incremental factors, such as the growth of air traffic (up 9.5% on the previous year) and the launch of new operating activities (implementation of Cargo City, new security points, extension and opening of new shops), were offset by the decrease arising from conversion to permanent contracts.
The increase in the number of staff on temporary contracts compared with December 31, 2004, (in line with budget forecasts), is principally due to steep air traffic growth in June at the beginning of the peak summer period. The decrease in permanent contracts, on the other hand, is due to 75 redundancies. This decrease was moderated by the conversion of some temporary contracts into permanent ones, in implementation of the trade union agreement of April 29, 2004 regarding stabilization of long-term temporary contracts.

The increase in the number of staff on temporary contracts compared with December 31, 2004 (in line with budget forecasts), is primarily due to increased growth of traffic and movements that naturally occurred in June 2005 compared with December 2004 and stepped up activities during the summer period. On the other hand, the decrease in staff on permanent contracts was due to redundancies and resignations of 75 personnel. This decrease was partially moderated by the conversion of some temporary contracts into permanent ones, in implementation of the trade union agreement of April 29, 2004 regarding stabilization of long-term temporary contracts.

A total of in-house training and refresher courses involved 34,718 hours and 2,045 participants including managers, middle management, administrative and ground staff. In addition, sales training took place primarily at Palermo, Catania, Genoa and Lamezia Terme airports with provision of 18 courses and participation by 108 trainees.

The Direct Retail department of the Parent Company, ADR SpA, benefited from a training workshop for company staff (CTI/CTD). This workshop aimed to rekindle sales motivation with adaptation of professional skills and attitudes, regarding retail activities and above all dealing with customers/passengers.

Regarding recruiting and selection, 359 candidates – white- and blue-collar – underwent selection procedures during the period to maintain the pool of temporary labor. In addition, an extraordinary selection procedure was carried out to recruit security personnel, following the opening of new check points for carry-on and checked baggage, in which 137 candidates took part.

New personnel management and development policies were drawn up during the period with reference to the ADR Group characteristic skills model, a system regarding performance management, recruitment and selection, rewarding, and training and development. In order to widely publicize these new personnel policies, specific information initiatives were launched that envisage the direct involvement of around 300 people.

Regarding organizational issues, a Central Supply Chain Department was established, which reports directly to the Managing Director of the Parent Company, ADR SpA. This initiative is designed to manage the Group's purchasing and supply processes.

Moreover, a new organizational model was drawn up for ADR SpA's Central Human Resources and Organization Department. On the one hand this aims to ensure greater focus on managerial development processes at corporate level, and on the other, to strengthen professional support to business units regarding human resources management, operational organization and trade union relations by setting up dedicated organization centers.

In May, within the scope of the Commercial Business Unit, a new organizational procedure was drawn up aimed at developing the airport retail sector with a focus on indirect sales development and management processes.

Updated procedures were issued regarding "pre-alert, emergency and accident" situations for flight activities at Fiumicino airport and development of requirements for "management of the model pursuant to Legislative Decree no. 231/2001" continued.

In implementation of resolutions passed by the Board of Directors, the composition and duties of the Judicial Body of the Sub-committee and Chair of the Supervisory Body were established, in accordance with the model pursuant to Legislative Decree no. 231/2001 adopted by the Company.

Absenteeism due to illness stood at 159,158 (slightly down with respect to the previous year), while absenteeism due to accidents and strikes decreased compared with the same period of 2004.

GROUP FINANCIAL POSITION AND OPERATING RESULTS

The Group's revenues, excluding the works component, amount to 276.3 million euros, up 5.4% compared with the first half of the previous year.
Likewise, aviation revenues increased (175.1 million euros against 166.1 million euros in the first half of 2004) as did non-aviation revenues (101.3 million euros against 96.1 million euros). However, the two sectors reported dissimilar performances.

Reclassified Consolidated Income Statement[8]

(€000)

Year 2004		First half 2005	First half 2004	Change
555,801	Revenues from sales and services	276,333	262,142	14,191
983	Contract work in progress	268	104	164
556,784	A.- REVENUES	276,601	262,246	14,355
4,687	Capitalized costs and expenses	1,911	1,345	566
561,471	B.- REVENUES FROM ORDINARY ACTIVITIES	278,512	263,591	14,921
(155,590)	Cost of materials and external services	(79,793)	(73,329)	(6,464)
405,881	C.- GROSS MARGIN	198,719	190,262	8,457
(156,263)	Payroll costs	(78,864)	(80,042)	1,178
249,618	D.- GROSS OPERATING INCOME	119,855	110,220	9,635
(94,101)	Amortization and depreciation	(46,925)	(46,256)	(669)
(11,981)	Other provisions	(2,019)	(931)	(1,088)
(6,975)	Provisions for risks and charges	(4,469)	(6,223)	1,754
(9,634)	Other income (expense), net	1,143	(1,413)	2,556
126,927	E.- OPERATING INCOME	67,585	55,397	12,188
(96,763)	Financial income (expense), net	(45,231)	(48,745)	3,514
7,989	Adjustments to financial assests	6,288	2,194	4,094
38,153	F.- INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES	28,642	8,846	19,796
(5,943)	Extraordinary income (expense), net	(1,801)	(1,696)	(105)
32,210	G.- INCOME BEFORE TAXES	26,841	7,150	19,691
(26,200)	Income taxes for the period	(15,631)	(10,324)	(5,307)
450	Deferred tax assets	(1,815)	61	(1,876)
6,460	H.- NET INCOME FOR THE PERIOD	9,395	(3,113)	12,508
	including:			
2,518	- Minority interest	1,227	1,412	(185)
3,942	**- Group interest**	**8,168**	**(4,525)**	**12,693**

In particular, the aviation sector saw rises in fees (up 9.3%) and security services (up 9.2%), in line with traffic, tempered by a more modest increase in revenues from centralized infrastructure (up 3.3%) and, above all, by a slight drop in handling revenues (down 0.7%), which was essentially due to the increased competitive pressure that characterizes the liberalized market at Fiumicino.

[8] Compared with the data published in the financial statements as of June 30, 2004 and as of December 31, 2004, revenues deriving from recovery of expenses and payroll costs, which in previous periods were deducted from the respective cost items ("Cost of materials and external services" and "Payroll costs"),were classified under "Other income (expense), net". The overall effect on EBITDA of such reclassifications amounts to 0.3 million euros.

Non-aviation activities saw rises of 18.3% in direct sales and 11.7% in car park revenues, whilst registering lower growth in advertising revenues (up 3.7%) and a decrease in earnings from sub-concessions and utilities (down 0.7%). In particular, the latter result was influenced by the "retail sub-concession" component, which was penalized by the operation (carried out during the first six months of 2005) to replace the principal sub-concessionaire at Fiumicino and Ciampino airports.

EBITDA amounted to 119.9 million euros, an improvement on the previous year both in absolute terms (up 8.7%) and in terms of the EBITDA margin (43.3% against 42.0% at June 30, 2004).
This result was primarily achieved due to recovery in labor utilization efficiency (down 1.5%), which had a decisive influence on the increase in the cost of materials and external services (up 8.8%).

Thanks to a reduction in provisions (down 0.7 million euros) and above all the performance of the balance of extraordinary income and expense (up 2.6 million euros) which benefits from the positive effects of previous annual charges regarding renewal of the labor contract at the end of July, operating income (67.6 million euros) increased by 22%.

Pre-tax income (up 19.7 million euros) was positively affected by a reduction in financial expense of 3.5 million euros, obtained thanks to the rebalancing of variable and fixed rate components of debt carried out in October 2004, and by the results of the South African undertaking, ACSA (up 4.1 million euros), which were penalized in the previous year by the effects on income regulated by a new tariff system that is still contested by the Company.

Thanks to improved margins, the Group's net income saw an upturn from a loss of 4.5 million euros reported at the end of the first half of 2004 to net income of 8.2 million euros at the end of the same period in 2005.

Reclassified Consolidated Balance Sheet
(€000)

06-30-2004		06-30-2005	12-31-2004	Change
	A. - NET FIXED ASSETS			
2,166,252	Intangible fixed assets *	2,120,769	2,140,495	(19,726)
104,277	Tangible fixed assets	126,156	110,928	15,228
140,791	Non - current financial assets	138,762	138,472	290
2,411,320		2,385,687	2,389,895	(4,208)
	B. - WORKING CAPITAL			
22,731	Inventory	20,920	22,565	(1,645)
159,712	Trade receivables	146,011	124,718	21,293
39,366	Other assets	38,006	35,772	2,234
(118,342)	Trade payables	(122,075)	(102,057)	(20,018)
(28,878)	Allowances for risks and charges	(31,012)	(31,015)	3
(66,088)	Other liabilities	(87,209)	(66,755)	(20,454)
8,501		(35,359)	(16,772)	(18,587)
	C. - INVESTED CAPITAL, minus			
2,419,821	short-term liabilities (A+B)	2,350,328	2,373,123	(22,795)
66,947	D. - EMPLOYEE SEVERANCE INDEMNITIES	66,405	67,117	(712)
	E. - INVESTED CAPITAL, minus short-term			
2,352,874	**liabilities and E.S.I. (C-D)**	**2,283,923**	**2,306,006**	**(22,083)**
	financed by:			
	F. - SHAREHOLDERS' EQUITY			
694,147	- Group interest	693,795	701,558	(7,763)
22,103	- Minority interest	21,894	22,171	(277)
716,250		715,689	723,729	(8,040)
1,745,019	G. - MEDIUM/LONG-TERM BORROWING	1,745,019	1,745,019	0
	H. - NET SHORT-TERM BORROWING			
	(NET CASH AND CASH EQUIVALENTS)			
3,539	.Short-term borrowing	3,842	16,560	(12,718)
(111,934)	.Cash and current receivables	(180,627)	(179,302)	(1,325)
(108,395)		(176,785)	(162,742)	(14,043)
1,636,624	(G+H)	1,568,234	1,582,277	(14,043)
2,352,874	**I. - TOTALE AS IN "E" (F+G+H)**	**2,283,923**	**2,306,006**	**(22,083)**
1,971,346	*(*) including the value of the concession totaling*	*1,922,063*	*1,946,704*	*(24,642)*

The Group's invested capital amounted to 2,283.9 million euros as of June 30, 2005. The decrease of 22.1 million euros compared with the end of the previous year is due to the combined effect of lower fixed assets and, above all, a reduction in working capital.

The decrease in fixed assets derives exclusively from the performance of the "intangible" component as a result of amortization of the airport concession.
Fixed assets increased due to investment during the period, whilst financial assets are substantially in line with the good results posted by the subsidiary undertaking, ACSA, which was almost entirely offset by the unfavorable exchange rate with the South African rand with respect to December 31, 2004.

The reduction of working capital is due to an increase in "Other liabilities", whilst current assets are substantially in line with December 31, 2004.

The Group’s net debt decreased by 14.0 million euros. Consolidated shareholders’ equity (8 million euros) also decreased, partly due to the effect of dividends for the period and the above-mentioned unfavorable exchange rate between the euro and the rand.

Consolidated Statement of Cash Flows

(€000)

Year 2004		First half 2005	First half 2004
104,871	**A.- NET CASH AND CASH EQUIVALENTS - opening balance**	**162,742**	**104,871**
	B.- CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
6,460	Net income (loss) for the period	9,395	(3,113)
94,101	Amortization and depreciation	46,925	46,256
(181)	(Gains) losses on disposal of fixed assets	(92)	(83)
(8,087)	(Revaluations) write-downs of fixed assets	(6,337)	(2,263)
14,054	Net change in working capital	18,587	(11,219)
541	Net change in employee severance indemnities	(712)	371
106,888		67,766	29,949
	C.- CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
	Investment in fixed assets:		
(30,708)	.intagible	(21,188)	(15,230)
(24,298)	.tangible	(22,135)	(10,910)
0	.financial	0	(43)
8,107	Proceeds from disposal, or redemption value of fixed ass	1,511	1,092
(10,066)	Other changes (*)	5,524	(11,376)
(56,965)		(36,288)	(36,467)
	D.- CASH FLOW FROM (FOR) FINANCING ACTIVITIES		
0	New loans	0	0
0	Shareholders' contributions	0	0
0	Repayments of loans	0	0
0	Buy-back of shares	0	0
0	Other changes	0	0
0		0	0
(2,202)	E.- DIVIDENDS PAID	(11,857)	(1,372)
	F.- ALLOWANCE FOR EXCHANGE RATE VARIATIONS		
10,150	Change in allowance for exchange rate variations	(5,578)	11,414
57,871	G.- CASH FLOW FOR THE PERIOD (B+C+D+E+F)	14,043	3,524
162,742	**H.- NET CASH AND CASH EQUIVALENTS - closing balance (A+G)**	**176,785**	**108,395**

(*) Constitued by the increase (-) or the decrease (+) of value in ACSA interest due to the appreciation of the South Africa currency.
This change is offset in the "Allowance for exchange rate variaions".

The Group’s operating cash flow amounted to 67.8 million euros in the first half of 2005, after servicing of debt falling due.

A sum of 41.8 million euros was used to finance investment (self-financed infrastructure investment totaling 43.3 million euros net of gains on fixed assets of 1.5 million euros), whilst 11.9 million euros was used to pay dividends.

The remaining portion of operating cash flow, totaling around 14 million euros, led to an increase in net cash and cash equivalents, which stood at 176.8 million euros at the end of June 2005.

Analysis of net debt
(€000)

Year 2004		First half 2005	First half 2004
(1,640,148)	**A.- NET FINANCIAL BORROWING - opening balance**	**(1,582,277)**	**(1,640,148)**
249,618	EBITDA	119,855	110,220
(18,858)	Net change in operating working capital	(1,649)	(26,683)
541	Net change in employee severance indemnities	(712)	371
(9,815)	Other income (exp.), net	1,051	(1,496)
(3,802)	Extraordinary income (exp.), net	(1,582)	(1,696)
(16,872)	Current taxes paid	(1,636)	0
3,290	Other assets/liabilities (included allowances for risks and charg	(527)	164
204,102	**B.- OPERATING CASH-FLOW**	**114,799**	**80,880**
(55,006)	Capex (tangibles, intangibles and financial)	(43,323)	(26,183)
8,107	Proceeds from disposal, or redemption value of fixed asset	1,511	1,092
(10,066)	Net currency conversion differences	5,524	(11,376)
26	Dividends received	0	26
147,163	**C.- FREE CASH-FLOW**	**78,511**	**44,439**
(97,240)	Financial income (exp.), net	(47,033)	(50,957)
0	Shareholders' contributions	0	0
0	Buy-back of shares	0	0
(2,202)	Dividends paid	(11,857)	(1,372)
47,721	**D.- NET CASH-FLOW**	**19,621**	**(7,890)**
10,150	Exchange rate effect on reserves	(5,578)	11,414
57,871	**E.- NET CASH-FLOW OF THE PERIOD**	**14,043**	**3,524**
(1,582,277)	**F.- NET BORROWING - closing balance (A+E)**	**(1,568,234)**	**(1,636,624)**

NOTICE REGARDING MANAGEMENT AND COORDINATION

With reference to the company law reform introduced by article 2497 and subsequent articles of the Italian Civil Code, the Parent Company, ADR SpA, is not subject to "management and coordination" by its shareholder Leonardo Srl, which, despite holding a controlling interest pursuant to art. 2359 of the Italian Civil Code, does not exercise influence over the subsidiary undertaking's management strategies and operations.

On the other hand, ADR SpA exercises "management and coordination" of its subsidiary undertakings, ADR Handling SpA, ADR Engineering SpA and ADR Tel SpA.

RELATIONS WITH PARENT COMPANIES AND OTHER RELATED PARTIES

As of June 30, 2005, financial, trade and other receivables and payables due to and from the ADR Group in relation to the parent company and associated undertakings were as follows (in thousands of euros):

	RECEIVABLES			PAYABLES		
	financial	**trade**	**other**	**financial**	**trade**	**other**
PARENT COMPANY						
Leonardo Srl	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**
ASSOCIATED UNDERTAKINGS						
ACSA Ltd	0	135	0	0	0	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	530	0	969	0
La Piazza di Spagna Srl	0	0	0	0	0	34
	0	**135**	**530**	**0**	**969**	**34**
TOTAL	**0**	**135**	**530**	**0**	**969**	**34**

In the first half of 2005, relations with the associated undertaking, ACSA Ltd., generated revenues of 93 thousand euros from design activities and the secondment of personnel and costs of 10 thousand euros.

No trading relations were entered into with Ligabue Gate Gourmet Roma SpA (insolvent) and La Piazza di Spagna Srl. The balances of financial, trade and other receivables and payables are in line with the amounts posted at December 31, 2004.

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

TRADING AND OTHER RELATIONS

	bal. at June 30, 2005		H1 2005	
	Receiv.	*Pay.*	*Revenues*	*Costs*
Other related parties				
Impregilo SpA	6	67	9	67
Sesto Siderservizi Srl (Falck Group)	0	77	0	77
Macquarie Airport Luxembourg SA	0	18	0	18
Riesfactoring SpA (Falck Group)	104	40	0	0
	110	**202**	**9**	**162**

The expenses paid to Impregilo SpA, Sesto Siderservizi Srl and Macquarie Airport Luxembourg SA include the fees paid to directors of ADR SpA. Revenues earned from Impregilo SpA regard lease rentals.

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 2005 or at the end of 2004. 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 2005.

SUBSEQUENT EVENTS

Information regarding trends for traffic components for the Roman airport system during the period January-July 2005, broken down into segments for Fiumicino and Ciampino, and domestic and international traffic, is provided below:

Data as of July 31, 2005 *(the figures in brackets indicate the percentage change with respect to the same period in 2004)*

Traffic component	SYSTEM	Fiumicino	Ciampino	Domestic	International
Movements	213,692	180,339	33,353	99,107	114,585
	(+5.6%)	*(+1.8%)*	*(+32.2%)*	*(-0.6%)*	*(+11.7%)*
Aircraft tonnage	14,979,633	13,487,292	1,492,341	5,541,570	9,438,063
	(+5.2%)	*(+2.2%)*	*(+43.0%)*	*(-2.5%)*	*(+10.3%)*
Total passengers	18,855,701	16,577,901	2,277,800	7,300,205	11,555,496
	(+9.4%)	*(+4.3%)*	*(+68.6%)*	*(-0.3%)*	*(+16.5%)*
Total freight (tons)	88,368	74,974	13,394	6,181	82,187
	(-1.8%)	*(-3.5%)*	*(+9.2%)*	*(-26.3%)*	*(+0.7%)*

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

Traffic component	International	EU	Non-EU
Movements	114,585	79,530	35,055
	(+11.7%)	*(+14.3%)*	*(+6.3%)*
Aircraft tonnage	9,438,063	5,345,990	4,092,073
	(+10.3%)	*(+14.5%)*	*(+5.2%)*
Total passengers	11,555,496	7,814,019	3,741,477
	(+16.5%)	*(+21.4%)*	*(+7.4%)*
Total freight (tons)	82,187	25,218	56,969
	(+0.7%)	*(+6.5%)*	*(-1.6%)*

July, with a total of 3,260,367 passengers, was the Roman Airport System's busiest month ever since its two airports at (Fiumicino and Ciampino) opened, with an increase of more than 200,000 passengers on the previous peak (August 2004). On July 25 the System also registered its highest ever peak for daily traffic (a total of 120,016 passengers).

During the first seven months of 2005 Fiumicino airport reported a 4.3% increase in passenger traffic compared with the same period in the previous year, due to increases in capacity (movements up 1.8% and aircraft tonnage up 2.2%) and the load factor.
In July, with a total of 2,834,965 passengers, Fiumicino reported its busiest ever month since the airport opened.

Ciampino airport continued its good performance on the back of low-cost activities, which resulted in a rise in passengers (up 68.6%) and movements (up 32.2%) compared with the same period in the previous year.
In July, with a total of 425,402 passengers, Ciampino also reported its busiest ever month since the airport opened.
On July 25, for the first time ever, Ciampino airport registered daily traffic of more than 17,000 passengers (a total of 17,679 passengers).

On July 26 the national collective labor contract, which expired on December 31, 2003, was renewed.
The conditions agreed to for settlement of the previous period reflected the willingness of the parties to apply the calculation criteria provided for in the inter-union agreement of July 23, 1993. Indeed, with acceptance of a one-off, all-inclusive lump sum, it was possible to avoid application to the letter of the percentage difference between actual and projected inflation for the two-year period when the contract had expired, and also attribution of the new projected inflation for the current two-year period.
The economic effects of the agreement were posted to the accounts for the first half of 2005, and are described in the notes to the consolidated income statement.

In a ruling of July 27, 2005 the Lazio Administrative Court rejected the appeal lodged by ADR against Civil Aviation Authority provisions regarding "temporary" liberalization of handling services at Ciampino airport for air taxis and General Aviation flights.
However, in the Council Chambers on August 30, 2005, the Council of State, to whom ADR had immediately appealed, ruled in favor of suspension of the above-mentioned Civil Aviation Authority provisions (Ruling no. 4046/05). Consequently, provision of such services by all parties, who had meanwhile started operations at Ciampino airport, has been halted.

In the second half of July actions were taken to redeem 156,000 preference shares of ADR IASA Ltd, which are owned by the South African finance company United Towers Ltd.

On August 26 Moody's Investors Service upgraded Aeroporti di Roma SpA's creditworthiness rating by raising its outlook from "stable" to "positive" within the Baa3 category. It should also be borne in mind that on June 9, following an annual review of ADR SpA's data, the other rating agency, Standard & Poor's, confirmed its rating of BBB+ with a "stable" outlook.

OUTLOOK

Despite continued sluggishness in the economy, the positive traffic performance of the first half of the year confirms forecast growth prospects for 2005.

The Group is involved in a vigorous program of initiatives and investment aimed at keeping pace with expanding volumes of business, and thus enabling achievement of revenue and margin growth.
Authorization procedures regarding adjustment of regulated tariffs (fees) also appear to be drawing to a conclusion.

Financial initiatives undertaken aimed at cutting back the cost of debt and more careful management of liquid resources, are designed to strengthen the ADR Group's capacity to maintain its commitments regarding upgrading and development of the airport system's infrastructure, thus guaranteeing a steady reduction in net debt.

Nevertheless, the managements of all Group companies are aware of the need to plan rapid managerial reactions to deal with the effects of any exceptional change of scenario, such as an upsurge in terrorism or worsening of the crisis at Alitalia, although at the present time occurence of such events seems unlikely.

THE BOARD OF DIRECTORS

BASIS OF PRESENTATION

GENERAL PRINCIPLES

The report and accounts for the six months ended June 30, 2005 have been prepared in accordance with the Italian Civil Code, integrated and interpreted by the accounting principles established by the Italian Accounting Profession as far as applicable to interim accounts.

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

The 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, 2005, 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, 2005, as approved by the respective boards of directors.

The accounts have been adjusted, where necessary, eliminating adjustments applied in order to take advantage of tax benefits, involving provisions for the related deferred taxation. The accounting policies adopted are those required by the relevant legislation, interpreted and integrated by the accounting principles established by the Italian Accounting Profession, and are those applied throughout the Group.

The reconciliation of shareholders' equity and net income as of and for the six months ended June 30, 2005, as reported in the financial statements of Aeroporti di Roma S.p.A., 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 2005 is compared with the amounts for the same period of the previous year. Balance Sheet data as of June 30, 2005 is compared with the corresponding amounts as of December 31, 2004.

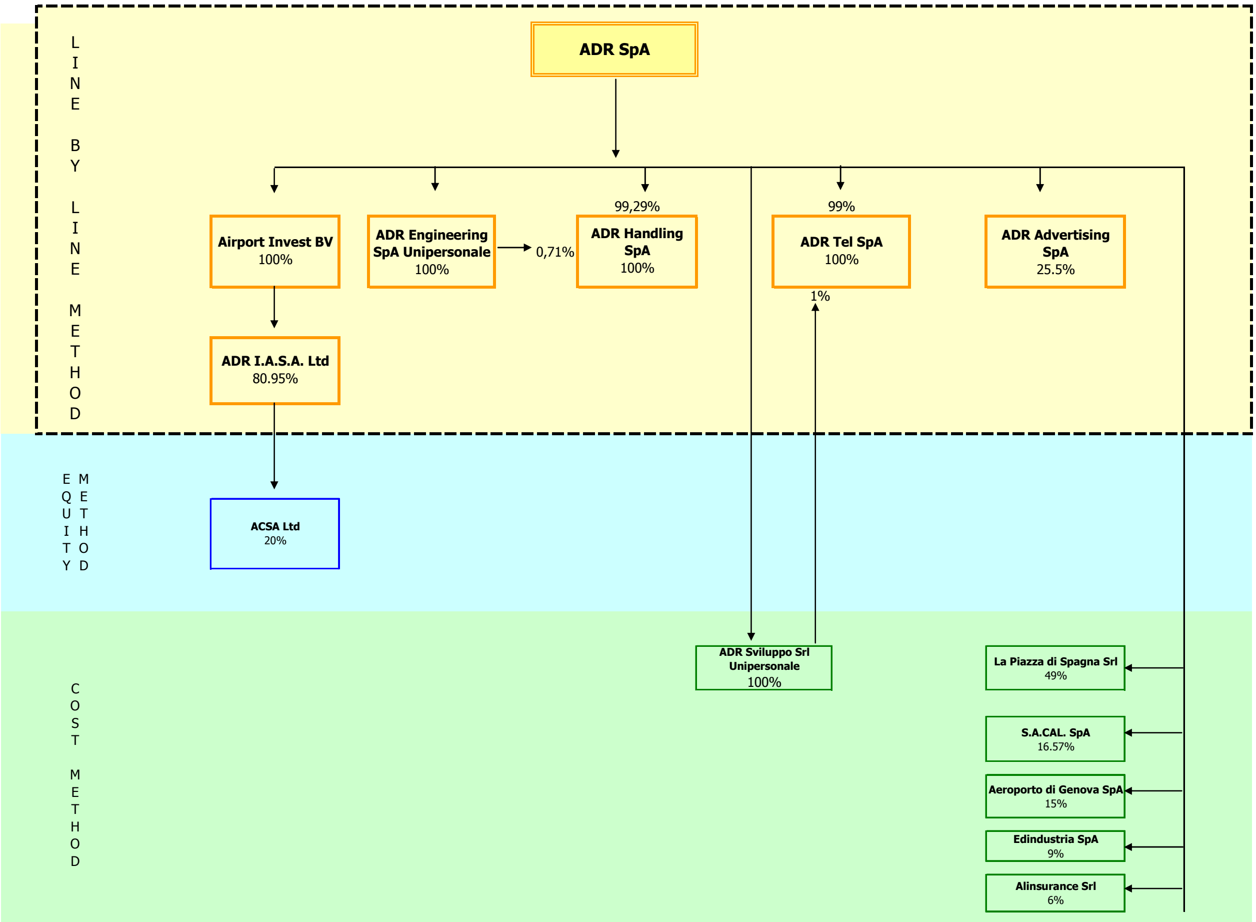
Amounts shown in the consolidated accounts are expressed in thousands of euros.

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 consolidated accounts as of and for the six months ended June 30, 2005 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.

BASIS OF CONSOLIDATION as of June 30, 2005



As of June 30, 2005, the basis of consolidation includes the following companies:

COMPANIES consolidated on a line-by-line basis	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	Group's %	Via: Company	%
Aeroporti di Roma SpA	Fiumicino (Rome)	EUR	62,309,801	Parent Company		
Airport Invest BV	Amsterdam (Holland)	EUR	70,417,038	100%	Aeroporti di Roma	100%
ADR International Airports South Africa (Proprietary) Limited	Johannesburg (South Africa)	ZAR	819,000,000	80.95%[9]	Airport Invest	80.95%
ADR Handling SpA	Fiumicino (Rome)	EUR	18,060,000	100%	Aeroporti di Roma ADR Engineering	99.29% 0.71%
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%[10]
ADR Advertising SpA	Fiumicino (Rome)	EUR	1,000,000	25.5%[11]	Aeroporti di Roma	25.5%

With respect to December 31, 2004, the basis of consolidation remains unchanged.

The Group's holding in the associated undertaking, ACSA Ltd, is valued at equity:

COMPANIES valued at equity	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	Group's %	Via: Company	%
Airports Company South Africa Limited	Bedfordview (South Africa)	ZAR	500,000,000	16.19%[12]	ADR International Airports South Africa	20%

The following equity investments are valued at cost:

COMPANIES valued at cost	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	Group's %	Via: Company	%
ADR Sviluppo Srl Unipersonale	Fiumicino (Rome)	EUR	100,000	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 in liquidation	Tessera (Venice)	EUR	103,200	20%	Aeroporti di Roma	20%
S.A.CAL. SpA	Lamezia Terme (Catanzaro)	EUR	5,170,000	16.57%	Aeroporti di Roma	16.57%
Aeroporto di Genova SpA	Genova Sestri	EUR	4,648,140	15%	Aeroporti di Roma	15%
Edindustria SpA	Rome	EUR	624,000	9%	Aeroporti di Roma	9%
Alinsurance Srl	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.

[9] Equity investment in the company's total share capital (including preference shares). The interest in the ordinary stock amounts to 100%.

[10] The remaining 1% stake is held by ADR Sviluppo Srl Unipersonale

[11] 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%).

[12] Calculated on the basis of the percentage interest in the total share capital of ADR IASA (80.95%)

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 in liquidation.

CONSOLIDATION PRINCIPLES

The main consolidation principles are described below:

- the book value 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 by 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 period-end 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 at a specific item, "Reserve for foreign currency translation adjustments".

The following table shows the exchange rates applied:

Exchange rates	*average H1 2005*	*June 30, 2005*	*average 2004*	*Dec. 31, 2004*	*average H1 2004*	*June 30, 2004*
euros/South African rand (ZAR)	8.055	8.025	8.000	7.690	8.211	7.618

EXPLANATION ADDED FOR TRANSLATION INTO ENGLISH

The 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.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the six-month accounts as of June 30, 2005 are those required by the relevant legislation, interpreted and integrated by the accounting principles established by the Italian Accounting Profession, and are those applied throughout the Group.
The principal 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.

- *Goodwill arising on consolidation*

The goodwill represented by the difference between the cost of investments and the current value of shareholders' equity is amortized on a straight-line basis over a period of twenty years (with effect from 1998) for the subsidiary undertaking, ADR IASA, and over a period of ten years for the subsidiary undertaking, ADR Handling.

- *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 approved by the tax authorities are applied and 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 72/83.

- *Fixed assets to be relinquished*

Such assets are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law 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 on expiry of the concession (in 2044) when the assets are to be transferred to the Ministry in good working condition.

- Non-current financial assets

The investment in the unconsolidated subsidiary undertaking (ADR Sviluppo S.r.l.) has been valued at cost; this method of valuation, given that the company is a start-up, 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.
The unrealized gain, recorded at the date of acquisition, represented by the difference between the book value of the holding in the associated undertaking, ACSA, and the related quota of shareholders' equity is amortized on a straight-line basis over a period of 20 years (with effect from 1998), in view of the long-term nature of the company's activities.
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.

Long-term 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 Ministry of Transport, 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.

- 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 consideration 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 matured up to June 30, 2005 and is shown net of any advance payments.

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 (art. 2426 - paragraph 8 bis of the Italian Civil Code), items expressed in foreign currency are posted at the current 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.
If the translation of short-term receivables and payables denominated in foreign currency, at period-end rates, results in a net gain or loss, such an amount is recorded in the Income Statement.

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

- *Collateral/general guarantees received*

These are recorded at an amount approximately equal to the residual value of the receivable or obligation 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".

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 a loan should be subject to a fixed rate of interest.

NOTES TO THE CONSOLIDATED BALANCE SHEET

FIXED ASSETS

Intangible fixed assets

	12-31-2004			Changes during the period				06-30-2005				
	Cost	Amortization	Book value	Purchases/ Capitalization	Write-downs/ Disposal(-) Value recoveries (+)	Reclassifications	Amortization	Cost	Revaluations	Write-downs	Amortization	Book value
- Incorporation and development costs	1,905	(982)	923	0	0	0	(187)	1,905	0	0	(1,169)	736
	1,905	(982)	923	0	0	0	(187)	1,905	0	0	(1,169)	736
- Industrial patents and intellectual property rights	2,739	(1,960)	779	159	0	0	(185)	2,970	0	0	(2,217)	753
	2,739	(1,960)	779	159	0	0	(185)	2,970	0	0	(2,217)	753
- Concessions, licenses, trademarks and similar rights	2,179,804	(230,350)	1,949,454	265	(52)	186	(25,271)	2,179,389	0	0	(254,807)	1,924,582
	2,179,804	(230,350)	1,949,454	265	(52)	186	(25,271)	2,179,389	0	0	(254,807)	1,924,582
- Goodwill arising on consolidation	4,894	(872)	4,022	0	0	0	(191)	4,894	0	0	(1,063)	3,831
	4,894	(872)	4,022	0	0	0	(191)	4,894	0	0	(1,063)	3,831
- Leasehold improvements in process and advances:												
. Leasehold improvements in process	19,541	0	19,541	15,574	0	(5,213)	0	29,902	0	0	0	29,902
. Advances to suppliers	0	0	0	600	0	0	0	600	0	0	0	600
	19,541	0	19,541	16,174	0	(5,213)	0	30,502	0	0	0	30,502
- Others												
. Leasehold improvements	348,861	(222,624)	126,237	4,590	0	4,298	(12,174)	357,717	0	0	(234,766)	122,951
. Ancillary charges for loans	47,886	(8,347)	39,539	0		0	(2,125)	47,886			(10,472)	37,414
	396,747	(230,971)	165,776	4,590	0	4,298	(14,299)	405,603	0	0	(245,238)	160,365
	2,605,630	(465,135)	2,140,495	21,188	(52)	(729)	(40,133)	2,625,263	0	0	(504,494)	2,120,769

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

- "Concessions, licenses, trademarks and similar fees" include the value of the airport concession, amounting to 1,922,063 thousand euros as of June 30, 2005. The decrease of 24,872 thousand euros is due to the combined effect of amortization for the period (25,271 thousand euros) investment (265 thousand euros), transfers from work in process (155 thousand euros), reclassifications amounting to 31 thousand euros and disposals totaling 52 thousand euros;

- "Leasehold improvements in process" increased by 10,361 thousand euros due to the effect of investment during the period, amounting to 15,574 thousand euros, partly offset by transfers of assets entering service to "Leasehold improvements" and "Concessions, licenses, trademarks and similar" (4,421 thousand euros), and negative reclassifications amounting to 792 thousand euros;

- "Other" intangible fixed assets decreased by 5,411 thousand euros. "Leasehold improvements" decreased by 3,286 thousand euros due to amortization for the period, totaling 12,174 thousand euros, partly offset by acquisitions during the period (4,590 thousand euros), transfers from works in progress (4,266 thousand euros) and reclassifications (32 thousand euros).
  "Ancillary charges for loans" decreased by 2,125 thousand euros due to amortization for the period.

The principal leasehold improvements in process (equal to 15,574 thousand euros) include:

- construction of aircraft aprons (5,550 thousand euros);
- Southeastern ECHO area aircraft aprons – first phase (2,691 thousand euros);
- Terminal C – back-up of BHS system (944 thousand euros);
- extraordinary maintenance and implementation of BHS and HBS system (1,158 thousand euros).

The main leasehold improvements completed during the year (equal to 8,888 thousand euros, including transfers from "work in process") regard:

- former ceremonial suite – new check-in desks (1,736 thousand euros);
- Terminal B – extraordinary maintenance of stairways and moving walkways, reconfiguration of front of Shop 3 (572 thousand euros);
- Ciampino – general servicing of conveyor belts, replacement of false ceilings in the departure lounge, upgrading and adaptation of apron traffic signs and roadworks (640 thousand euros);
- Runway 2 – sealing of Alfa taxiway and pavement repair (109 thousand euros).

Funds deriving from increased boarding fees received during the period were again invested in airport infrastructure development (in accordance with paragraphs 9 and 10 of art. 10, Law 537/93).

Tangible fixed assets

	12-31-2004				Changes during the period				06-30-2005			
	Cost	Reval. Law (72/1983)	Allowances for depreciation	Book value	Purchases. /Capital.	Reclassi-fication	Disposals/ Retirements	Amortization	Costo	Reval. Law (72/1983)	Allowances for depreciation	Book value
- Land and buildings	18,315	465	(16,564)	2,216	951	0	0	(223)	19,266	465	(16,787)	2,944
- Plant and machinery	101,293	0	(80,953)	20,340	3,639	2,054	(4)	(2,406)	106,962	0	(83,339)	23,623
- Industrial and commercial equipment	13,615	0	(12,447)	1,168	123	3	0	(144)	13,741	0	(12,591)	1,150
- Fixed assets to be relinquished	137,295	1,908	(69,295)	69,908	368	60	0	(3,166)	137,723	1,908	(72,461)	67,170
- Other assets	39,812	0	(36,229)	3,583	999	386	(111)	(853)	38,792	0	(34,788)	4,004
- Work in progress and advances	13,713	0	0	13,713	15,895	(2,343)	0	0	27,265	0	0	27,265
	324,043	2,373	(215,488)	110,928	21,975	160	(115)	(6,792)	343,749	2,373	(219,966)	126,156

Net tangible fixed assets increased by 15,228 thousand euros, due to investment and positive adjustments totaling 22,135 thousand euros, partly compensated for by depreciation of 6,792 thousand euros and disposals of 115 thousand euros.

The most significant capitalizations during the period, within the category "plant and machinery" (5,693 thousand euros, including 2,054 thousand euros deriving from transfers of assets in process), regarded the acquisition of motor vehicles for ADR Handling SpA (2,831 thousand euros), specific airport equipment (700 thousand euros), advertising equipment for ADR Advertising SpA (398 thousand euros), car parks (308 thousand euros) and security equipment (335 thousand euros). "Tangible fixed assets in progress and advances" (up 13,552 thousand euros) relate to works regarding construction of the 5th module of the multi-story car park (2,929 thousand euros), upgrading of the new check-in desks in Terminal A (1,851 thousand euros), a new building with 16 new departure gates at West Pier, Terminal C (2,953 thousand euros), conversion of the former domestic passenger terminal into 7 new departure gates (2,155 thousand euros), upgrading of equipment for Runways 1 and 2 (661 thousand euros) and extension of the long-stay car park – 2nd phase (1,317 thousand euros).

In 2003, the subsidiary undertaking, ADR Tel SpA, entered into a finance lease agreement. The effects on shareholders' equity and the net result, deriving from the treatment of the transaction in accordance with the "finance lease method" as opposed to the "operating lease method" actually used, are not reported in that they are not significant (around 50 thousand euros) at Group level.

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

	12-31-2004	changes during the period	06-30-2005
Equity investments in:			
▪ unconsolidated subsidiary undertakings:			
ADR Sviluppo S.r.l. Unipersonale	100	0	100
	100	0	100
▪ associated undertakings:			
ACSA Ltd	132,597	764	133,361
La Piazza di Spagna Srl	49	0	49
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	0
	132,646	764	133,410
▪ other companies:			
Alinsurance Srl	6	0	6
Aeroporto di Genova SpA	930	0	930
S.A.CAL. SpA	878	0	878
Edindustria SpA	81	0	81
	1,895	0	1,895
	134,641	**764**	**135,405**

The increase in equity investments, totaling 764 thousand euros, is entirely due to the positive effects of valuation at equity of the associated undertaking, ACSA Ltd. In detail:

- ACSA (Airports Company South Africa) Ltd
  The company, in which the Parent Company has a 20% interest via ADR IASA, has produced specially prepared accounts as of June 30, 2005, which show shareholders' equity of 445.0 million euros (89.0 million euros pro rata, including the minority interest), calculated at the exchange rate of June 30, 2005 (8.025 rands to the euro), and net income for the period of 40.1 million euros (8.0 million euros pro rata, including the minority interest) calculated on the basis of the average exchange rate of 8.055 rands to the euro.
  The valuation of the associated undertaking at equity as of June 30, 2005 reflects the positive effect of net income for the period, amounting to 8,021 thousand euros, partly offset by the Group's interest in the amortization of goodwill, amounting to 1,733 thousand euros (applied at an annual rate of 5%) and devaluation of the South African rand, totaling 5,524 thousand euros (with a corresponding negative impact on the reserve for foreign currency translation adjustments).
  Given that the residual value of goodwill as of June 30, 2005 is 44,360 thousand euros, the book value of the equity investment amounts to the addition of the above sum to the interest (20%) in the shareholders' equity of the associated undertaking (89,001 thousand euros).

For further information regarding the performance of the Group's principal equity investments during the first half of 2005, 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 and Banca OPI – described in detail in the notes to "Payables" - the Parent Company, ADR, has granted the lenders a lien on the Parent Company ADR's shareholdings in the subsidiary undertakings, ADR Tel SpA and ADR Advertising SpA. Such a guarantee is valid until the above loans have been fully repaid.

Long-term receivables due and other non-current financial assets

	12-31-2004	changes during the period	06-30-2005
Receivables:			
▪ due from others:			
Public bodies for licenses	24	0	24
Other	3,807	(474)	3,333
	3,831	**(474)**	**3,357**

The reduction in such receivables, posted under non-current financial assets, amounting to 474 thousand euros, was primarily due to rebates of 523 thousand euros and the 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 662/96. Such item is classified under "Other", and totals 49 thousand euros.

There are no receivables falling due beyond five years.

CURRENT ASSETS

Inventories

	12-31-2004	changes during the period	06-30-2005
▪ Raw, ancillary and consumable materials	2,802	19	2,821
▪ Finished goods and goods for resale:			
goods for resale	8,862	(578)	8,284
▪ Contract work in progress	10,799	(1,080)	9,719
less accumulated write-downs (art. 60 Decree 917/86)	0	0	0
	10,799	(1,080)	9,719
▪ Advances	102	(6)	96
	22,565	(1,645)	**20,920**

Inventory decreased by 1,645 thousand euros with respect to December 31, 2004, primarily due a reduction in "Contract work in progress" deriving from the gradual winding-down of the State-financed works program.

As security for the loans governed by agreements with Romulus Finance Srl, a syndicate of banks and 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

	12-31-2004	changes during the period Increases (+) Repayments (-)	 provisions (-) value recoveries (+)	06-30-2005
▪ Due from clients	156,191	21,310	0	177,501
Less				
allowance for doubtful accounts	(25,947)	2,241	(2,019)	(25,725)
allowance for overdue interest	(5,716)	31	(215)	(5,900)
	124,528	23,582	(2,234)	145,876
▪ Due from associated undertakings	720	(55)	0	665
Less				
allowance for doubtful accounts	0	0		0
	720	(55)	0	665
▪ Due from tax authorities	892	1,249	0	2,141
▪ Deferred tax assets	24,923	(1,815)	0	23,108
▪ Due from others:				
sundry	54,334	14,127	0	68,461
advances to suppliers for services	6	(3)	0	3
	54,340	14,124	0	68,464
	205,403	**37,085**	**(2,234)**	**240,254**

"Due from clients", net of allowances for doubtful accounts, amounst to 145,876 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 21,348 thousand euro increase in net receivables, compared with December 31, 2004, essentially derives from growth in revenues. The average terms of payment granted to clients are in line with those of the previous year.
At June 30, 2005, receivables sold without recourse totaled 13.4 million euros.

"Due from associated undertakings", totaling 665 thousand euros, includes 530 thousand euros regarding amounts due to the Parent Company, ADR, from the insolvent Ligabue Gate Gourmet Roma SpA, classified among preferential liabilities, and 135 thousand euros receivable from ACSA Ltd. The net decrease of 135 thousand euros, compared with December 31, 2004, relates to trading relations with the associated undertaking, ACSA.

"Deferred tax assets", totaling 23,108 thousand euros at June 30, 2005, decreased by 1,815 thousand euros compared with December 31, 2004.
The composition of deferred tax assets and changes during the period are shown in the following table.

Balance sheet item	Balance at 31.12.2004 (A)		Increase (B)		Decrease (C)		Balance at 30.06.2005 (A+B-C)	
DEFFERED TAX ASSETS								
Allowances for risks and charges	21,137	7,429	4,015	1,475	3,950	1,338	21,202	7,566
Accumulated inventiry write-downs	1,529	570	0	0	653	243	876	327
Allowance for doubtful accounts	25,063	8,271	1,089	359	1,514	500	24,638	8,130
Provision for personnel	3,808	1,256	2,157	712	3,372	1,113	2,593	855
Accelerated depreciation	1,675	623	443	165	342	127	1,776	661
Consolidated adjustment	19,416	7,232	0	0	1,607	599	17,809	6,633
Other	9,519	3,491	894	324	2,616	936	7,797	2,879
Total deffered tax assets	**82,147**	**28,872**	**8,598**	**3,035**	**14,054**	**4,856**	**76,691**	**27,051**
Valuation of contracts	(474)	(176)	(580)	(216)	(474)	(175)	(580)	(217)
Dividends	(10)	(3)	0	0	(10)	(3)	0	0
Gains	(134)	(50)	(7)	(2)	(63)	(23)	(78)	(29)
Advance depreciation	(11,134)	(3,720)	0	0	(62)	(23)	(11,072)	(3,697)
Total deffered tax liabilities	**(11,752)**	**(3,949)**	**(587)**	**(218)**	**(609)**	**(224)**	**(11,730)**	**(3,943)**
TOTAL	**70,395**	**24,923**	**8,011**	**2,817**	**13,445**	**4,632**	**64,961**	**23,108**

"Amounts due from others: sundry" rose by 14,127 thousand euros, mainly due to increased liquidity deposited in the term current account denominated the "Debt Service Reserve Account" (12,813 thousand euro) in accordance with obligations stipulated 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 61,565 thousand euros as of June 30, 2005. 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 taken out via contracts entered into with Romulus Finance Srl, and a syndicate of banks and Banca OPI, the Parent Company, ADR, 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, 2005 (240,254 thousand euros) comprise 146,011 thousand euros of trade receivables, 62,632 thousand euros in the form of financial receivables, and 31,611 thousand euros of other receivables. 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	TOTAL
Clients	139,730	4,593	858	308	387	145,876
Associated undertakings	0	0	0	135	0	135
	139,730	4,593	858	443	387	**146,011**

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

Cash on hand and in banks

	12-31-2004	changes during the period	06-30-2005
▪ Bank and post office deposits	129,890	(12,792)	117,098
▪ Cash and notes in hand	466	431	897
	130,356	(12,361)	**117,995**

The Group's cash on hand and in banks decreased by 12,361 thousand euros during the first half of 2005. In addition to liquidity held in banks, this item consists of the balance of the "Option Reserve", amounting to 20,000 thousand euros as of June 30, 2005, representing the sum necessary to exercise options on the preference shares of the South African subsidiary undertaking, ADR IASA Ltd., owned by the South African financial institution, United Towers Ltd. After June 30, 2005 actions were taken to use such liquidity to redeem the preference shares.

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

ACCRUED INCOME AND PREPAID EXPENSES

	12-31-2004	changes during the period	06-30-2005
▪ **Accrued income**	103	12	115
▪ **Prepaid expenses**			
Service costs	770	452	1,222
Leased assets	9	(9)	0
Payroll costs	32	3	35
Sundry operating costs	0	154	154
Financial charges	3,119	1,750	4,869
	4,033	**2,362**	**6,395**

The increase of 2,362 thousand euros is mainly due to "Prepaid expenses – financial charges", which includes prepayment of the installment due for the period for the monoline insurance premium paid to AMBAC Assurance UK, which has secured the bonds issued by Romulus Finance Srl that correspond to Facility A.

SHAREHOLDERS' EQUITY

	Share capital	Share premium reserve	Legal reserve	Other reserves	Reserve for foreign currency translation adjustments	Retained earnings	Net income for the Year	Consolidated shareholders' equity	Minority interest	Group and minority interest in shareholders' equity
Balance as of 12.31.2003	**62,225**	**667,389**	**12,445**	**85**	**(12,625)**	**(38,462)**	**(2,027)**	**689,030**	**20,291**	**709,321**
Allocation of net income 2003						(2,027)	2,027	0	(555)	**(555)**
Variations reserve								0	(202)	**(202)**
Free capital increase	85			(85)				0		**0**
Foreign currency traslation adjustments on conversion of accounts denominated in foreign currency					8,586			8,586	1,564	**10,150**
- Net income for the year							3,942	*3,942*	2,518	***6,460***
- interim dividends								*0*	*(1,445)*	***(1,445)***
Net income for the Year							3,942	3,942	1,073	**5,015**
Balance as of 12.31.2004	**62,310**	**667,389**	**12,445**	**0**	**(4,039)**	**(40,489)**	**3,942**	**701,558**	**22,171**	**723,729**
Allocation of net income 2004			17			(4,176)	(3,942)	(8,101)	(641)	(8,742)
Distribution reserve						(3,115)		(3,115)	0	(3,115)
Foreign currency traslation adjustments on conversion of accounts denominated in foreign currency					(4,715)			(4,715)	(863)	(5,578)
- Net income for the period							8,168	*8,168*	1,227	*9,395*
- interim dividends								*0*	*0*	*0*
Net income for the Period							8,168	8,168	1,227	9,395
Balance as of 06.30.2005	**62,310**	**667,389**	**12,462**	**0**	**(8,754)**	**(47,780)**	**8,168**	**693,795**	**21,894**	**715,689**

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.

The "reserve for foreign currency translation adjustments" covers differences arising on conversion of the accounts of the overseas subsidiary undertaking, ADR IASA Ltd, at current exchange rates as opposed to historical rates.

The decrease of 7,763 thousand euros in shareholders' equity with respect to December 31, 2004 is due to the negative difference in the "Reserve for foreign currency translation adjustments" (4,715 thousand euros) and the distribution of dividends by the Parent Company, ADR SpA, totaling 11,216 thousand euros (of which 8,101 thousand euros relates to income for 2004 and 3,115 thousand euros regards reserves), in part compensated by income for the period (8,168 thousand euros).

Minority interest in shareholders equity also decreased during the first half of the year (down 276 thousand euros) due to the combined effect of the negative difference in the "Reserve for foreign currency translation adjustments" (down 863 thousand euros), distribution of dividends amounting to 641 thousand euros and income for the period of 1,227 thousand euros.

The reconciliation of shareholders' equity and net income for the year, 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 for the period		Shareholders' equity	
	H1 2005	**H1 2004**	**06-30-2005**	**12-31-2004**
Balance in ADR SpA's accounts	**1,355**	**(1,091)**	**748,191**	**758,052**
Elimination of accelerated depreciation, net of deferred tax liabilities	0	(4,463)	0	0
Effect of consolidation of subsidiary undertakings	6,760	551	31,351	24,591
Elimination of inter-company net income and other adjustments	246	581	(28,685)	(28,931)
Effect of deferred tax assets	(599)	(509)	6,635	7,234
Merger effect (*)	406	406	(54,943)	(55,349)
Exchange rate adjustments arising from the translation of accounts denominated in foreign currency	0	0	(8,754)	(4,039)
Balance in consolidated accounts	**8,168**	**(4,525)**	**693,795**	**701,558**

(*) merger date different compared with first-time consolidation

ALLOWANCES FOR RISKS AND CHARGES

	12-31-2004	**changes during the period**			**06-30-2005**
		Provisions	Reversal to Income Statement	Releases	
▪ **Taxes, including deferred:**	**1,851**	**0**	**0**	**(120)**	**1,731**
▪ **Other:**					
current and potential disputes	22,424	3,834	(480)	(2,934)	22,844
insurance deductibles	1,375	515	0	(74)	1,816
restructuring	964	100	0	(964)	100
fixed assets to be relinquished	4,401	120	0	0	4,521
	29,164	**4,569**	**(480)**	**(3,972)**	**29,281**
	31,015	**4,569**	**(480)**	**(4,092)**	**31,012**

Allowances for risks and charges, totaling 31,012 thousand euros, were in line with December 31, 2004. The principal changes regard:

- the "allowance for current and potential disputes" reports a net increase of 420 thousand euros. With direct releases amounting to 2,934 thousand euros, further provisions of 3,834 thousand euro were made in order to cover for likely potential liabilities. The provisions include cover for the costs deriving from renewal of the collective labor contract that expired on December 31, 2003, regarding which renegotiations were completed at the end of July;
- the "allowance for restructuring", which covers the expected expenses to be incurred by the Group to meet the cost of streamlining and reorganizing its operations, aimed at improving efficiency in order to ensure that profit targets are met, reports releases of 964 thousand euros.

EMPLOYEE SEVERANCE INDEMNITIES

BALANCE AS OF 12-31-2004	**67,117**
changes during the period	
Provisions	4,527
Releases to pay indemnities	(3,191)
Releases to pay advances	(1,243)
Other	(805)
BALANCE AS OF 06-30-2005	**66,405**

Employee severance indemnities report a net decrease of 712 thousand euros, deriving from releases to pay indemnities and advances amounting to 5,239 thousand euros, partly offset by provisions for the period totaling 4,527 thousand euros.

"Other" includes a reduction in employee severance indemnities of 0.5 million euros regarding personnel of the EDP business unit, which was transferred to T-Systems SpA.

PAYABLES

	12-31-2004	changes during the period	06-30-2005
▪ Due to banks	482,408	(22)	482,386
▪ Due to other financial institutions	1,278,975	(12,500)	1,266,475
▪ Advances:			
- from clients:			
. from the Ministry of Transport	5,295	(143)	5,152
. other	3,046	3,017	6,063
- on invoices paid in installments:			
. from clients	54	0	54
	8,395	2,874	11,269
▪ Due to suppliers	92,693	17,144	109,837
▪ Due to associated undertakings	1,003	0	1,003
▪ Taxes due	19,112	17,014	36,126
▪ Due to social security agencies	9,146	(871)	8,275
▪ Other payables: sundry creditors	32,769	2,908	35,677
	1,924,501	**26,547**	**1,951,048**

The Group's payables rose by 26,547 thousand euros during the period. The principal reasons for such a change are analyzed below.

"Amounts due to banks" total 482,386 thousand euros, of which 480,000 thousand euros represents the principal on long-term lines of credit denominated "B Term Facility", "C Term Facility" and "BOPI Facility". The remaining 2,386 thousand euros represents amounts due for interest, commissions and swap differentials accrued during the period but not yet settled.

In this respect it should be recalled that on February 19, 2003, ADR negotiated further loans with the banking system totaling 575 million euros, which break down as follows:

- two long-term facilities and a revolving line of credit granted by a syndicate of banks, headed by Mediobanca – Banca di Credito Finanziario SpA and with Mediobanca – Banca di Credito Finanziario SpA, Barclays, WestLB and UBM as mandated lead arrangers, totaling 490,000 thousand euros;
- a long-term line of credit of 85,000 thousand euros granted by Banca OPI, called "BOPI Facility", secured by CDC IXIS Financial Guaranty Europe.

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

lender	*facility loan*	*amount* *(millions of EUR)*	*interest rate*	*repayment*	*life*	*maturity date*
syndacate of banks	**B Term Facility**	245	floating rate linked to EURIBOR + margin	bullet	5 years	Feb. 2008
	C Term Facility	150	floating rate linked to EURIBOR + margin	bullet	6 years	Feb. 2009
	Revolving Facility	95	floating rate linked to EURIBOR + margin	revolving	5 years	Feb. 2008
		490				
Banca OPI	**BOPI Facility**	**85**	floating rate linked to EURIBOR + margin	after 5 years in six-monthly installments	15 years	Mar. 2018
	TOTAL	**575**				

As of June 30, 2005, all the long-term lines of credit ("B Term Facility", "C Term Facility" and "BOPI Facility"), totaling 480,000 thousand euros, have been used; the "Revolving Facility", however, has not been used.

"Amounts due to other financial institutions" total 1,266,475 thousand euros. The item includes principal of 1,265,019 thousand euros due from the Parent Company to Romulus Finance Srl and an amount of 1,456 thousand euros consisting of interest accrued on the above-mentioned loan and not yet paid.
The decrease of 12,500 thousand euros compared with December 31, 2004 is exclusively due to the interest component which varies in accordance with the interest settlement periods applicable to the various lines of credit that comprise a loan.

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.

The loan from Romulus Finance Srl breaks down into five 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**	50	fixe	bulle	10	Feb.
	A2	20	floating rate linked to EURIBOR + margin	bulle	12	Feb.
	A3	17	floating rate linked to EURIBOR + margin	bulle	12	Feb.
	A4	32	floating rate linked to EURIBOR + margin up to 12.20.2009 and after fixed rate	bulle	20	Feb.
	B	6	floating rate linked to EURIBOR + margin	bulle	7	Feb.
	TOTAL	**1.265**				

The hedging policy established in the 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. 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, 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 (reducing its fixed rate debt from 78% to 51% 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.

As of June 30, 2005, the fair value of the swap agreements entered into in 2001 is negative at 93.4 million euros, whilst the fair value of the swaps entered into in 2004 is a positive 15.3 million euros.

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 current bank accounts;
- a lien on ADR's shareholdings in ADR Tel SpA and ADR Advertising SpA;
- "ADR Deed of Charge" (a British lien on loans subject to British legislation, hedging agreements and insurance policies regulated by British law).

In addition, ADR SpA has undertaken to periodically meet specific covenants. Breach of the covenants will activate certain measures designed to protect the lenders. These measures are graduated according to the degree to which the Company has breached the covenants. As of June 30, 2005 such covenants had been satisfied.

"Amounts due to suppliers" rose by 17,144 thousand euros, partly due to the higher volume of investment carried out during the period.

"Taxes due", totaling 36,126 thousand euros, increased by 17,014 thousand euros, principally due estimated tax expense for the period. This item also includes the 1 euro municipal surtax on passenger fees, charged to carriers by ADR SpA as of June 1, 2004, which was increased to 2 euros in April 2005, pursuant to Law no. 43 of March 31, 2005. This payable amounts to 6,628 thousand euros as of June 30, 2005.

"Other payables: sundry creditors" increased by 2,908 thousand euros, mainly due to effect of increased amounts due to personnel (up 1,935 thousand euros) and the Civil Aviation Authority in the form of license fees (435 thousand euros).

As of June 30, 2005, total payables of 1,951,048 thousand euros include 1,748,861 thousand euros of a financial nature, 122,075 thousand euros of trade payables and 80,112 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 1,748,861 thousand euros (as described in the paragraph regarding amounts due to banks and other financial institutions).

Payables falling due beyond five years amount to 1,333,019 thousand euros and regard amounts due to banks (above all Banca OPI) totaling 68,000 thousand euros and amounts due to other financial institutions of 1,265,019 thousand euros.

Payables in currency exposed to exchange rate risks total 198 thousand euros and refer to services supplied.

ACCRUED EXPENSES AND DEFERRED INCOME

	31-12-2004	**changes during the period**	**30-06-2005**
· Accrued expenses	0	17	17
· Deferred income			
. Subconcessions and license fees	3,496	1,412	4,908
. Other services	2,394	(222)	2,172
	5,890	**1,207**	**7,097**

NOTES TO THE CONSOLIDATED MEMORANDUM ACCOUNTS

GENERAL GUARANTEES

	06-30-2005			12-31-2004		
	Secured credits	Unsecured credits	Total	Secured credits	Unsecured credits	Total
Sureties						
. in favor of third parties	0	111	111	0	111	111
Other:						
. in favor of clients	0	459	459	0	396	396
	0	**570**	**570**	**0**	**507**	**507**

COMMITMENTS ON PURCHASES AND SALES

	06-30-2005	12-31-2004
COMMITMENTS ON PURCHASES		
Investment:		
. information systems, other	343	343
. electronic equipment	1,251	1,122
. maintenance and services	0	0
. vehicles and equipment	0	71
. self-financed works	18,649	29,045
. contract work	0	0
.financial investments	21,753	21,124
	41,996	**51,705**
COMMITMENTS ON SALES		
. electronic equipment	**0**	**0**

The sub-item "Investment: financial investments" refer to a commitment given by the Group (worth 21,573 thousand euros) to purchase the preference shares held by the South African financial institution, United Towers Ltd, in the associated undertaking, ADR IASA on April 10, 2006 – or before such deadline on the occurrence of certain events – at their issue price of 156 million rand. United Towers will also receive all the unpaid dividends accrued to that date, which are prudently estimated at June 30 2005 to total 18.6 million rands. The equivalent amount in euros was computed by applying the rand/euro exchange rate of 8.025 at the end of the period. The put option granted to United Towers is exercisable until April 30, 2006.

An agreement was reached with United Towers Ltd (ABSA Bank Group), to extend the deadline for repayment of the preference shares held by United Towers Ltd in the share capital of ADR IASA Ltd. by one year (until April 2006).

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, given 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 447/95) and the Ministerial Decree of November 29, 2000. Such commitments are difficult to quantify given the general nature of the regulations regarding the basis for calculation. In any event such costs, given that they would extend the useful lives of the Company-owned and leased assets to which they refer, would be capitalized. In the Review of Operations, the measures that the Parent Company, ADR, has implemented - or intends to implement in the near future – 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".

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

	06-30-2005	12-31-2004
GENERAL GUARANTEES RECEIVED		
Sureties:		
. received from suppliers	32,132	42,700
. received from clients	46,164	37,133
	78,296	79,833
THIRD PARTY ASSETS ON FREE LOAN DEPOSITED IN CUSTODY, LEASED OR SIMILAR		
. leased assets	17	17
. goods in process deposited with third parties	0	0
. 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	666,983	665,635
	816,105	814,757
	894,401	**894,590**

"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.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

TOTAL REVENUES

Revenues

	H1 2005	H1 2004	difference
▪ ***Revenues from sales:***			
. Non-aviation activities:			
Duty Free and Duty Paid	25,899	21,891	4,008
Other	514	377	137
	26,413	**22,268**	4,145
▪ ***Revenues from services:***			
. Aviation activities:			
Fees	74,879	68,539	6,340
Handling	50,999	51,383	(384)
Centralized infrastructures	17,115	16,563	552
Security	26,770	24,519	2,251
Other	5,301	5,075	226
	175,064	166,079	8,985
. Non-aviation activities:			
Sub-concessions and utilities	38,390	38,643	(253)
Car parks	13,568	12,152	1,416
Advertising	12,106	11,677	429
Refreshments	3,869	4,032	(163)
Other	6,923	7,260	(337)
	74,856	73,764	1,092
	249,920	**239,843**	10,077
▪ ***Revenues from contract work***	**1,348**	**200**	1,148
Total revenues from sales and services	**277,681**	**262,311**	15,370
▪ ***Changes in contract work in progress***	**(1,080)**	**(96)**	(984)
▪ ***Revenue grants***	**0**	**31**	(31)
TOTAL REVENUES	**276,601**	**262,246**	14,355

63.3% of revenues, which total 276,601 thousand euros, derived from "aviation activities" carried out by the Group, whilst 36.7% were generated by "non-aviation" activities, maintaining the same percentage levels as those registered in the first half of 2004.

"Revenues from sales", deriving from the sale of goods through directly managed shops and consumables, amounted to 26,413 thousand euros, an increase of 18.6% on the same period of 2004, This was due to the increased turnover of directly managed shops, linked to traffic trends.

"Revenues from services" totaled 249,920 thousand euros, up 4.2% on the first half of 2004. A detailed analysis is provided in the section of the Management Report on Operations dedicated to the Group's financial position and operating performance.

"Revenues from contract work" (1,348 thousand euros) rose with respect to the first half of 2004, reflecting the increased amount invoiced to the Civil Aviation Authority. For the same reason, "contract work in progress" decreased by 1,080 thousand euros with respect to the 96 thousand euro reduction of the first half of 2004.

Segment information

As required by CONSOB ruling 98084143 dated October 27, 1998, the following section provides segment information on the Group's business. 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 Group'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 Group'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;
- **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 activities**	**Total**
				Sub-concessions	**Direct sales**		
H1 2005	74,879	50,999	17,115	38,390	26,413	68,805	**276,601**
H1 2004	68,539	51,383	16,563	38,643	22,268	64,850	**262,246**
difference	*6,340*	*(384)*	*552*	*(253)*	*4,145*	*3,954*	*14,355*
% difference	*9.3%*	*(0.7%)*	*3.3%*	*(0.7%)*	*18.6%*	*6.1%*	*5.5%*

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 175,064 thousand euros, compared with the 166,079 thousand euros of the first half of 2004 (up 5.4%);
- "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 101,537 thousand euros, compared with the 96,167 of the first half of the same period in 2004 (up 5.6%).

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

Other income and revenues: other

	H1 2005	H1 2004
▪ **Revenue grants**	0	31
▪ **Gains on disposals**	92	97
▪ **Other:**		
. Releases:		
release from allowance for overdue interest	26	59
release from other allowances	480	0
. Expense recoveries	151	35
. Recoveries of personnel expenses	151	111
. Other revenues	2,128	1,576
	2,936	1,781
	3,028	**1,909**

"Other revenues", amounting to 2.1 million euros, includes the effects of updated valuations of costs and revenues, formerly estimated at the end of the previous year.

OPERATING COSTS

Depreciation, amortization, and write-downs

Amortization and depreciation in the first half of 2005 amounted to 46,925 thousand euros (46,256 thousand euros in the first half of 2004), including amortization of intangible fixed assets of 40,133 thousand euros (39,696 thousand euros in the first half of 2004) and depreciation of tangible fixed assets of 6,792 thousand euros (6,560 thousand euros in the same period of 2004). 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 notes to fixed assets.

Provisions for doubtful accounts totaled 2,019 thousand euros (931 thousand euros in the first half of 2004) and reflect an updated assessment of the creditworthiness of the Group's clients.

Provisions for risks

"Provisions for risks" break down as follows:

	H1 2005	H1 2004
. current and potential disputes	3,709	5,950
. leases of company divisions	0	5
insurance deductibles	515	168
	4,224	**6,123**

"Other provisions", totaling 245 thousand euros, include 120 thousand euros of provisions made for fixed assets to be relinquished.

Further information is provided in the notes 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 2005	H1 2004
▪ losses on disposals	0	14
▪ concession fees	30	54
▪ other	1,885	3,277
	1,915	**3,345**

The item "Other", amounting to 1,885 thousand euros, primarily regards membership dues (404 thousand euros) indirect taxes and duties (570 thousand euros) and updated valuations of over-estimated costs and under-estimated revenues recognized in the 2004 financial statements (785 thousand euros).

FINANCIAL INCOME AND EXPENSE

Other financial income

	H1 2005	H1 2004
▪ **Interest and commissions on long-term receivables:**		
Other	49	69
▪ **Other:**		
Interest on overdue current receivables:		
. Clients	223	734
Interest and commissions received from other companies and sundry income:		
. Interest from banks	1,835	1,018
. Interest from clients	15	51
. Other	2,595	27
	4,668	1,830
	4,717	**1,899**

"Interest from banks", totaling 1,835 thousand euros, increased by 817 thousand euros on the first half of 2004, as a result of greater average liquidity held at banks, as well as improved conditions applied by banks.

The item "Other" includes an amount of 2,537 thousand euros regarding accrued positive differentials on interest rate swaps entered into in October 2004 in accordance with the loan agreement, as described in the notes to "Payables".

Interest expense and other financial charges

	H1 2005	H1 2004
▪ Interest and commissions due to others and sundry charges:		
. Interest and commissions paid to banks	8,679	8,488
. Interest and commissions paid to other financial institutions	28,124	27,917
. Provisions for overdue interest on doubtful accounts	215	734
. Other	12,943	13,563
	49,961	**50,702**

The increase in "interest and commissions paid to banks" and the increase in those paid to "other financial institutions" derives from application of higher variable rates corresponding to lower expense for swap differentials.

The item "Other" includes the sum of 12,687 thousand euros, compared with 13,030 thousand euros registered in the first half of 2004, regarding negative interest differentials accruing on interest rate swaps entered into in 2001 in accordance with the loan agreement, as described in the notes to "Payables".

ADJUSTMENTS TO FINANCIAL ASSETS

	H1 2005	H1 2004
▪ Revaluations:		
- of equity investments:		
. ACSA Ltd	6,288	2,194
	6,288	**2,194**

The revaluation of the associated undertaking, ACSA Ltd., derives from application of the equity method. The increase with respect to the first half of 2004 is due to the negative effect of a prudential estimate in ACSA's accounts of an amount of 127 million rands regarding a tariff modification. For further information see the section on "Equity investments" in the Report on Operations.

EXTRAORDINARY INCOME AND EXPENSE

Income

Extraordinary income for the period totaled 168 thousand euros and breaks down as follows:

	H1 2005	H1 2004
▪ Other:		
Income and recovery of expenses relating to previous years deriving from:		
. Total revenues	1	8
. Operating costs	8	28
. Financial income and expense	33	0
. Contingent liabilities	74	336
. Damages and compensation received	52	0
	168	**372**

Expense

Extraordinary expense for the period totaled 1,969 thousand euros and breaks down as follows:

	H1 2005	H1 2004
▪ Taxes relating to previous years	219	146
▪ Other:		
Extraordinary expense:		
Total revenues	48	375
Operating costs	330	924
Financial income and expense	0	0
Agreed settlements	1,176	242
Contingent liabilities	12	52
	1,566	1,593
Other extraordinary expense:		
Payments due for lost freight	112	162
Fines	22	165
Damages and compensation paid to third parties	50	2
	184	329
	1,750	1,922
	1,969	**2,068**

Regarding “Agreed settlements”, incentive payments were made in relation to the current efficiency drive concerning the Parent Company, ADR, and the subsidiary undertaking, ADR Handling SpA. This gave rise to expense of 1,176 thousand euros, compared with 242 thousand euros in the first half of 2004.

INCOME TAXES

This item reports the estimated expense for current taxes for the period totaling 15,631 thousand euros. Deferred tax assets of 1,815 thousand euros have also been recognized.

	H1 2005	H1 2004
▪ Current taxes		
. IRES	9,130	4,342
. IRAP	6,496	5,973
. income taxes paid by overseas companies	5	9
	15,631	**10,324**
▪ Net deferred tax (assets) liabilities		
. deferred tax assets	1,821	149
. deferred tax liabilities	(6)	(210)
	1,815	**(61)**
	17,446	**10,263**

The increase in current taxes is due an increase in pre-tax income.
In particular, IRES, accounting for 58.2% of income before taxes, is higher than the theoretical rate of 33% due to non-deductible costs.

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 by category:

Average	H1 2005	H1 2004	Difference
Management	61	62	(1)
Administrative staff	2,113	2,077	36
Ground staff and other	1,257	1,273	(16)
Total	**3,431**	**3,412**	**19**

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

Average	H1 2005	H1 2004	Difference
ADR SpA	2,200	2,182	18
ADR Handling SpA	1,174	1,172	2
ADR Engineering SpA	29	31	(2)
ADR Tel SpA	17	16	1
ADR Advertising SpA	11	11	0
Total	**3,431**	**3,412**	**19**

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	567
Statutory Auditors	162
Total	**729**

INFORMATION REGARDING CURRENT DISPUTES

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. The judgment is still pending.

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.

In December 2004 the Rome 7 Revenue Office notified the subsidiary undertaking, ADR Handling SpA, of a claim for back taxes and fines regarding IRPEG and IRAP for 2002.
In February 2005 the Company submitted a request for modification of such findings, which was partially granted in May 2005.
Indeed, in their assessment of said request the Rome 7 Revenue Office lifted application of the penalties imposed.

On February 3, 2005 the Special Audit Team from the Regional Tax Police Headquarters for the Lazio Region instigated a general tax audit of the Parent Company, ADR SpA, with respect to direct, indirect and other taxation due for the tax years 2003 and 2004.
The audit was subsequently extended to include VAT for the tax years 2001 and 2002, limited to certain specific operations carried out by the Company.
The tax inspectors then contested the applicability of IRPEG, IRAP and VAT deductions for so-called "Ancillary financial costs" incurred between 2001 and 2003.
In particular, for the tax year 2003, the inspectors deemed that amortization of "ancillary financial costs", amounting to 4,098,000 euros, was inapplicable with regard to IRPEG and IRAP.
With reference to VAT, the tax inspectors contested VAT deductions, for an amount of 1.3 million euros, regarding the "ancillary financial costs" incurred in the tax years 2001, 2002 and 2003 for the granting and restructuring of loans.
Backed up by the opinions of its tax experts, the Company deems that recognition of the legitimacy of its actions is highly likely.

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, 2005, 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, Supreme Court sentence no. 15023/01 regarding the appeal against the arbitrator's award of June 12, 1996 and the subsequent sentence issued by the Court of Appeal on May 18, 1999, turned down both ADR SpA's appeal and the counter-appeal presented by the government.
  The sentence thus confirmed the validity of the Court of Appeal's judgment passed in 1999. This, on the one hand, established that public bodies should have rent-free access to the premises necessary in order to carry out their legally required duties regarding aircraft, passengers and freight movements, whilst, on the other, requiring such bodies to pay for the services and utilities relating to said premises (the arrangement already applied in ADR's financial statements).
  In the meantime the Parent Company has proceeded to apply to the Ordinary Court for injunctions allowing it to recover accrued 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. The related judgments are pending.
- 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. The appeal, which has been prepared by the appointed legal counsel, highlights the absence of grounds for application of the above fees to ADR, and the absence of any legal basis for demanding back-dated payments in accordance with former legislation (Law755/73). 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.
- Following a complaint by Alitalia, A.G.I.S.A. (Associazione Gestori Indipendenti Servizi Aeroportuali), Aviation Services, Cimair Blu and ARE, the Antitrust Authority launched an investigation of ADR to ascertain whether the company had abused its dominant position regarding fees charged for ground handling services, or whether it had put obstacles in the way of self-handling operations. In a resolution of September 20, 2000, the 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 a 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 (E.N.A.C.) and the Director of Fiumicino Airport and against ADR SpA and ADR Handling SpA as interest 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.
- On March 3, 2003 ADR SpA, together with Assaeroporti and leading Italian airport operators, submitted an extraordinary appeal to the President of the Republic for annulment, with prior suspension, of the Civil Aviation Authority Regulations dated September 30, 2002 regarding "the construction and operation of airports", with which the Authority intends to apply ICAO Annex 14.
- 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 19, 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 applied until the end of 2002, 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 "earnings" that passengers produce in relation to the airport. In ADR SpA's opinion, such an adjustment is not provided for in the related legislation, and is also discriminatory and detrimental to fair competition.
- On December 12, 2003 four sentences were published relating to four respective judgments regarding opposition to injunctions proposed by ADR SpA to recover payables due from Air Sicilia, which is in liquidation, pending before the eighth section of the Civil Court of Rome. The outcome of these judgments is favorable to ADR SpA as the Court ordered Air Sicilia to pay 0.6 million euros, a sum that will be added to the statement of account presenting proof of the debts due from the bankruptcy of Air Sicilia (declared on January 21, 2003 by the Bankruptcy Court of Caltagirone) together with amounts accrued subsequent to the above-mentioned judgments. The proofs of the debts due from Air Sicilia have been rejected. ADR SpA intends to appeal the decision, which it holds to be illegitimate. On June 23, 2004, an action was instituted for damages, with ADR as plaintiff, in judicial proceedings brought before the Attorney's Office of Caltagirone against seven members of the Board of Directors and the Board of Statutory Auditors of the bankrupt Air Sicilia SpA, with accusation of fraudulent bankruptcy. A date has yet to be fixed for a hearing to discuss this action.

The following claims with regard to contract work, services and supplies have been brought before the Civil Court of Rome:

- Following the partial judgment of May 8, 2003 regarding the action brought by ATI Alpine Bau in relation to the upgrading of runway 3, the judge postponed assessment of the amount of damages until after the outcome of an expert appraisal, to be carried out by the same court-appointed expert appointed for the principal action. The new expert appraisal deposited at the hearing of January 27, 2005 does not significantly change the assessment regarding the outcome of the action. The judge adjourned the hearing until June 8, 2005 when the court will pronounce sentence.

On June 23, 2004, having decided that it would not wait any longer for the final damages to be assessed, Bonifica SpA (the company that carried out the design work for runway 3) appealed the sentence on the merits of the case. At the hearing of November 3, 2004 the appeal judge adjourned the case until February 22, 2005, withholding judgment.

ADR SpA and ADR Engineering SpA reserved the right, pursuant to art. 340 of the Civil Procedures Code, to appeal both sentences (on the merits and on the damages) following issue of the second and final sentence, for which the above expert appraisal was carried out. In view of Bonifica's appeal, and the subsequent action brought by Alpine, ADR SpA has decided to appeal.

At the hearing of June 8, 2005 the judge delayed passing sentence, granting the parties the legally permitted time to deposit their final statements of the case and their counter-arguments. Therefore, a sentence is likely to be handed down regarding the matter by the end of 2005.

- 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. At a hearing on June 16, 2004 the judge, taking into account the plaintiffs' request for an enquiry and ADR SpA's response, adjourned the case until a hearing on November 18, 2004. At this hearing judgment was withheld regarding admission of the evidence presented. The related judgment is still awaited.
- ADR SpA has appealed the sentence handed down by the Civil Court of Rome regarding the claim filed by Consorzio Cooperative Costruzioni to obtain compensation for damages purportedly incurred by the plaintiff while work was under way to enlarge the central area of the international terminal. This sentence partially accepted the demands made by CCC and ordered ADR SpA to pay a sum of 1.2 million euros as well as legal costs and interest. At the first hearing held on January 21, 2005, the court discussed the request for an injunction halting implementation of the appealed sentence. The court decided to reject such request and adjourned the case until a hearing on September 21, 2007 for final judgment. Consequently, ADR SpA has paid the sum of 1.6 million euros (including legal costs and interest) in order to avoid unnecessary financial charges that would derive from the action for execution.
- 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. A hearing has been scheduled for May 20, 2008 for final judgment.
- A claim by Astaldi SpA (which took over APL contract no. 704/95 from Italstrade SpA) regarding the construction of the road link between runways 07/25 and 16L/34R at Leonardo da Vinci Airport in Fiumicino, in which the plaintiff requests that ADR be ordered to pay eleven reserves posted in the accounts in relation to said works, for a total of 3.0 million euros plus legal interest, as well as legal costs and fees.

  At a hearing on June 30, 2004, ADR SpA's defense counsel opposed acceptance of the expert appraisal and the judge withheld judgment. In the subsequent judgment, the judge rejected the technical evidence submitted by the plaintiff, stating that the dispute was of an exclusively legal nature and not technical. At the hearing of April 6, 2005, the court withheld judgment. A sentence therefore has yet to be pronounced.
- A claim brought by Astaldi SpA (which took over APM contract no. 450/95 from Italstrade SpA) regarding the construction of the Satellite West aprons and road network at Leonardo da Vinci Airport in Fiumicino, in which the plaintiff requests that ADR SpA be ordered to pay twenty-one claims posted in the accounts in relation to said works, for a total of 7.3 million euros, as well as legal costs and fees. On October 1, 2004 the judge in the case rejected Astaldi's request for an appraisal to be carried out by a court-appointed export, stating that the investigations requested by the plaintiff were inadmissible, and thus declaring that sentence can be passed. The hearing was adjourned until October 28, 2005 when the court will pronounce sentence.

- 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. The relevant hearing took place on October 19, 2004; the judge adjourned the above hearing until March 16, 2005 and subsequently to a hearing on November 16, 2005 for final judgment.
- On May 22, 2003 the Civil Court of Rome, in sentence no. 17134/2003, partially accepted the request made by Garboli Rep (plaintiff) and ordered ADR to pay damages to the former on the grounds that claims 5 and 7 were justified. Damages were set at 0.4 million euros, plus legal interest and overdue interest. The above-mentioned dispute refers to 7 claims (totaling 0.8 million euros) posted in the accounts relating to the contract for work on the road network, sub-service networks and transit tunnels within the scope of the so-called "Lot Opposite International Terminal" at Fiumicino. ADR SpA has decided to appeal this sentence.

  Regarding the overdue interest in this judgment, ADR SpA was first issued with an injunction and subsequently a distraint to obtain payment of the amount laid down in sentence no. 17134/2003. Therefore, in response to Garboli's decision to abandon the above execution, ADR opted to pay the total amount of 0.4 million euros (including accrued legal interest, overdue interest and costs), without prejudice to the right of recourse. The appeal judgement was adjourned to a hearing on April 10, 2007 for pronouncement of a sentence.
- SAICOM has brought a claim for damages caused by flooding of the land adjacent to runway 3. The court-appointed expert has quantified such damages at 1.2 million euros. Further criticism of the export appraisal was submitted at the hearing of May 27, 2004 and the final judgment was delayed until the hearing of January 12, 2006, giving the parties time to deposit their final statements and observations.
- 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 27, 2007.
- On March 23, 2005 Garboli Conicos - Impresa Generale Costruzioni SpA (formerly Garboli Rep SpA) issued a summons requesting recognition of "new prices" regarding the contract for work on the new road network at Fiumicino airport for the "Western Lot", the "Lot Opposite International Terminal" and the "Technical Area".

  The petition, amounting to 0.2 million euros, regards claims 6, 7, 8 and 9 posted in the accounts in connection with said works, relating to interest accrued until such claims are settled, interest on delayed issue of payment certificates, and legal costs and fees.

  At a preliminary hearing on June 10, 2005 the contractor's lawyer requested appointment of an expert by the court to assess the size and accuracy of the amounts determined. The preliminary hearing was adjourned until October 12, 2005.
- On January 17, 2003 an appeal, with relative injunction, was lodged against the injunction submitted on September 9, 2002 by the extraordinary administrators of Federici Stirling amounting to 1.5 million euros (which was subsequently reduced to 0.8 million euros after payments of overdue interest by ADR).

  This dispute arose from a contract for works regarding the first module to extend the Domestic Terminal at Fiumicino airport. Such works were entrusted to ATI, with Federici Stirling acting as agent.

  A subsequent hearing will take place on December 1, 2005 to examine the documentation submitted, although this dispute may be settled beforehand as a result of negotiations in progress.
- 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 pronouncement of sentence.

- ADR SpA took out a civil action against ATI Consorzio Impromed SpA and Mr. Pietro Ciardiello, engineer, to claim damages arising from cancellation of a contract (amounting to 8 million euros) regarding failure to comply with contractual conditions relating to the doubling of the Bravo taxiway in the northern sector of the future Pier C. The claim for damages amounted to 1.4 million euros. The works in question were reallocated to the bidder ranked second in the competition. The preliminary hearing will take place on October 12, 2005.

The following claims with regard to contract work, services and supplies have been brought before the Administrative Court of Lazio:

- On November 22, 2004 ATI SOMECA – Ditta Ing. Pietro Ciardiello appealed the memorandum in which ADR SpA informed said company of its exclusion from the tender regarding constuction of ECHO aircraft aprons in the Southeastern Area of Leonardo da Vinci Airport in Fiumicino (with a starting price of around 8 million euros), requesting injunctive relief in the meantime. The company had been excluded because after verification the company's bid was deemed unsuitable. The appeal and request for an injunction also regard award of the contract to ATI Pavimental SpA – Leonardo Costruzioni Srl; all the bid documents including appraisals of suitability; and any other prior related and subequent documents.
  Furthermore, ATI SOMECA has requested appointment by the court of an expert to demonstrate the suitability of its bid and damages amounting to 10% of the value of the bid. Such requests – enabled by reform of the administrative process that allows an appeal judge, given sufficient grounds, to request an expert appraisal and claims for damages without appearing before an ordinary judge – have, to date, been rarely accepted by administrative judges.
  The Administrative Court rejected the petition for an injunction.
  With Ruling 1932/2005 the Council of State has partially accepted ATI SOMECA's plea, for the sole purposes of re-examining the bid they submitted, limited to the costs of the new procedure indicated, without an injunction suspending award of the contract to ATI Pavimental SpA – Leonardo Costruzioni Srl. The bid committee, in compliance with the Council of State ruling, has carried out a new assessment of ATI's bid, which has neverthess revealed the inadequacies of the bid submitted.
- On April 27, 2005 ATI, comprising CMB/CCC/Costruzioni and Servizi/Elsag, notified ADR SpA of an appeal before the Lazio Administrative Court against its exclusion from the bid for works to construct the new Central Pier for the International Terminal (Pier C) at Leonard da Vinci Airport in Fiumicino, as well as related works (works amounting to 170 million euros).
  On April 29, 2005 the president of Section III ter of the Lazio Administrative Court granted the provisional precautionary measure, *inaudita altera parte*, which provided for non-continuation of the work of the commission and at the same time scheduled a hearing for May 5, 2005, at which the parties requested that the case be brought forward. The president granted this request by fixing a hearing for July 14, 2005. With Sentence no. 5849/05, submitted on July 25, 2005, the Lazio Administrative Court rejected the appeal submitted by ATI CMB, in agreement with the arguments of the Bid Committee.

  The Bid Committee will therefore resume its work on September 6, 2005. Such work, resulting in identification of the most suitable bidder, is expected to be completed in mid-September.

In the Parent Company'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 accounts, accompanied by the Management Report on Operations, present a true and fair picture of the Group's financial position and results of operations for the period.

THE BOARD OF DIRECTORS

ADR GROUP: COMPARATIVE ACCOUNTS FOR THE SIX MONTHS ENDED JUNE 30, 2005

CONSOLIDATED BALANCE SHEET
as of June 30, 2005

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

	06/30/2005			12/31/2004			06/30/2004		
ASSETS									
UNPAID SHARE CAPITAL DUE									
FROM SHAREHOLDERS			0			0			0
FIXED ASSETS									
INTANGIBLE FIXED ASSETS									
▪ Incorporation and development costs		736			923			1,111	
▪ Industrial patents and intellectual property rights		753			779			594	
▪ Concessions, licenses,trademarks and similar rights		1,924,582			1,949,454			1,973,260	
▪ Goodwill arising on consolidation		3,831			4,022			4,213	
▪ Leasehold improvements in process and advances		30,502			19,541			38,808	
▪ Others		160,365			165,776			148,266	
			2,120,769			2,140,495			2,166,252
TANGIBLE FIXED ASSETS									
▪ Land and buildings		2,944			2,216			1,064	
▪ Plant and machinery		23,623			20,340			15,978	
▪ Industrial and commercial equipment		1,150			1,168			1,244	
▪ Fixed assets to be relinquished		67,170			69,908			71,759	
▪ Other assets		4,004			3,583			3,599	
▪ Work in progress and advances		27,265			13,713			10,633	
			126,156			110,928			104,277
NON-CURRENT FINANCIAL ASSETS:									
▪ Equity investments in:									
- unconsolidated subsidiary undertakings	100			100			100		
- associated undertakings	133,410			132,646			133,861		
- other companies	1,895			1,895			1,895		
		135,405			134,641			135,856	
▪ Receivables due from others:									
. within 12 months	3			3			3		
. beyond 12 months	3,354			3,828			4,932		
		3,357			3,831			4,935	
			138,762			138,472			140,791
Total fixed assets			**2,385,687**			**2,389,895**			**2,411,320**
CURRENT ASSETS									
INVENTORY									
▪ Raw, ancillary and consumable materials		2,821			2,802			2,800	
▪ Contract work in progress		9,719			10,799			10,917	
▪ Finished goods and goods for resale									
- goods for resale	8,284			8,862			8,918		
		8,284			8,862			8,918	
▪ Advances		96			102			96	
			20,920			22,565			22,731
RECEIVABLES									
▪ Due from clients									
. within 12 months	145,597			124,528			159,015		
. beyond 12 months	279	145,876		0	124,528		0	159,015	
▪ Due from associated undertakings		665			720			1,227	
▪ Due from tax authorities		2,141			892			1,596	
▪ Defered Tax assets		23,108			24,923			24,534	
▪ Due from others:									
- various									
. within 12 months	66,213			52,086			69,809		
. beyond 12 months	2,248			2,248			2,378		
- advances to suppliers for services to be rended	3			6			25		
		68,464			54,340			72,212	
			240,254			205,403			258,584
MARKETABLE SECURITIES			0			0			0
CASH ON HAND AND IN BANKS									
▪ Bank and post office deposits		117,098			129,890			45,005	
▪ Checks		0			0			54	
▪ Cash and notes in hand		897			466			790	
			117,995			130,356			45,849
Total current assets			**379,169**			**358,324**			**327,164**
ACCRUED INCOME AND PREPAID EXPENSES									
▪ Accrued income and other prepaid expenses			**6,395**			**4,033**			**6,579**
TOTAL ASSETS			**2,771,251**			**2,752,252**			**2,745,063**

CONSOLIDATED BALANCE SHEET
as of June 30, 2005

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

	06/30/2005			12/31/2004			06/30/2004		
LIABILITIES AND SHAREHOLDERS' EQUITY									
SHAREHOLDERS' EQUITY									
SHARE CAPITAL:								62,225	
ordinary shares		62,310			62,310				
SHARE PREMIUM RESERVE		667,389			667,389			667,389	
REVALUATION RESERVES		0			0			0	
LEGAL RESERVE		12,462			12,445			12,445	
STATUTORY RESERVES		0			0			0	
RESERVE FOR OWN SHARES		0			0			0	
OTHER RESERVES		0			0			85	
RESERVE FOR FOREIGN CURRENCY TRANSLATION ADJUSTMENTS		(8,754)			(4,039)			(2,983)	
RETAINED EARNINGS (ACCUMULATED LOSSES)		(47,780)			(40,489)			(40,489)	
GROUP NET INCOME (LOSS) FOR THE YEAR		8,168			3,942			(4,525)	
			693,795			701,558			694,147
MINORITY INTEREST									
▪ Share capital, reserves and net income (loss) for the year		21,894			22,171			22,103	
			21,894			22,171			22,103
GROUP AND MINORITY INTEREST IN CONSOLIDATED SHAREHOLDERS' EQUITY			**715,689**			**723,729**			**716,250**
ALLOWANCES FOR RISKS AND CHARGES									
▪ For Taxes		1,731			1,851		162		
▪ Other		29,281			29,164		28,716		
Total allowances for risks and charges			**31,012**			**31,015**			**28,878**
EMPLOYEE SEVERANCE INDEMNITIES			**66,405**			**67,117**			**66,947**
PAYABLES									
▪ Due to banks									
. within 12 months	2,386			2,408			2,125		
. beyond 12 months	480,000			480,000			480,000		
		482,386			482,408			482,125	
▪ Due to other financial institutions:									
. within 12 months	1,456			13,956			1,327		
. beyond 12 months	1,265,019			1,265,019			1,265,019		
		1,266,475			1,278,975			1,266,346	
▪ Advances:									
- from clients									
. from the Ministry of Transport:									
. within 12 months	382			525			631		
. beyond 12 months	4,770			4,770			4,770		
. other	6,063			3,046			2,712		
- prepayment of invoices to be paid in installments									
. from clients	54			54			40		
		11,269			8,395			8,153	
▪ Due to suppliers:									
. within 12 months	104,172			86,829			102,769		
. beyond 12 months	5,665			5,864			6,394		
		109,837			92,693			109,163	
▪ Due to associated undertakings		1,003			1,003			1,060	
▪ Due to parent companies:									
. within 12 months	0			0			0		
		0			0			0	
▪ Taxes due:									
.within 12 months	36,126			19,112			14,719		
		36,126			19,112			14,719	
▪ Due to social security agencies		8,275			9,146			9,410	
▪ Other payables: various creditors									
. within 12 months	34,850			31,972			34,135		
. beyond 12 months	827			797			678		
		35,677			32,769			34,813	
Total payables			**1,951,048**			**1,924,501**			**1,925,789**
ACCRUED EXPENSES AND DEFERRED INCOME									
▪ Accrued expenses and other deferred income			**7,097**			**5,890**			**7,199**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,771,251**			**2,752,252**			**2,745,063**

MEMORANDUM ACCOUNTS
as of June 30, 2005
(in thousands of euros)
(Translation from the original issued in Italian)

	06/30/2005		12/31/2004		06/30/2004	
General guarantees						
▪ Sureties	111		111		111	
▪ Other	459		396		378	
		570		507		489
Collateral guarantees		0		0		0
Commitments on purchases and sales		41,996		51,705		48,933
Other		894,401		894,590		892,230
		936,967		**946,802**		**941,652**

CONSOLIDATED INCOME STATEMENT
for the First half 2005
(in thousands of euros)
(Translation from the original issued in Italian)

	First half 2005			First half 2004			Year 2004		
TOTAL REVENUES									
▪ Revenues from sales and services:									
- revenues from sales	26,413			22,268			48,446		
- revenues from services	249,920			239,843			507,324		
- revenues from contract work	1,348	277,681		200	262,311		1,197	556,967	
▪ Changes in contract work in progress		(1,080)			(96)			(214)	
▪ Capitalized costs and expenses		1,911			1,345			4,687	
▪ Other income and revenues:									
- revenue grants	0			31			31		
- profits on disposals	92			97			210		
- other	2,936			1,781			5,623		
		3,028			1,909			5,864	
			281,540			**265,469**			**567,304**
OPERATING COSTS									
▪ raw, ancillary and consumable materials and goods for resale		24,482			22,503			47,746	
▪ services		43,025			40,208			84,974	
▪ leases		11,696			11,026			23,223	
▪ payroll:									
- wages and salaries	57,112			57,871			112,446		
- social security	16,504			16,930			33,459		
- employee severance indemnities	4,527			4,534			8,855		
- other	721			707			1,503		
		78,864			80,042			156,263	
▪ Depreciation, amortization and write-downs:									
- amortization of intangible fixed assets	40,133			39,696			80,890		
- depreciation of tangible fixed assets	6,792			6,560			13,211		
- provisions for doubtful accounts	2,019			931			11,981		
		48,944			47,187			106,082	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		560			(462)			(407)	
▪ Provisions for risks		4,224			6,123			6,775	
▪ Other provisions		245			100			200	
▪ Sundry operating costs:									
- losses on disposals	0			14			29		
- license fees	30			54			54		
- other	1,885			3,277			15,438		
		1,915			3,345			15,521	
			(213,955)			**(210,072)**			**(440,377)**
Operating income			**67,585**			**55,397**			**126,927**
FINANCIAL INCOME AND EXPENSE									
▪ Income from equity investments:									
- dividends from other companies	0			26			26		
		0			26			26	
▪ Other financial income:									
- from long-term receivables									
. other	49			69			98		
- other									
. interest and commissions from others and sundry	4,668			1,830			4,912		
		4,717			1,899			5,010	
▪ Interest expense and other financial charges:									
- interest and commissions to others and sundry charges	49,961			50,702			101,955		
		(49,961)			(50,702)			(101,955)	
▪ Profits and losses on Exchange									
- Profits	31			117			239		
- Losses	18			85			83		
		13			32			156	
Total financial income (expense), net			**(45,231)**			**(48,745)**			**(96,763)**

CONSOLIDATED INCOME STATEMENT
for the First half 2005
(in thousands of euros)
(Translation from the original issued in Italian)

	First half 2005			First half 2004			Year 2004		
ADJUSTMENTS TO FINANCIAL ASSETS									
▪ Revaluations									
- of equity investments		6,288			2,194			7,989	
▪ Write-downs:									
- of equity investments		0			0			0	
Total adjustments			**6,288**			**2,194**			**7,989**
EXTRAORDINARY INCOME AND EXPENSE									
▪ Income:									
- other	168			372			1,280		
		168			372			1,280	
▪ Expense:									
- taxes relating to previous period	219			146			2,141		
- other	1,750			1,922			5,082		
		(1,969)			(2,068)			(7,223)	
Total extraordinary income (expense), net			**(1,801)**			**(1,696)**			**(5,943)**
Income before taxes			**26,841**			**7,150**			**32,210**
Income taxes of the year, current, defferred assets (liabilities) :									
- current		(15,631)			(10,324)			(26,200)	
- deferred tax assets (liabilities)		(1,815)			61			450	
			(17,446)			**(10,263)**			**(25,750)**
Net income (loss) for the period			9,395			(3,113)			6,460
of which:									
▪ minority interest			1,227			1,412			2,518
▪ Parent Company's share			8,168			(4,525)			3,942

AEROPORTI DI ROMA SPA:
ACCOUNTS FOR THE SIX MONTHS ENDED JUNE 30, 2005

BALANCE SHEET
as of June 30, 2005
(in euros)
(Translation from the original issued in Italian)

ASSETS

	06/30/2005			12/31/2004		
UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS			0			0
FIXED ASSETS						
INTANGIBLE FIXED ASSETS:						
▪ Incorporation and development costs		66,914			133,829	
▪ Industrial patents and intellectual property rights		753,009			778,572	
▪ Concessions, licenses,trademarks and similar rights		1,955,966,207			1,981,263,116	
▪ Leasehold improvements in process and advances		38,327,365			26,179,552	
▪ Leasehold improvements		159,203,263			165,192,184	
			2,154,316,758			2,173,547,253
TANGIBLE FIXED ASSETS:						
▪ Land and buildings		2,943,780			2,215,652	
▪ Plant and machinery		16,469,278			15,962,338	
▪ Industrial and commercial equipment		1,029,461			1,053,997	
▪ Fixed assets to be relinquished		67,461,687			70,217,015	
▪ Other assets		3,914,609			3,498,467	
▪ Work in progress and advances		27,469,973			12,776,950	
			119,288,788			105,724,419
NON-CURRENT FINANCIAL ASSETS:						
▪ Equity investments in:						
- subsidiary undertakings	138,863,589			138,863,589		
- associated undertakings	49,001			49,001		
- other companies	1,895,376			1,895,376		
		140,807,966			140,807,966	
▪ Receivables due from others:						
. within 12 months	3,099			3,099		
. beyond 12 months	3,140,520			3,498,255		
		3,143,619			3,501,354	
			143,951,585			144,309,320
Total fixed assets			**2,417,557,131**			**2,423,580,992**
CURRENT ASSETS						
INVENTORY						
▪ Raw, ancillary and consumable materials		2,820,650			2,802,018	
▪ Contract work in progress		7,567,715			8,828,541	
▪ Finished goods and goods for resale						
- goods for resale	8,283,585			8,861,563		
		8,283,585			8,861,563	
▪ Advances		30,499			36,497	
			18,702,449			20,528,619
RECEIVABLES						
▪ Due from clients						
. within 12 months	116,136,927			102,432,867		
	278,853			0		
		116,415,780			102,432,867	
▪ Due from subsidiary undertakings		17,387,971			18,531,574	
▪ Due from associated undertakings		529,543			529,543	
▪ Due from tax authorities		1,315,030			621,666	
▪ Deferred tax assets		13,604,846			14,201,846	
▪ Due from others:						
- various						
. within 12 months	65,324,051			51,501,820		
. beyond 12 months	2,248,323			2,248,323		
- advances to suppliers for services to be rendered	1,064			1,636		
		67,573,438			53,751,779	
			216,826,608			190,069,275
MARKETABLE SECURITIES			0			0
CASH ON HAND AND IN BANKS						
▪ Bank and post office deposits		111,598,642			119,531,700	
▪ Cash and notes in hand		670,872			408,013	
			112,269,514			119,939,713
Total current assets			**347,798,571**			**330,537,607**
ACCRUED INCOME AND PREPAID EXPENSES						
▪ Accrued income and other prepaid expenses			**6,225,648**			**3,794,190**
TOTAL ASSETS			**2,771,581,350**			**2,757,912,789**

BALANCE SHEET
as of June 30, 2005
(in euros)
(Translation from the original issued in Italian)

LIABILITIES AND SHAREHOLDERS' EQUITY	**06/30/2005**			**12/31/2004**		
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			12,444,949
▪ RESERVE FOR OWN SHARES			0			0
▪ STATUTORY RESERVES			0			0
▪ OTHER RESERVES			416,300			1,662,496
▪ RETAINED EARNINGS (ACCUMULATED LOSSES)			4,259,073			2,001,607
▪ NET INCOME (LOSS) FOR THE YEAR			1,354,556			12,244,045
Total shareholders' equity			**748,191,185**			**758,052,393**
ALLOWANCES FOR RISKS AND CHARGES						
▪ For Taxes, including deferred:		0			0	
▪ Other		27,080,765			26,719,821	
Total allowances for risks and charges			**27,080,765**			**26,719,821**
EMPLOYEE SEVERANCE INDEMNITIES			**46,766,186**			**47,709,129**
PAYABLES						
▪ Due to banks						
. within 12 months	2,194,298			2,407,618		
. beyond 12 months	480,000,000			480,000,000		
		482,194,298			482,407,618	
▪ Due to other financial institutions:						
. within 12 months	1,456,436			13,955,889		
. beyond 12 months	1,265,018,896			1,265,018,896		
		1,266,475,332			1,278,974,785	
▪ Advances:						
- from clients						
. from the Ministry of Transport:						
. within 12 months	381,950			524,940		
. beyond 12 months	4,770,000			4,770,000		
. other	5,141,578			2,298,752		
		10,293,528			7,593,692	
▪ Due to suppliers:						
. within 12 months	93,755,131			76,050,861		
. beyond 12 months	5,664,007			5,863,318		
		99,419,138			81,914,179	
▪ Due to subsidiary undertakings:						
. within 12 months	13,313,372			16,913,388		
		13,313,372			16,913,388	
▪ Due to associated undertakings:						
. within 12 months	1,002,980			1,002,980		
		1,002,980			1,002,980	
▪ Taxes due:						
. within 12 months	34,704,080			17,207,500		
		34,704,080			17,207,500	
▪ Due to social security agencies		5,219,522			5,980,260	
▪ Other payables: various creditors						
. within 12 months	29,046,853			26,818,203		
. beyond 12 months	826,766			797,348		
		29,873,619			27,615,551	
Total payables			**1,942,495,869**			**1,919,609,953**
ACCRUED EXPENSES AND DEFERRED INCOME						
▪ Accrued expenses and other deferred income			**7,047,345**			**5,821,493**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**2,771,581,350**			**2,757,912,789**

MEMORANDUM ACCOUNTS
as of June 30, 2005
(in euros)
(Translation from the original issued in Italian)

	06/30/2005		12/31/2004	
General guarantees:				
- Sureties	21,863,106		21,234,128	
- Other	703,388		640,659	
		22,566,494		21,874,787
Collateral guarantees		0		0
Commitments on purchases and sales		31,429,873		41,731,216
Other		891,062,306		894,387,591
TOTAL MEMORANDUM ACCOUNTS		**945,058,673**		**957,993,594**

INCOME STATEMENT
for the First half 2005
(in euros)
(Translation from the original issued in Italian)

	First half 2005			First half 2004		
TOTAL REVENUES						
▪ Revenues from sales and services:						
- revenues from sales	27,139,450			22,948,925		
- revenues from services	214,810,654			205,094,095		
- revenues from contract work	1,347,827			200,227		
		243,297,931			228,243,247	
▪ Changes in contract work in progress		(1,260,827)			311,637	
▪ Other income and revenues:						
- revenue grants	0			30,910		
- profits on disposals	91,749			96,670		
- other	1,917,609			1,767,539		
		2,009,358			1,895,119	
			244,046,462			**230,450,003**
OPERATING COSTS						
▪ raw, ancillary and consumable materials and goods for resale		24,127,182			22,335,532	
▪ services		41,023,161			38,766,253	
▪ leases		10,820,706			10,620,734	
▪ payroll:						
- wages and salaries	37,301,265			38,082,233		
- social security	10,623,225			10,902,331		
- employee severance indemnities	3,079,256			3,081,302		
- other	530,312			574,247		
		51,534,058			52,640,113	
▪ Depreciation, amortization and write-downs:						
- amortization of intangible fixed assets	39,992,540			39,717,013		
- depreciation of tangible fixed assets	6,270,349			5,824,411		
- provisions for doubtful accounts	1,772,215			553,171		
		48,035,104			46,094,595	
▪ Changes in inventories of raw, ancillary and consumable materials and goods for resale		559,346			(461,533)	
▪ Provisions for risks		3,856,959			4,975,376	
▪ Other provisions		120,000			100,000	
▪ Sundry operating costs:						
- losses on disposals	0			13,379		
- license fees	29,410			53,736		
- other	1,759,944			3,241,479		
		1,789,354			3,308,594	
			(181,865,870)			**(178,379,664)**
Operating income			**62,180,592**			**52,070,339**
FINANCIAL INCOME AND EXPENSE						
▪ Income from equity investments:						
- dividends from other companies	0			25,700		
		0			25,700	
▪ Other financial income:						
- from long-term receivables						
. other	45,521			59,851		
- other						
. Interest and commissions from subsidiary undertakings	3,178			6,991		
. Interest and commissions from banks	1,790,884			944,379		
. Interest and commissions from clients	229,834			733,719		
. Interest and commissions from others	2,588,673			26,166		
		4,658,090			1,771,106	
▪ Interest expense and other financial charges:						
- interest and commissions due to subsidiary undertakings	61,191			21,022		
- interest and commissions due to banks	8,678,584			8,488,167		
- interest and commissions due to other financial institutions	28,124,023			27,917,298		
- interest and commissions due to others	12,937,042			13,550,300		
- provisions for overdue interest on written down receivables	214,626			733,721		
		(50,015,466)			(50,710,508)	
	26,310			115,529		
	16,212			77,647		
		10,098			37,882	
Total financial income (expense), net			**(45,347,278)**			**(48,875,820)**

INCOME STATEMENT
for the First half 2005
(in euros)
(Translation from the original issued in Italian)

	First half 2005			First half 2004		
ADJUSTMENTS TO FINANCIAL ASSETS						
• Write-downs:						
- of equity investments		0			0	
Total adjustments			**0**			**0**
EXTRAORDINARY INCOME AND EXPENSE						
• Income:						
- other	165,822			7,469,679		
		165,822			7,469,679	
• Expense:						
- taxes relating to previous years	218,953			145,810		
- other	1,595,882			3,847,485		
		(1,814,835)			(3,993,295)	
Total extraordinary income (expense), net			**(1,649,013)**			**3,476,384**
Income before taxes			**15,184,301**			**6,670,903**
Income taxes:						
- current		(13,232,745)			(7,732,934)	
- deferred tax assets (liabilities)		(597,000)			(29,000)	
			(13,829,745)			**(7,761,934)**
Net income (loss) for the period			**1,354,556**			**(1,091,031)**

REPORT OF THE INDEPENDENT AUDITORS

Deloitte.

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REPORT OF THE INDEPENDENT AUDITORS ON THE REVIEW OF THE SIX-MONTH REPORT AS OF JUNE 30, 2005

To the Shareholders
of Aeroporti di Roma S.p.A.

1. We have performed a review of the consolidated accounting schedules and related explanatory notes included in the six-month report as of June 30, 2005 of Aeroporti di Roma S.p.A. The six-month report is the responsibility of the Company's Directors. Our responsibility is to issue this report based on our review of the six-month report. We have also checked the part of the report related to the information on operations with the sole purpose of verifying the consistency thereof with the rest of the six-month report.

2. Our review was made in accordance with the criteria for reviews recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("CONSOB") under Resolution No. 10867 of July 31, 1997. Our review consisted principally of obtaining the information regarding the items reported in the accounting schedules and the consistency of the valuation criteria through discussion with company management and of applying analytical procedures to the data contained in the accounting schedules. Our review did not include those audit procedures such as compliance tests and substantive tests of assets and liabilities and was significantly less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, unlike the auditors' report accompanying the annual consolidated financial statements, we do not express an opinion on the six-month report.

3. With regard to the comparative information related to the annual consolidated financial statements as of December 31, 2004 and to the prior year six-month report, reference should be made to our reports issued on April 7, 2005 and September 15, 2004, respectively.

4. Based on our review, we are not aware of any material modifications or additions that should be made to the consolidated accounting schedules and related explanatory notes identified in paragraph 1 of this report, for them to be in conformity with the accounting standards set out by the Italian law, integrated and interpreted by the accounting principles established by the Italian Accounting Profession, as far as applicable to interim accounts.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Falcone
Partner

Rome, Italy
September 16, 2005

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