

GEMINA

**REPORT ON OPERATIONS
FINANCIAL STATEMENTS 2009**

SHAREHOLDERS' MEETING NOTICE

Pursuant to art. 8 of the Articles of Association and art. 2366, subsection two, of the Italian Civil Code.

Published in the Official Gazette on March 18, 2010.

Published in the Corriere della Sera on March 18, 2010.

The Shareholders are called to an Ordinary Shareholders' Meeting to be held on:

- April 27, 2010 at 10.30 a.m. in first call at the registered office in Via della Posta 8/10, Milan,
 - April 28, 2010 at 10.30 a.m. in second call at Palazzo delle Stelline in Corso Magenta 61, Milan,
- to resolve on the following

Agenda

- 1) Financial statements as at December 31, 2009; related and consequent resolutions.
- 2) Appointment of directors, by determining the number of members of the Board; determination of remuneration of the directors.
- 3) Authorisation of the purchase and sale of own shares pursuant to arts. 2357 and 2357-ter of the Italian Civil Code, art. 132 of Legislative Decree 58/1998 and art. 144-bis of the Regulations approved by Consob with resolution 11971/1999 and subsequent amendments and supplements, subject to repeal of the shareholders' meeting resolution of April 28, 2009 concerning the purchase and sale of own shares; related and consequent resolutions.

The subscribed, fully paid-in share capital totals 1,472,960,320 euro, represented by 1,469,197,552 ordinary shares, each of which grants the right to one vote in the shareholders' meeting, and 3,762,768 non-convertible savings shares, without voting rights, all with a par value of 1 euro. The Company does not hold own shares.

In accordance with the terms of art. 8 of the Articles of Association, in order to attend the shareholders' meeting, shareholders are required to request the necessary communication from authorised brokers subscribing to the centralised management system of Monte Titoli no later than two working days before the shareholders' meeting.

Those holding voting rights may be represented by way of written mandate, within the limits of the current regulations; to this end, the mandate reproduced at the bottom of the communication issued by authorised brokers may be used.

Shareholders that alone, or together with other shareholders, represent at least 2.5% of the share capital can request, within

SHAREHOLDERS' MEETING NOTICE

five days from the publication of this notice, the integration of the list of topics to be covered, indicating in their request the additional topics they propose. These requests for integration will be announced at least ten days prior to the date set for the shareholders' meeting, using the same methods as used for this notice. Integration of the list of topics to be covered is not permitted for issues on which the shareholders' meeting resolves pursuant to law, on proposal by the directors or on the basis of a plan or report they have drawn up.

As for the appointment of the Directors (point 2 on the agenda), which may take place on the basis of lists presented by shareholders, see Article 11 of the Articles of Association, published on the company website www.gemina.it.

Specifically, please note the following:

Legitimation to present lists.

Shareholders that alone, or together with other shareholders, hold total shares representing at least 2.5% of the share capital with voting rights in the ordinary shareholders' meeting, corresponding to 36,729,939 ordinary shares, are entitled to present the lists.

Each shareholder, shareholders who are party to a significant shareholders' agreement within the meaning of article 122 of Legislative Decree 58/1998, the parent company, the subsidiaries and jointly controlled companies within the meaning of article 93 of Legislative Decree 58/1998, may present or contribute to the presentation of only one list, and are not allowed to vote a different list. Each candidate may be put forward in one list only on pain of non-eligibility. Any support or votes expressed in breach of this prohibition will be assigned to no list.

List presentation procedure.

In order to prove the ownership of the right to vote for the number of shares necessary for presenting lists, the shareholders must at the same time leave the certifications issued by the authorised brokers at the registered office of the company in compliance with the applicable legislation and, together with each list, leave the information and declarations indicated in the rules of law and regulations on the matter and in the above-stated article 11 of the Articles of Association, and specifically: (I) the declarations by which the individual candidates accept their candidacy and certify, on their own responsibility, that there are no causes of non-eligibility and incompatibility, and that the requirements demanded for the respective offices are met; and (II) a *curriculum vitae* setting forth the personal and professional profile of each candidate and whether the same qualifies as independent. A minimum number of directors elected,

SHAREHOLDERS' MEETING NOTICE

corresponding to the legal minimum required, in any event, shall meet the requisites of independence referred to in article 148, subsection 3, of Legislative Decree 58/1998.

Shareholders are advised to take into consideration the recommendations contained in Consob notice DEM 9017893 of February 26, 2009 on the "Appointment of members of the administration and control bodies".

Presentation deadlines.

The lists, together with the required documentation, must be left at the registered office of the company at Via della Posta no. 8/10, Milan, at least 15 days before the date set for the shareholders' meeting in first call, which is precisely before 5 p.m. Monday, April 12, 2010.

Inadmissibility of the lists.

Lists that do not fulfil the above conditions will not be considered as presented.

If only one list is presented, or if no list is presented, the shareholders' meeting shall resolve with the majority of votes set forth by law.

The lists, together with the declarations and information required by current legislation, shall be promptly published on the company website www.gemina.it.

Documentation regarding the items on the agenda, and, precisely, the draft financial statements and consolidated financial statements as at December 31, 2009, the Report on Operations, the Report on the Corporate Governance and the ownership structure, the Report of the Board of Statutory Auditors and the Independent Auditors' Report, as well as the director's reports on the issues pursuant to points 2) and 3) of the agenda will be made available to the public by filings as the registered office, with Borsa Italiana S.p.A. and on the website www.gemina.it, as provided by law. Shareholders have the right to obtain a copy.

Milan, March 15, 2010

for the Board of Directors
The Chairman
(Guido Angiolini)

CONTENTS

1	STATUTORY BOARDS	page	7
2			
MAIN ECONOMIC AND FINANCIAL FIGURES			
2.1	Gemina Group (“Group”)	page	8
2.2	Gemina Group Structure as at December 31, 2009	page	9
2.3	Gemina S.p.A.	page	10
2.4	Share performance	page	11
3			
FIRST ITEM ON THE AGENDA			
REPORT ON OPERATIONS			
3.1	Overview of the financial year	page	12
3.2	Airport infrastructures (Aeroporti di Roma Group)	page	15
3.2.1	Air transport trend	page	15
3.2.2	Performance	page	16
3.2.3	Legal and regulatory overview	page	21
3.2.4	Significant agreements	page	25
3.2.5	Quality	page	26
3.2.6	Environmental protection	page	27
3.3	Energy (Fiumicino Energia S.r.l.)	page	28
3.4	Performance of companies valued at net equity or at cost	page	28
3.4.1	Air Traffic Control Communication Systems (SITTI S.p.A.)	page	28
3.4.2	Pentar S.p.A.	page	29
3.5	Investments, research and development	page	29
3.6	Human resources	page	31
3.7	Corporate Governance	page	32
3.8	Information about risks and uncertainties	page	40
3.9	Equity, economic and financial highlights for the Gemina Group	page	47
3.9.1	Economic position	page	47
3.9.2	Financial position	page	48
3.9.3	Net financial position	page	49
3.9.4	Reconciliation between the reclassified statements and the financial statements	page	50
3.10	Gemina S.p.A.	page	50
3.10.1	Economic position	page	50
3.10.2	Financial position	page	51
3.10.3	Net financial position	page	52
3.11	Intercompany relations and transactions with related parties	page	53
3.12	Major Subsequent Events	page	54
3.13	Business outlook	page	56
3.14	Equity investments held by Directors, Statutory Auditors and Executives with strategic responsibilities	page	58
4	PROPOSALS TO THE SHAREHOLDERS’ MEETING	page	60

CONTENTS

5	CONSOLIDATED FINANCIAL STATEMENTS		
5.1	Consolidated Income Statement	page	62
5.2	Consolidated balance sheet	page	64
5.3	Statement of Consolidated Cash Flows	page	66
5.4	Statement of Changes in Consolidated Equity	page	67
5.5	Statement of Reconciliation between Shareholders' Equity of Gemina S.p.A. and Consolidated Shareholders' Equity and between Profit (loss) of Gemina S.p.A. and Consolidated Profit (loss)	page	68
5.6	Explanatory Notes	page	69
5.7	Information pursuant to art. 149-duodecies of Consob Issuers' Regulation	page	137
5.8	List of equity investments prepared in accordance with art. 126 of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions.	page	138
5.9	Certification of the Consolidated Financial Statements in accordance with art. 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions	page	140
5.10	Independent Auditors' Report	page	141
6	FINANCIAL STATEMENTS OF GEMINA S.P.A.		
6.1	Income Statement	page	145
6.2	Balance Sheet	page	147
6.3	Statement of Cash Flows	page	149
6.4	Statement of Changes in Shareholders' Equity	page	150
6.5	Explanatory Notes	page	151
6.6	Information on Related Parties	page	186
6.7	Other Information	page	187
6.8	Information pursuant to art. 149-duodecies of Consob Issuers' Regulation	page	189
6.9	Certification of the Financial Statements in accordance with art. 81-ter of Consob Regulation no. 11971 of May 14, 1999 and subsequent amendments and additions	page	190
6.10	Independent Auditors' Report	page	191
7	REPORT OF THE BOARD OF STATUTORY AUDITORS	page	195
	SECOND ITEM ON THE AGENDA		
	Report of the Board of Directors		
	THIRD ITEM ON THE AGENDA		
	Report of the Board of Directors		

1 STATUTORY BOARDS

BOARD OF DIRECTORS

Chairman

Guido Angiolini

Directors

Giuseppe Angiolini

Giuseppe Bencini

Stefano Cao

Giovanni Fontana

Alessandro Grimaldi (*)

Aldo Minucci

Michele Mogavero

Andrea Novarese

Eugenio Pinto

Clemente Rebecchini

EXECUTIVE COMMITTEE

Guido Angiolini

Stefano Cao

Clemente Rebecchini

INTERNAL CONTROL COMMITTEE

Eugenio Pinto

Giuseppe Angiolini

Giovanni Fontana

REMUNERATION AND HUMAN RESOURCES COMMITTEE

Giovanni Fontana

Giuseppe Bencini

Andrea Novarese

BOARD OF STATUTORY AUDITORS

Chairman

Luca Aurelio Guarna

Statutory Auditors

Giorgio Oldoini

Maurizio Dattilo

Alternate Auditors

Paolo Lenzi

Pier Luca Mazza

Sergio De Simoi

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

Appointment extended by the Shareholders' Meeting of May 7, 2007 for the 2007-2012 period.

(*) Resigned on February 26, 2010.

2 MAIN ECONOMIC AND FINANCIAL FIGURES

2.1 GEMINA GROUP

(in millions of euro)

	2009	2008
FINANCIAL INFORMATION		
Revenues	570.9	582.2
EBITDA	205.2	193.0
Amortisation, depreciation and write-downs	(142.1)	(138.6)
EBIT	63.1	54.4
Pre-tax profit (loss)	(20.0)	(47.2)
Net income from discontinued operations	-	19.3
Net profit (loss) for the year	(40.0)	(33.9)
Net profit (loss) attributable to the Group	(39.2)	(33.8)

	12/31/09	12/31/08
EQUITY INFORMATION		
Net capital invested (NCI)	3,147.5	3,170.6
Net financial indebtedness	1,425.1	1,400.2
Shareholders' equity	1,722.4	1,770.4
Group shareholders' equity	1,685.9	1,730.8

	2009	2008
INDICES		
EBITDA/Revenues	35.9%	33.2%
R.O.I. (EBIT/Net Capital Invested)	2.0%	1.7%
Revenues/Net Capital Invested	18.1%	18.4%
R.O.S. (EBIT/Revenues)	11.0%	9.3%
Net earnings per share	(0.027)	(0.023)
Net financial indebtedness/ Shareholders' equity	0.8	0.8
Shareholders' equity per share	1.1	1.2

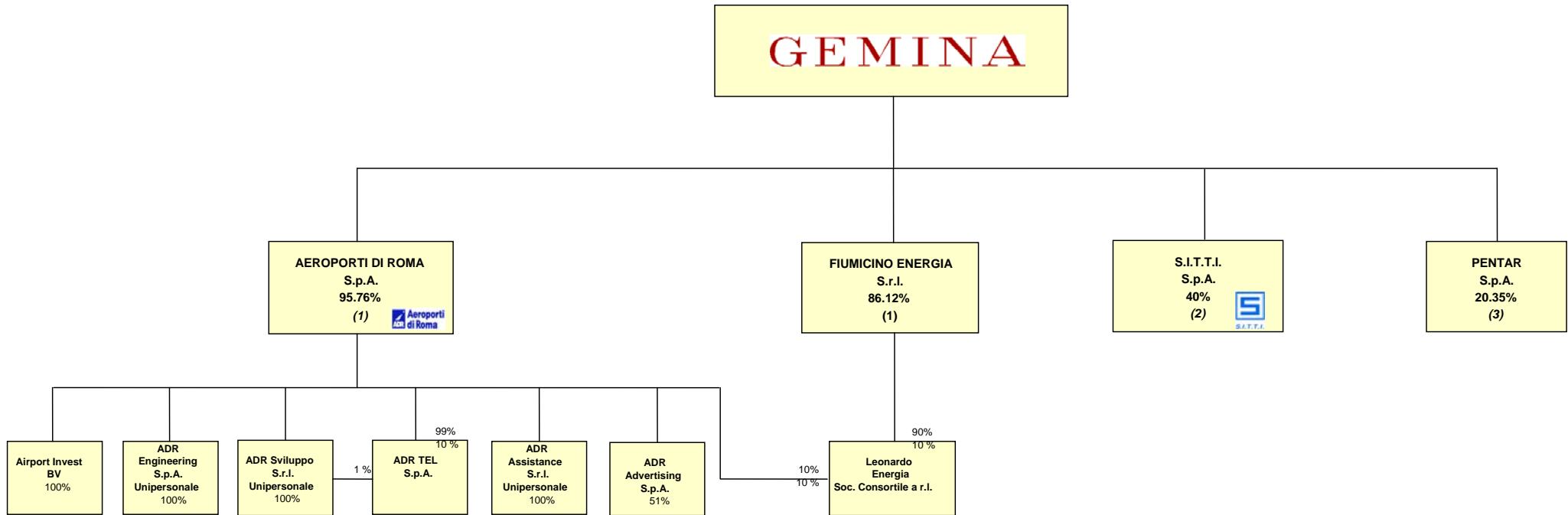
	12/31/09	12/31/08
NUMBER OF GROUP EMPLOYEES (*)	2,552(**)	2,576

(*) Employees of the Gemina S.p.A. ("Gemina, Parent Company, Company, Issuer") and of the Aeroporti di Roma Group ("ADR Group").

(**) including 88 employees for which the Extraordinary Earnings Supplement Fund ("CIGS") is being used

2 MAIN ECONOMIC AND FINANCIAL FIGURES

2.2 GEMINA GROUP STRUCTURE AS AT DECEMBER 31, 2009



(1) Fully consolidated on a line-by-line basis

(2) Consolidated using the net equity method

(3) Valued at cost

2 MAIN ECONOMIC AND FINANCIAL FIGURES

2.3 GEMINA S.P.A.

(in millions of euro)

	2009	2008
FINANCIAL INFORMATION		
Income (charges) on equity investments	(3.7)	21.0
Financial income (expense)	(3.2)	(4.1)
Net operating costs	(6.8)	(4.1)
Pre-tax profit (loss)	(13.7)	12.8
Net profit (loss) for the year	(14.1)	13.9

	12/31/2009	12/31/2008
EQUITY INFORMATION		
Equity investments	1,851.8	1,853.6
Net capital invested (NCI)	1,851.0	1,881.4
Net financial indebtedness	31.6	47.2
Shareholders' equity	1,819.4	1,834.2

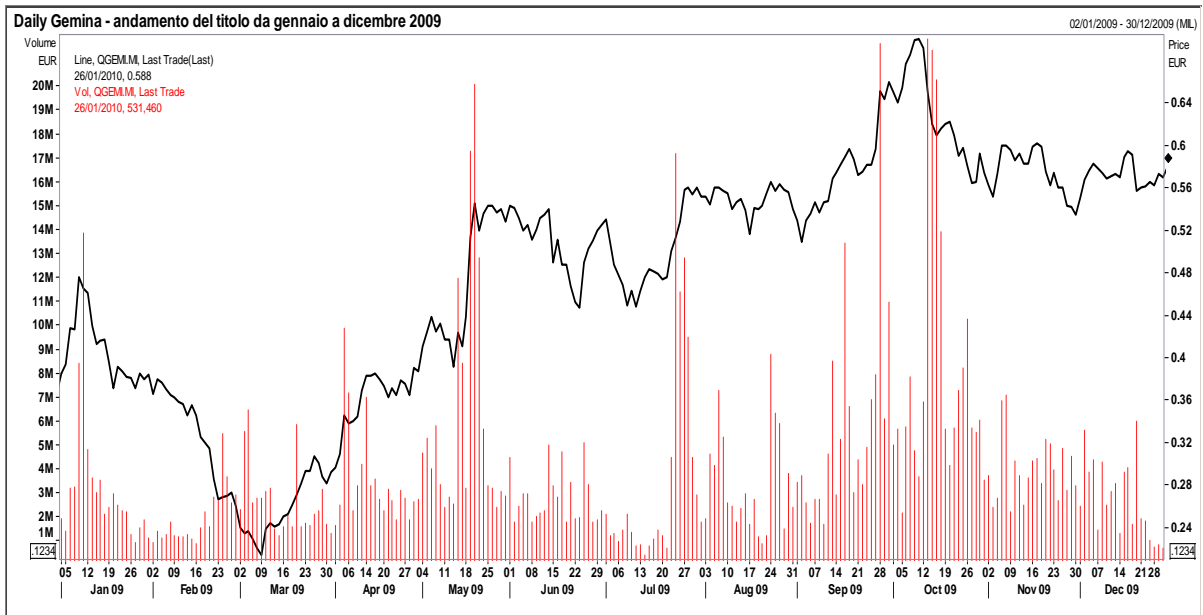
	12/31/2009	12/31/2008
INDICES		
Net financial indebtedness/ Shareholders' equity	0.02	0.03
Shareholders' equity per share	1.24	1.25

2 MAIN ECONOMIC AND FINANCIAL FIGURES

2.4 SHARE PERFORMANCE

		SHARES	
No. of ordinary shares		1,469,197,552	
No. of savings shares		3,762,768	
		CAPITALIZATION	
	<i>(in millions of euro)</i>	12/31/2009	12/31/2008
		848.9	552.1
		SHARE PRICES AND TRADING VOLUMES	
		2009	2008
Max. ref. price (euro)		0.700 Oct-9	1.197 Jan-15
Min. ref. price (euro)		0.214 Mar-9	0.306 Dec-9
Average ref. price (euro)		0.479	0.785
Av. daily trading volumes (m)		4.0	3.6
Max. daily trading volumes (m)		22.0 Oct-13	20.2 Jul-15
Min. daily trading volumes (m)		0.4 Jul-14	0.5 Nov-13

SHARE PRICE AND TRADING VOLUME PERFORMANCE FOR THE YEAR



— price — volume

Gemina Daily – share performance from January to December 2009
10/26/2010; 01/02/2009; 12/30/2009

3 REPORT ON OPERATIONS

3.1 OVERVIEW OF THE FINANCIAL YEAR

(in millions of euro)	2009	2008	Change %
REVENUES	570.9	582.2	(1.9)
EBITDA	205.2	193.0	+6.3
EBIT	63.1	54.4	+16.0
INVESTMENTS	70.0	111.7	(37.3)
NET FINANCIAL INDEBTEDNESS (*)	1,425.1	1,400.2	+1.8
AIRPORTS – No. Passengers	38,622,838	40,018,165	(3.5)
- Cargo (tonnes)	143,966	157,062	(8.3)

(*) *At period end*

Growth in passenger traffic at end 2009 and the beginning of 2010; restructuring of Alitalia and signing with the same of almost all contracts for the provision of services, together with the allocation of Terminal 1 exclusively to the SkyTeam Alliance; approval of the Conversion Law no. 102 of August 3, 2009, which allows ENAC to enter into planning agreements for the main airports in derogation of current regulations; approval of the law authorising ENAC to temporarily increase tariffs in order to finance investments while awaiting the signing of the planning agreements; launch of negotiations with ENAC for entering into the new agreement; launch of the expansion plan for Fiumicino airport, with the concept of the Fiumicino Nord terminal, and presentation of the plan to the authorities, with the aid of Changi Airports International Pte. Ltd.; self-sufficiency in the procurement of electric and thermal power with the coming on stream of the co-generation power plant: these are the salient facts of financial year 2009.

While the economic and financial results show both clear signs of the phase of relaunch of the business of the main Italian carrier and sign generated by the deepest recession since that between the first and second world wars, based on the total of the events outlined above, 2009 can be defined as a transition which provides 2010 with multiple positive elements that are precursors to synergic development for the Group.

According to the ACI (Airports Council International), global passenger traffic decreased by 2.6% compared to the previous year. This trend did not affect the Middle and Far East, +7% and +3.2%, respectively, and Latin America, +2.5%.

The load factor decreased compared to the previous year. The decrease in cargo transported was 10.1% according to

3 REPORT ON OPERATIONS

IATA (International Air Transport Association).

In Italy, the figures issued by Assaeroporti showed a decrease of 2.3% in passenger traffic and 15.3% in cargo traffic.

The downturn mainly involved the major airports used by traditional airlines, while minor airports, which have a higher presence of low-cost airlines, managed to contain the downturn and, in several cases, increased their business volumes.

The ADR Group, with 38.6 million passengers transported, was subject to a downturn of 3.5%, fully resulting from the drop in traffic at Fiumicino airport, while Ciampino airport, whose business is generated by the low-cost segment, confirmed its 2008 volumes.

The last part of the year confirmed the signs of recovery in traffic which had emerged in the third quarter, even though the quarter-on-quarter change was affected by the Alitalia crisis at end 2008.

<i>(no. passengers)</i>	2009	2008	% Change
FIRST QUARTER	7,763,440	8,207,061	(5.4)
SECOND QUARTER	10,318,052	11,095,116	(7.0)
THIRD QUARTER	11,330,878	11,961,778	(5.3)
FOURTH QUARTER	9,210,468	8,754,210	5.2
YEAR	38,622,838	40,018,165	(3.5)

Though operating in this difficult context, and in the presence of a significant contraction in the fleet of the main Italian carrier, through targeted marketing actions, Aeroporti di Roma S.p.A. (“ADR”) developed the presence of new carriers, the launch of new connections, and the increase in the frequency of certain flights, in both the domestic and international area.

	Year 2008	Dec. 2008	Year 2009
NO. OF DESTINATIONS (*)	176	148	168
NO. OF FLIGHTS (*)	451	354	422
NO. OF AIRLINES	125	100	112

(*) *Figures refer to commercial operations with at least 1 flight per week: average values for the period in question.*

Group revenues, almost entirely relating to airport activity, amounted to 570.9 million euro, down compared to the previous year.

Thanks to a more favourable traffic mix, revenues from

3 REPORT ON OPERATIONS

aviation decreased less than the drop in traffic volume before considering the contribution of revenues from assistance to passengers with reduced mobility, which cover the entire year, compared to only five months of 2008.

There were multiple causes of the downturn of 2.6% in revenues from non-aviation: decrease in the spending power of passengers, with specific reference to those of low-cost carriers, reduction in canteen services as a result of the contraction in staff of airport operators, less use of car parks both due to the use of alternative forms of transportation and to competition from other operators, and a contraction in advertising expenses.

Real estate revenues increased, due to the new areas providing income such as, primarily, those of the second office building.

As regards operating costs, the financial year was burdened by the charges for the personnel restructuring plan and the delay in bringing on stream the co-generation power plant, while significant contractions in costs were achieved in consulting, in terminating marketing contributions to low-cost airlines at Ciampino airport, and in utilities, specifically electricity.

EBIT stood at 63.1 million euro compared to 54.4 million euro in the previous year.

The significant reduction in cash flows generated from operations, also due to the difficulties of some carriers and customers, the occurrence of some conflicts which reflect on revenue flows, and the need to comply with covenants entered into with financial institutions resulted in a contraction in investments, which stopped at 70.0 million euro compared to 111.7 million euro in 2008.

Net financial indebtedness was equal to 1,425.1 million euro, of which 157.2 million euro relating to the fair value of derivatives; as at December 31, 2008 the indebtedness was 1,400.2 million euro, of which 149.3 million euro relating to the fair value of financial instruments.

3 REPORT ON OPERATIONS

3.2 AIRPORT INFRASTRUCTURES (AEROPORTI DI ROMA GROUP)

3.2.1 AIR TRANSPORT TREND

At global level, there was a drop of 2.6% in passenger numbers, mainly due to the international segment (-4.0%); domestic traffic recorded a smaller decrease (-1.2%).

	Change 2009 vs. 2008
WORLD (a)	(2.6%)
EUROPE (a)	(5.6%)
ITALY (b)	(2.3%)
FIUMICINO + CIAMPINO (*)	(3.5%)

Data source:

(a) ACI Pax Flash Report (2009)

(b) Assaerporti (2009)

(*) Rome Fiumicino and Ciampino airports system (2009)

Compared to 2008, the traffic recorded by the Rome airport system showed the following trend:

(progressive figures as at December 31, 2009)

	System	Fiumicino	Ciampino	Domestic	International
MOVEMENTS	382,082	324,497	57,585	165,867	216,215
% Change	(5.9)	(6.4)	(3.0)	(6.7)	(5.3)
TONNAGE	28,987,001	26,186,711	2,800,290	10,080,628	18,906,373
% Change	(2.9)	(3.2)	(0.1)	(2.0)	(3.4)
TOTAL PASSENGERS	38,622,838	33,811,637	4,811,201	13,622,509	25,000,329
% Change	(3.5)	(4.0)	0.4	(3.8)	(3.3)
CARGO (KG)	143,966,346	126,983,426	16,982,920	5,943,899	138,022,447
% Change	(8.3)	(7.6)	(13.5)	(32.0)	(6.9)

The most significant changes in international traffic concerned the European Union area:

	Intern.	EU	Extra UE
MOVEMENTS	216,215	146,478	69,737
% Change	(5.3)	(8.0)	1.1
TONNAGE	18,906,373	10,077,933	8,828,440
% Change	(3.4)	(7.1)	1.3
TOTAL PASSENGERS	25,000,329	16,162,166	8,838,163
% Change	(3.3)	(5.2)	0.3
CARGO (KG)	138,022,447	29,905,631	108,116,816
% Change	(6.9)	(19.6)	(2.7)

This performance was also the result of the events linked to the main Italian carrier: the first few days of the year were

3 REPORT ON OPERATIONS

characterised by significantly reduced operations of Alitalia under extraordinary administration, and the new carrier, which also incorporated the operations of AirOne, began operating through its new network from January 13, 2009 with a smaller fleet of aircraft as compared to the previous year.

This led to a reduction in and revision of the total network of the airline, confirming, in any event, Fiumicino airport as the main hub.

Also in 2009, though in a negative economic context, the development of the Fiumicino network continued, with a series of new connections and destinations.

Among the events which characterise 2009, it is important to note the entrance of Switzerland in the Schengen Area.

As regards Ciampino airport, passenger traffic during 2009 remained substantially stable (+0.4%) compared to the previous year, due to the substantial saturation of operating capacity of the airport by virtue of the well-known limitations imposed by the competent authorities. This result was also achieved due to the transfer of several Easyjet flights to Fiumicino airport, substituted by Ryanair flights, which have greater seating capacity.

3.2.2 PERFORMANCE

KEY FIGURES

<i>(in millions of euro)</i>	2009	2008	Change
REVENUES	570.2	581.7	(11.5)
EBITDA	209.1	197.1	12.0
% REVENUES	36.7	33.9	2.8
EBIT	105.3	96.0	9.3
% REVENUES	18.5	16.5	2.0
	12/31/09	12/31/08	Change
INVESTMENTS	69.8	111.7	(41.9)
NET CAPITAL INVESTED	2,049.5	2,039.1	10.4
NET FINANCIAL INDEBTEDNESS	1,371.8	1,353.0	18.8
STAFF	2,541 (*)	2,568	(27)

(*) including 88 employees to which CIGS is applied

BREAKDOWN OF REVENUES

<i>(in millions of euro)</i>	2009	2008	Change	% Change
AIRPORT FEES	163.2	165.3	(2.1)	(1.3)

3 REPORT ON OPERATIONS

CENTRALISED INFRASTRUCTURES	35.5	36.4	(0.9)	(2.5)
SECURITY	62.9	63.1	(0.2)	(0.3)
OTHER	29.9	24.6	5.3	+ 21.5
REVENUES FROM AVIATION ACTIVITIES	291.5	289.4	2.1	+ 0.7
SALES	80.2	87.0	(6.8)	(7.8)
SUB-CONCESSIONS AND UTILITIES:	103.2	102.6	0.6	+ 0.6
<i>SUB-CONCESSIONS AND OTHER</i>	<i>56.3</i>	<i>54.9</i>	<i>1.4</i>	<i>+ 2.5</i>
<i>NON-AVIATION ACTIVITIES</i>	<i>46.9</i>	<i>47.7</i>	<i>(0.8)</i>	<i>(1.7)</i>
CAR PARKS	27.5	30.1	(2.6)	(8.6)
ADVERTISING	22.8	26.0	(3.2)	(12.3)
REFRESHMENTS	6.7	8.6	(1.9)	(22.1)
OTHER	30.1	23.5	6.6	+ 28.1
REVENUES FROM NON-AVIATION ACTIVITIES	270.5	277.8	(7.3)	(2.6)
OTHER INCOME AND REVENUES	8.2	14.5	(6.3)	(43.4)
TOTAL REVENUES	570.2	581.7	(11.5)	(2.0)

Revenues from Aviation activities

Revenues from airport fees – These revenues, equal to 163.2 million euro, decreased by 1.3%, compared to the same period of 2008.

- take-off, landing and aircraft parking fees: revenues decreased due to the reduction of 5.9% in movements and 2.9% in tonnage. Slight adjustment in fees in the month of November 2008, different compensation of traffic, which recorded a greater percentage of Extra EU flights, characterised by operations of aircraft with greater average unit tonnage, and increased aircraft parking;
- passenger boarding fees: Revenues decreased by 1.9% due to the smaller number of passengers boarded, down by 3.5%.

The smaller decrease in revenues is due to the slight adjustment of fees occurred in the month of November 2008 and the concentration of the reduction in the number of passengers on domestic and EU routes subject to lower boarding fees.

The changes compared to the previous year were also affected by the transfer of Alitalia flights from Malpensa to Fiumicino, starting from the second quarter of 2008.

Centralized infrastructures – Revenues decreased by 2.5% as a result of:

- a 5.1% decrease in revenues for the loading bridges, due to

3 REPORT ON OPERATIONS

the reduction in movements;

- 0.7% increase in turnover from the baggage handling system as a result of higher volumes handled in the second half of the year, balanced by the reduction in passenger traffic and the opening of Terminal 5 (an infrastructure with a lower unit fee) in the second quarter 2008.

Security - Security services - which take the form of passenger, carry-on baggage and hold baggage screening, checking for the presence of explosives, services on request and monitoring of the airport system - generated revenues of 62.9 million euro, substantially in line with 2008 (-0.3%).

This situation mainly derives from the reduction in passenger traffic and, partly, also from the lower revenues from cargo services on request following the lower volumes of cargo handled at Fiumicino.

Other income and revenues – This item includes revenues from assistance to passengers with reduced mobility, check-in desks and fees for use of goods for common use and other services.

Assistance to passengers with reduced mobility generated revenues of 13.5 million euro, compared to 4.8 million euro in 2008, pointing out that, for the year being compared, the service was provided only starting from the month of July.

From August 1 a new unit fee of 1.05 euro has been applied per passenger departing from Fiumicino, compared to the previous fee of 0.54 euro, thanks to an agreement reached with the Users Committee.

Revenues from non-aviation activities

Non-aviation activities closed 2009 with a downturn of 2.6% in revenues.

In addition to the drop in passenger numbers, the average spend decreased for passengers from the Russia and UK areas and, at the end of the year, also from the US and Japan, due to the trend in exchange rates.

Sales - Revenues from sales recorded turnover of 80.2 million euro, a decrease of 7.8% compared to 2008. Revenues from direct sales recorded a drop of 6.4%, a larger drop than the contraction of 3.5% in outbound traffic volumes, with a resulting decrease of 3.1% in average spend per passenger.

At Fiumicino airport, turnover decreased by 4.9%, which can be attributed to the fall of 3.9% in outbound traffic, accompanied by a contraction in average spend per passenger of 1.0%.

Ciampino airport recorded a decrease of 22.2% in turnover

3 REPORT ON OPERATIONS

compared to 2008. This result is attributable, on one hand, to the loss in average spend on UK flights, due to the depreciation of the Pound Sterling against the Euro and, on the other, to the change in the traffic mix, characterised by a higher domestic component which has a lower propensity to purchase.

Sub-concessions and utilities: non-aviation activities - In 2009, revenues from non-aviation activities in sub-concession were equal to 46.9 million euro, a slight decrease compared to 2008 (-1.7%).

Average unit revenue per passenger grew by 1.8%.

Fiumicino airport recorded a decrease in revenues of 1.3% compared to a drop in outbound traffic of 3.9%, recording an increase in unit revenues of 2.8%.

In detail, a decrease was recorded in revenues from royalties for Specialist Retail, with decreases in the Accessories, Electronics, and Fine Food segments, and good performance in the Luxury and Newsagent segments.

During the year, Dixons (Unieuro Group) was introduced as a new operator of Electronics retail outlets. New clothing and accessory brands were also introduced, as well as a new retail outlet for jewellery.

The Food&Beverage segment at Fiumicino airport recorded positive performance deriving from the effect of the new contracts with higher fixed costs in the ex-Cisim Food area, where restructuring work was carried out on the retail outlets.

Activities in sub-concession at Ciampino saw a 15.1% decrease in revenues, for a total of 0.2 million euro, against outbound traffic substantially in line with the previous year (+0.1%).

This result was mainly due to the aforementioned reduction in average spend of passengers with destinations in the UK, and to the change in the traffic mix.

Car parks - Management of the parking system recorded 27.5 million euro in turnover, an 8.6% reduction compared to 2008. This performance was lower than the trend of the potential originating passenger market, which decreased by 1.7%, and was mainly affected by the contraction in the business segment.

Aggressive competition and increasing use of alternative, less costly means of transport resulted in a loss of 6.5% in average spend, despite the steady growth in On-line Booking (+35%) and the continuous development of distribution channels.

Advertising – Advertising revenues in 2009, equal to 22.8 million euro, highlighted a 12.3% decrease on 2008 deriving from the sharp reduction in revenues from third parties of subsidiary ADR Advertising S.p.A. (“ADR Advertising”), as a

3 REPORT ON OPERATIONS

result of the crisis which has affected the whole sector. There was an increase in revenues from the sale of spaces in directly managed shops, which amounted to 2.8 million euro, growth of 3.5% compared to the previous year.

Refreshments – Revenues amounted to 6.7 million euro, down by 22.1% compared to 2008, in relation to the drop in passengers.

Sub-concessions and utilities: sub-concessions and other (real estate activities) - Revenues amounted to 56.3 million euro, an increase of 2.5% compared to 2008. This is due to the entry into operation of Office Tower 2, from December 2008, which facilitated some airlines moving their commercial offices from the city centre to the airport.

ECONOMIC PERFORMANCE

The contraction in air traffic reflected on **revenues**, equal to 570.2 million euro, down by 2% compared to the previous year.

EBIT, which reached 105.3 million euro, improved by 9.3 million euro compared to 2008 despite the costs relating to personnel restructuring, launched at the start of the year as part of cost containment measures, and the provisions regarding the litigation with the Customs Agency. Consultancy costs, marketing contribution, and utilities and services costs decreased compared to 2008, burdened by 42.4 million euro in losses on receivables due from Alitalia.

Net financial expenses, equal to 77.7 million euro, recorded a reduction of 19.2 million euro compared to 2008, due to the effects of the significant reduction in interest rates, in addition to the partial restructuring of debt in the first half of 2008.

The ADR Group closed 2009 with a profit of 1.5 million euro, compared to a loss of 15.8 million euro in the previous year.

EQUITY AND FINANCIAL POSITION

Invested capital amounted to 2,049.5 million euro as at December 31, 2009, an increase of 10.4 million euro compared to December 31, 2008, as a result of the increase in working capital. This is the result of the failure to collect receivables from Alitalia under extraordinary administration, and a general difficulty among customers in complying with terms of payment.

An effect with the opposite sign derives from the increase in provisions for risks and charges allocated for the personnel

3 REPORT ON OPERATIONS

restructuring and the litigation with the Customs Agency.

Net financial indebtedness, equal to 1,371.8 million euro, increased by 18.8 million euro compared to December 31, 2008, mainly due to the increase of 11.0 million euro in the value of outstanding bonds due to the adjustment of the tranche in Pounds Sterling to the year-end exchange rate, as well as to the change of 7.1 million euro in the fair value of derivatives.

<i>(in millions of euro)</i>	12/31/09	12/31/08	Change
CASH AND CASH EQUIVALENTS	135.8	142.4	(6.6)
FINANCIAL INSTRUMENTS - DERIVATIVES	0.5	3.4	(2.9)
OTHER FINANCIAL ASSETS	55.2	49.3	5.9
TOTAL CURRENT FINANCIAL ASSETS	191.5	195.1	(3.6)
CURRENT FINANCIAL LIABILITIES	(25.1)	(16.8)	(8.3)
FINANCIAL INSTRUMENTS - DERIVATIVES	(156.8)	(152.6)	(4.2)
TOTAL CURRENT FINANCIAL LIABILITIES	(181.9)	(169.4)	(12.5)
FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE	(284.0)	(292.2)	8.2
OUTSTANDING BONDS	(1,097.5)	(1,086.5)	(11.0)
TOTAL NON-CURRENT FINANCIAL LIABILITIES	(1,381.5)	(1,378.7)	(2.8)
NET FINANCIAL INDEBTEDNESS	(1,371.8)	(1,353.0)	(18.8)

3.2.3 LEGAL AND REGULATORY OVERVIEW

Updating of airport fees

Ministry of Infrastructure and Transport decree of October 8, 2009 on "Update of airport fees for 2009" was published in the Official Gazette of December 22, 2009, no. 297.

The amount of airport fees has been updated to the amount of programmed inflation relating to 2009 which, in the Italian Economic and Financial Planning Document, is forecast as equal to 1.5%.

The new amounts, in force from January 21, 2010, are listed in annex 1 to the decree. For Fiumicino airport, passenger boarding fees are increased to 5.17 euro for EU flights and

3 REPORT ON OPERATIONS

7.57 euro for Extra-EU flights.

For 2010, subsection 6 of article 5 of Law Decree no. 194 of December 30, 2009, known as the “Milleproroghe” Decree, published in the Official Gazette no. 302 of December 30, 2009, extended the powers of intervention of the Ministry of Infrastructure and Transport for updating airport fees to the programmed inflation rate to December 31, 2010. It is also envisaged that the updating of the amount of fees shall not apply if the concession holders do not submit a complete application to stipulate the planning agreement by the same deadline of December 31, 2010.

Concurrently, subsection 7 of Article 5 of said Law Decree no. 194 of December 30, 2009 excluded airport tariffs for services rendered on an exclusive basis from the application of the “tariff block” regulation contained in subsection 1 of Article 3 of Law Decree no. 185 of November 29, 2008, known as the “anticris” decree, converted into Law no. 2/2009, which suspends the effectiveness of government regulations that authorise the State to issue deeds to adjust fees or tariffs to the programmed inflation rate for 2009, a term which was then extended by the same subsection 7 to apply to all of 2010.

Early introduction of airport fees

Subsections 200 and 201 of Article 2 of Law no. 191 of December 23, 2009, (Finance Law 2010), published in the Official Gazette no. 302 of December 30, 2009 authorise the early introduction by airport operators, starting from 2010, and while awaiting the signing of the planning agreements, of passenger boarding fees, within the maximum limit of 3 euro per outbound passenger, on condition that the new infrastructural investments subject to validation by ENAC are executed by way of self-financing.

In order to access this early introduction, airport operators are required to submit a suitable application to ENAC, containing the four-year development and modernisation plan and the list of urgent, non-postponable works, as envisaged by ENAC letter of December 21, 2009. The early introduction of fees is also subject to ENAC’s technical validation of the above development plan.

The early introduction of the fees shall not apply in the event that airport operators:

- do not file the documentation necessary for the signing of the planning agreements within the term of six months from the date of ENAC’s technical validation of the four-year development plans;
- do not sign the planning agreements within the term of 18 months from said validation;

3 REPORT ON OPERATIONS

- and, in any event, if the planned investments are not launched according to the terms and methods set forth in the four-year plan.

On January 15, 2010 ADR submitted to ENAC its application for admission to the procedure for early introduction of fees pursuant to subsections 200 and 201 of Article 2 of the Finance Law 2010.

Regulatory developments regarding tariff regulation – Planning Agreement

Ministry for Infrastructure and Transport Decree of December 10, 2008, published in the Official Gazette no. 42 of February 20, 2009, repealing the previous Interministerial Decree 41/I, approves the Guidelines drawn up by ENAC for applying the Directive regarding the tariff system for airport services rendered on an exclusive basis.

Anti-Crisis Decree – planning agreement and navigation services

In the Official Gazette of August 4, 2009 the Conversion law no. 102 of August 3, 2009 “Corrective measures of the Anti-Crisis Decree-Law no. 78 of 2009” was published, authorising ENAC to enter into planning agreements in derogation of current regulations for airports with traffic exceeding 10 million passengers per year, introducing long-term tariff systems that, bearing in mind European levels and standards, are oriented towards costs of infrastructures and services, efficiency objectives and the criteria of adequate remuneration of investments and capital, with valid updating methods for the entire duration of the agreements.

Definition of airport management fees

The Decree of the State Property Office of December 23, 2009, published in the Official Gazette no. 302 of December 30, 2009, extended to 2012 the methods for quantifying airport management fees due to operators, previously set forth in the inter-executive decree of June 30, 2003.

EC Directive – airport fees

Directive 2009/12/EC of the European Parliament and of the Council of March 11, 2009 on airport fees (Text with European Economic Area - EEA - relevance) was published in the Official Journal of the European Union of March 14, 2009. This Directive establishes common principles for the collection of fees, and applies to airports in the Community with annual traffic exceeding 5 million passenger movements. The Directive does not apply for the definition of handling fees and charges for assistance to passengers with reduced mobility.

This Directive provides the possibility of negotiating fees with airport users according to well-defined, periodic procedures,

3 REPORT ON OPERATIONS

and establishes the creation of an independent supervisory authority, entrusted with ensuring the correct application of the measures adopted. The adjustment to the provisions of this Directive could result in the amendment of the current legal framework established by Law no. 248/05 (so-called “system requirements”) and by the CIPE Resolution no. 51/08.

Disciplinary measures for the violation of provisions of the Regulation EC no. 1107/2006 regarding the rights of persons with disabilities or persons with reduced mobility in air transport

Legislative Decree no. 24 of February 24, 2009 was published in the Official Gazette of February 24, 2009, providing specifically defined financial penalties (up to 120,000 euro) applied to both air carriers and airport operators for violations such as: refusal to board passengers with reduced mobility (PRM), failure to provide information, failure to designate reception desks in airports, failure to assist passengers with reduced mobility (PRM) and failure to provide training to personnel.

Cargo Tender

On February 17, 2009 ADR notified Flightcare Italia S.p.A. of their provisional award of the tender for the sub-concession of a portion of the Cargo building. The tender procedure was definitively concluded with the signing of the sub-concession agreement between ADR and the company awarded the tender, Flightcare Italia S.p.A., and the delivery to said company of all the assets subject of the tender, on October 22 and December 2, 2009, respectively.

Bilateral agreements

Art. 19, subsection 5 bis of Law no. 2 of January 28, 2009, published in the Official Gazette no. 22 of January 28, 2009, converting the Law Decree no. 185 of 29 November 2008, known as the “Anti-Crisis Package” commits the government to promoting “the definition of new bilateral agreements in the air transport sector, as well as the amendment of agreements in force, in order to expand the number of airline carriers authorised to operate on domestic, international and intercontinental routes, as well as to expand the frequency and number of destinations for which each party is authorised”.

Use of the Extraordinary Earnings Supplement Fund and mobility measures for ADR and companies in the ADR Group

Ministerial Decree no. 46130 of May 27, 2009 was published in the Official Gazette no. 135 of June 13, 2009, authorising the use of the Extraordinary Earnings Supplement Fund for a maximum of 80 workers of ADR, for the period from June 1, 2009 to November 30, 2009.

3 REPORT ON OPERATIONS

Decree no. 46132 of May 28, 2009 was published in the Official Gazette no. 146 of June 26, 2009, authorising the use of mobility measures for 222 workers of ADR.

Decree no. 46128 of May 27, 2009 was published in the Official Gazette no. 136 of June 15, 2009, authorising the use of the extraordinary earnings supplement fund for 2 workers of ADR Engineering S.p.A. (“ADR Engineering”), for the period from June 1, 2009 to November 30, 2009.

Decree no. 46135 of May 28, 2009 was published in the Official Gazette no. 143 of June 23, 2009, authorising the use of mobility measures for 7 workers of ADR Engineering.

Decree no. 46136 of May 29, 2009 was published in the Official Gazette no. 143 of June 23, 2009, authorising the use of mobility measures for 5 workers of ADR Tel S.p.A. (“ADR Tel”).

3.2.4 SIGNIFICANT AGREEMENTS

ENAC – Assaeroporti Preliminary Agreement

On September 26, 2009, ENAC and Assaeroporti, in the persons of their respective presidents, signed a Preliminary Agreement which summarised reciprocal commitments aimed at achieving the amicable stipulation of Planning Agreements between ENAC and airport operators, which are required by the current regulations on regulated airport income.

Taking as reference the complex legal framework on the matter of airport tariffs and acknowledging the onerousness of the preliminary investigation which led to the definition of the planning agreements with SAT and Gesac, as a primary step the parties have undertaken to perform the actions under their respective responsibilities in defined and quite contained terms.

In particular, Assaeroporti undertook to request that its members send to ENAC the documentation required to launch the standard inquiry with the Authority, and ENAC undertook, in turn, to close the inquiry within six months from the date of formal opening of the proceeding, according to the priorities it established.

Alitalia CAI S.p.A. – ADR Agreement

In mid-July Alitalia S.p.A. (“Alitalia”) and ADR signed an agreement for a new configuration of the Terminals at Fiumicino airport in Rome, and a series of structural interventions aimed at improving the airport’s operations.

The agreement sets forth a series of organisational steps for improving the quality of services.

One of the most important steps is the dedication of a Terminal (Terminal 1, already existing) “for the sole use of Alitalia and its partners in the SkyTeam Alliance”.

This dedicated Terminal will allow ADR to reconfigure and specialise both its existing Terminals and those under

3 REPORT ON OPERATIONS

construction (new Pier C) and development (new Terminal 1 in the East Area of the airport).

Over the long term, the commitment is to place the first three piers of the East Area and the related boarding infrastructures at Alitalia's disposal, setting aside the West Area of the airport for the other airlines.

3.2.5 QUALITY

During 2009 the monitoring of airport activities through the daily survey of the level of quality provided and perceived was continued, for a total of over 900,000 objective checks and the completion of about 18,000 questionnaires by passengers.

The study of Fiumicino airport's quality positioning continued through participation in the international benchmark programme "Airport Service Quality" and through targeted meetings with the leading European airport management companies. The voluntary certifications programme was also developed, as a tool to support improvement.

MONITORING OF LEVELS OF QUALITY PROVIDED

FIUMICINO

In 2009 passengers went through carry-on baggage security checks in under 12 minutes in 91.8% of cases. This service provided was about 2 percentage points higher than the standard published in the Service Charter.

The annual average waiting time stood at 5 minutes and 9 seconds, compared to 4 minutes and 5 seconds in 2008.

The percentage of flights with baggage delivery within the envisaged timeframe was 79.9% for the bag and 85.5% for the last bag.

The average times recorded an increase of about one minute for delivery of the first bag and about 2 minutes for the last bag, compared to the service provided in 2008.

The percentage of departing flights with delays greater than 15 minutes was 38.7% compared to 36.6% in the previous year, exceeding the standard published in the Service Charter by 13.7 points. For arriving flights, delays greater than 15 minutes were 22.7% (26.4% in 2008). As a result, the recovery of airport transit times (difference between the % of delays in arrival and departure) was negative (-16%).

The percentage of passengers that complete check-in operations within the times indicated in the Services Charter was 85.9% for domestic flights and 89.4% for international flights.

The service recorded an improvement on the previous year of 5 percentage points in the international area and 1 percentage point in the domestic area.

The times for providing the service show a decrease of an average of 1 minute for international flights, while for domestic flights the times remain substantially unchanged.

3 REPORT ON OPERATIONS

CIAMPINO

Monitoring activities confirm the general trend of the previous year for services provided to passengers, with the exception of passenger check-in operations, which recorded worse results.

3.2.6 ENVIRONMENTAL PROTECTION

In 2009 the maintenance and development of the Environmental Management Systems (“EMS”) of Fiumicino and Ciampino airports continued according to plan.

In the month of December, the certification body Dasa - Rägister performed the periodic audit for maintenance of the ISO 14001 Environmental Management Systems certification for Fiumicino and Ciampino airports, certifying their legal compliance.

As part of training initiatives, the planned sessions were held aimed at company departments involved in the EMS. EMS monitoring, carried out by internal environmental auditors of ADR, was performed according to the plans for the period in question, contributing to identifying areas for improvement in the EMS.

3.3 ENERGY (FIUMICINO ENERGIA S.R.L. – 86.12% GEMINA)

<i>(in millions of euro)</i>	2009	07/01/09 – 12/31/09
REVENUES	16.9	8.2
EBIT	(1.0)	(1.0)
%	-	-

	12/31/09	07/01/09
NET CAPITAL INVESTED	22.7	19.5
NET FINANCIAL INDEBTEDNESS	21.8	19.1

(amounts including Leonardo Energia)

On June 30, 2009 the partial proportional spin-off of Sistemi di Energia S.p.A. (“SdE”) was carried out, in which Gemina held 45.55%, contributing the co-generation power plant at Fiumicino to Fiumicino Energia.

Subsequently, on July 1, Gemina exchanged its shares in SdE with Edison S.p.A. (“Edison”), without adjustments, for 40.57% of Fiumicino Energia.

3 REPORT ON OPERATIONS

Therefore, from July 1, 2009 Gemina holds 86.12% of Fiumicino Energia, Finlombarda S.p.A. holds 11.25% and minor shareholders hold the remaining part.

Management of the co-generation power plant is assigned to Leonardo Energia Società consortile a r.l. ("Leonardo Energia"), 10% held by ADR and 90% by Fiumicino Energia.

The agreements entered into at that time envisage that in 2023, the co-generation power plant will be transferred free of charge to ADR.

The investment in the co-generation power plant resulted in expenditure of 24.3 million, considerably higher than the initial plan in 2005 which forecast expenditure of 18.6 million euro.

In December 2008 the first parallel connection of the Rolls Royce engines was performed, thus beginning the inspection process of the power plant.

During the inspection phase, malfunctions were detected in the engines, which were remedied through intervention by Rolls Royce within the period for entry into operation established by contract.

This situation, concurrent with the stoppage of the thermal power plant for extraordinary maintenance, resulted in a sharp deviation from the forecasts in the production plans.

As a result, Leonardo Energia had to purchase electricity from the market, also in the F1 period (maximum price), in order to meet the energy requirements of ADR, which, pursuant to the Consortium Regulations, withdrawals from Leonardo Energia the electricity and thermal energy necessary to meet its fully requirements.

As reimbursement for the charges caused by the delay in the engines coming on stream, and agreement was reached with Rolls Royce that envisaged, among other items, the extension of the warranty from 1 to 3 years and the waiver of 10% of the price of the engines, equal to 864,500 euro.

During the year 181.0 GWh of energy was sold, of which 173.8 to ADR and 7.2 to third parties. Production was equal to 114.0 GWh, to which should be added 67.0 GWh purchased from the market.

3.4 PERFORMANCE OF COMPANIES VALUED AT NET EQUITY OR AT COST

3.4.1 S.I.T.T.I. S.p.A (40% GEMINA)

<i>(in millions of euro)</i>	2009	2008	Change
REVENUES	23.1	25.1	(2.0)

3 REPORT ON OPERATIONS

EBIT	3.1	3.9	(0.8)
% on revenues	13.4	15.5	(2.1)
	12/31/09	12/31/08	Change
NET CAPITAL INVESTED	26.7	24.0	2.7
NET FINANCIAL INDEBTEDNESS	15.7	13.7	2.0
ORDERS PORTFOLIO	20.5	18.2	2.3
NUMBER OF EMPLOYEES	95	91	4

The company operates in the sector of air traffic control communications systems.

In the second half of the year order acquisition improved, making it possible to contain the reduction in revenues recorded in the first part of the year. Orders acquired during the year amounted to 25.2 million euro, of which 12.4 million from the domestic market, and 12.8 million from abroad. In Italy, a significant amount of orders were acquired from the military sector. Orders from abroad mainly originate from Latin America.

Revenues for the year decreased from 25.1 million in 2008 to 23.1 million and, consequently, the profit (loss) for the year.

The size of the orders portfolio at the end of the year and the negotiations in progress let us foresee a better performance in 2010.

3.4.2 PENTAR S.P.A. (20.35% GEMINA)

The company carries on investments in shareholdings and provides strategic and financial consultancy to businesses.

The Extraordinary Shareholders' Meeting held on June 16, 2008, resolved to increase the share capital, against payment, from 27,871,000 euro up to 50 million euro maximum. The capital increase has not yet been subscribed, and must be executed by December 31, 2011. Gemina will not exercise its pre-emption right.

The last approved financial statements, those for 2008, closed with a loss of 344 thousand euro.

In financial year 2009 the company did not collect dividends from its subsidiaries which, also as a result of the unfavourable economic trend, recorded a decrease in turnover and profitability.

A loss is expected on the income statement for 2009.

3.5 INVESTMENTS, RESEARCH AND DEVELOPMENT

(in millions of euro)

2009

ADR GROUP INVESTMENTS

3 REPORT ON OPERATIONS

BOARDING AREA F (EX NEW PIER C)	12.8
CIAMPINO - INFRASTRUCTURES	6.0
TERMINAL IMPROVEMENTS	3.2
AIRPORT ROAD NETWORK EX ALITALIA CARGO	2.6
HBS/BHS	3.4
BAGGAGE SYSTEM AND XRAY MACHINES	5.2
CIVIL ENGINEERING WORKS/SYSTEMS	12.6
RUNWAYS AND AIRCRAFT APRONS	6.2
COMMERCIAL AREAS – CAR PARKS	1.8
MAINTENANCE OF BUILDINGS IN SUB-CONCESSION	1.3
OTHER	14.7
OTHER GROUP COMPANIES	
CO-GENERATION POWER PLANT	0.2
TOTAL INVESTMENTS	70.0

In line with the available financial resources, taking into account the constraints posed by the covenants entered into with financial institutions, investments were focused primarily on maintenance works and initiatives already in course, such as Pier C with adjoining baggage handling system (BHS), the new BHS in the ex Alitalia Cargo area and others.

Compared to the previous year, expenses for investments decreased from 111.7 million euro to 70.0 million euro.

Within the scope of the rules governing the early implementation of fees, ADR submitted to ENAC the investment plan for the four-year period 2010-2013, identifying the investments considered urgent in the two-year period 2010-2011 for which the application of early implementation was requested.

RESEARCH AND DEVELOPMENT

The Group did not carry out any specific research and development activities in 2009.

SITTI S.p.A. (“SITTI”), consolidated using the net equity method, carried out development activities in 2009, with capitalised expenses of 0.4 million euro. The company is testing new VoiP (Voice over IP) systems. This technology is based on a transmission system which transfers voice over

3 REPORT ON OPERATIONS

a network which originally carried data, and allows for comprehensive management of all messaging for air traffic control.

3.6 HUMAN RESOURCES

EMPLOYMENT FIGURES

As at December 31, 2009 the number of staff totalled 2,552.

		Executives	Managers	Employees	Workers	Total units	<i>of which:</i>	
							<i>Fixed-term contracts</i>	<i>Open-ended contracts</i>
GEMINA	12/31/09	3	4	4	-	11	-	11
	12/31/08	1	3	4	-	8	-	8
	<i>Change</i>	2	1	-	-	3	-	3
ADR	12/31/09	47	180	1,716	598	2,541	650	1,891
	12/31/08	59	214	1,659	636	2,568	669	1,899
	<i>Change</i>	(12)	(34)	57	(38)	(27)	(19)	(8)
TOTAL	12/31/09	50	184	1,720	598	2,552	650	1,902
	12/31/08	60	217	1,663	636	2,576	669	1,907
	<i>Change</i>	(10)	(33)	57	(38)	(24)	(19)	(5)
	%	(16.7)	(15.2)	3.4	(6.0)	(0.9)	(2.8)	(0.3)

Considering that as at December 31, 2009, the Extraordinary Earnings Supplement Fund is in use for 88 employees of ADR, operating staff therefore decreased by 115 compared to December 31, 2008.

Fiumicino Energia and Leonardo Energia, included in the consolidation area from July 1, 2009, had no employees as at December 31, 2009, as the running of the power plant is outsourced to a company specializing in this sector.

SITTI, 40%-owned and not consolidated, has 95 employees, an increase of 4 compared to December 31, 2008.

ORGANISATIONAL STRUCTURES

The implementation of the Restructuring Plan 2009-2014 of the ADR Group, described in the section "INDUSTRIAL RELATIONS" below, was an opportunity to rationalize the operational models of the various organisational units. This was reflected in the decrease in the number of executive positions.

Among these, the most important change is the creation of a single centre dedicated to Operations and Maintenance in the Infrastructure Division of ADR.

The following are important to note, regarding ADR:

- the creation of the INSTITUTIONAL COMMUNICATION unit, reporting to the Chairman, with the objective of developing and consolidating institutional relations activities;

3 REPORT ON OPERATIONS

- the redefinition of the role and responsibilities of the INTERNAL AUDIT unit.

INDUSTRIAL RELATIONS

There were two highly significant events as regards Industrial Relations:

- signing of the trade union agreements for the realisation of the Restructuring Plan 2009-2014 for 292 employees in total, including 280 from ADR and 12 from its subsidiaries.

The procedural process, following the various phases of dialogue with the trade unions on the mobility plans and the activation of the envisaged social shock absorbers in derogation, was concluded on March 23, 2009 at government level – Ministry of Labour, Health and Social Policy;

- negotiations for the renewal of the National Collective Labour Agreement (CCNL) for the entire air transport sector, expired on December 31, 2007.

The negotiations regarding Airport Management Companies, the sector which ADR belongs to, concluded on January 9, 2010 with the signing of a preliminary understanding which was thus formalized on January 26 with the signing of the contract.

The renewal of the CCNL will result in an increase in the cost of labour for the ADR Group estimated on the order of 6.4% at full implementation.

SELECTION, TRAINING AND INSTRUCTION ACTIVITIES

Training and instruction activities involved 1,587 participants, for a total of 14,540 hours provided.

A significant portion of these activities were realized using loans provided by FONDIMPRESA.

Training and instruction specifically regarded the following sectors:

- behavioural training and professional development (customer service, Kaizen method, teamwork, managing uncertainties);
- update on Legislative Decree 231/01, addressed to all executives and managers, with instruction from experts on the matter of regulation of administrative responsibility of legal persons, companies, etc.;
- specialist instruction on equipment used on runways, in aviation business management, etc.

3.7 CORPORATE GOVERNANCE

INTRODUCTION

3 REPORT ON OPERATIONS

The structure of corporate governance adopted by Gemina draws inspiration from the recommendations and rules contained in the Code of Conduct adopted by the Corporate Governance Committee of Borsa Italiana S.p.A., with the latest revision in 2006 (“Borsa Italiana Code”). It is our conviction that, on the one hand, having a structured system of rules allows the Company to operate according to criteria of maximum efficiency and, on the other, ensuring utmost transparency contributes to increasing the Company’s image of reliability amongst investors. In its meeting of March 27, 2007, the Gemina Board of Directors approved its own Gemina Code of Conduct (“Gemina Code”) in keeping with the main provisions of the Borsa Italiana Code.

Pursuant to article 123 bis of Legislative Decree 58/98, the Gemina Board of Directors approved the Report on the Corporate Governance and the ownership structure for 2009, available on the website www.gemina.it (corporate governance section)

The most important aspects of the annual Report on the Corporate Governance and the ownership structures are summarised below.

COMPLIANCE

As a company registered in Italy that issues shares admitted to trading on the stock exchange, and, as noted, having adopted the Borsa Italiana Code, the Gemina governance structure - based on the traditional organisational model - comprises the following bodies:

- Shareholders’ General Meeting;;
- Board of Directors that operates through (i) the Chairman within the limits of the authority vested as sole executive director and (ii) the Executive Committee assisted by the advisory Committees on internal control and remuneration and human resources;
- Board of Statutory Auditors;
- Independent Auditors.

Completing the governance are the Internal Control System, the Code of Ethics, approved by the Board of Directors in March 2004 and the Organisational, Management and Control Model, in accordance with Article 6 of Legislative Decree 231/2001, available on the web-site www.gemina.it (“Organisational Model”) approved by the Board of Directors in March 2004 and updated most recently by the Board of Directors on March 15, 2010.

Gemina has identified its subsidiary ADR as a company with strategic significance on which it exercises management and coordination activity. This decision forms part of Gemina’s mission to focus its holding business on the airport infrastructure sector, and therefore to divest its portfolio equity investments that operate in other sectors.

3 REPORT ON OPERATIONS

BOARD OF DIRECTORS

The Gemina Board of Directors is appointed based on lists presented by shareholders in compliance with the provisions of Article 11 of the Articles of Association.

The table below shows the composition of the Gemina Board of Directors as at December 31, 2009; the table also contains information on the attendance of each Director at Board meetings in percentage terms, the personal and professional details of each Director, and the list the Director belongs to.

The list of other offices held by each Director is reported in attachment A) of the Report on the Corporate Governance and the ownership structures; the *curricula vitae* of the Directors are available on the web-site www.gemina.it (corporate governance section).

Name	Office	In office since	List	Exec.	Non exec.	Indep. Gemina Code	Indep. TUF	% BoD	Other offices
GUIDO ANGIOLINI	Chairman	05/07/2007	M	X		NA	YES	100	4
GIUSEPPE ANGIOLINI	Director	07/18/2007	M		X	YES	YES	100	9
GIUSEPPE BENCINI	Director	05/07/2007	M		X	YES	YES	75	-
STEFANO CAO	Director	03/16/2009	M		X	NO	NO	100	6
GIOVANNI FONTANA	Director	05/07/2007	M		X	YES	YES	88	-
ALESSANDRO GRIMALDI	Director	05/07/2007	M		X	NO	NO	38	19
ALDO MINUCCI	Director	05/07/2007	M		X	NO	NO	88	11
MICHELE MOGAVERO	Director	05/07/2007	M		X	NO	NO	75	4
ANDREA NOVARESE	Director	05/07/2007	M		X	NO	NO	50	15
EUGENIO PINTO	Director	05/07/2007	m		X	YES	YES	75	5
CLEMENTE REBECCHINI	Director	05/07/2007	M		X	NO	NO	88	3

Director Paolo Roverato resigned from his office effective from March 16, 2009. The Shareholders' Meeting of April 28, 2009 appointed Stefano Cao as his replacement, who shall remain in office until the next shareholders' meeting.

3 REPORT ON OPERATIONS

The Director Alessandro Grimaldi resigned from office on February 26, 2010. On March 15, 2010, the Board of Directors acknowledged the resignation of the Director, Alessandro Grimaldi and since the Shareholders' Meeting was set to be held shortly, did not make any decisions on his replacement.

The Board of Directors deemed that the assessment on the maximum number of offices as Director or Auditor in other companies listed in regulated markets (also foreign markets), as well as in finance companies, banks, insurance companies or companies of significant size, which might be deemed as compatible with an efficient performance of the office as Director in the Company, is first of all the task of Shareholders while proposing candidates, and then of each single Director.

The Board of Directors assigned the Chairman, Mr. Guido Angiolini, with managing powers; this choice essentially resulted from the need to ensure that the Company employed efficient operating procedures

In addition to powers entrusted by the law and the Articles of Association, the Chairman is responsible for supervision of the organizational structure of Gemina and Gemina's external communication activities, including relationships with Institutions, supervisory bodies and Borsa Italiana S.p.A. The Chairman is also responsible for supervision of the performance of equity investments. He is also vested with the Company's ordinary management powers, with free and several signature powers up to a limit of 1,000,000 euro for each single transaction, for the signature of agreements or the undertaking of commitments of any kind whatsoever (including, but not limited to, loans or issue of guarantees).

In addition to the Chairman of the Board of Directors, no other member of Gemina's Board is to be considered as executive.

The Board of Directors also adopted the procedure that disciplines the approval and execution of transactions with related parties, according to Article 2391-bis of Italian Civil Code and in compliance with Article 9 of the Gemina Code.

EXECUTIVE COMMITTEE

On January 31, 2008, the Board of Directors established the Executive Committee which includes the following Directors as members: Guido Angiolini, Stefano Cao (from March 16, 2009 as a replacement to the outgoing Paolo Roverato) and Clemente Rebecchini; Guido Angiolini is the chairman of the Executive Committee.

The Board, in exercising direction and coordination activities for ADR, delegated to the Executive Committee several duties, and assigned the Executive Committee the duty of assisting the Board of Directors of the Group companies in the process of approving the investment projects.

3 REPORT ON OPERATIONS

ADVISORY COMMITTEES WITHIN THE BOARD

The Board of Directors set up the Internal Control Committee and Remuneration and human resources Committee.

The Remuneration and human resource Committee is made up of non-executive Directors, the majority of whom are independent in compliance with Article 3 of the Gemina Code, currently Giovanni Fontana (Chairman), Giuseppe Bencini and Andrea Novarese. The Remuneration and human resources Committee is responsible for drawing up proposals to the Board of Directors for the division of the remuneration resolved by the shareholders' meeting for the entire Board of Directors and for the remuneration for Directors holding particular offices; the Committee also coordinates at Group level with the Remuneration Committee set up in ADR.

The Internal Control Committee is made up of three non-executive Directors, all independent as per Art. 3 of the Gemina Code, currently represented by Eugenio Pinto (Chairman), Giovanni Fontana and Giuseppe Angiolini, who has the same accounting and financial experience as the Chairman.

The role of the Internal Control Committee is to provide advice and forward proposals and it is responsible for assisting the Board in the definition of the control system guidelines and assessing the adequacy, efficiency and actual operation of the internal control system on a yearly basis, assessing the work plan of the Internal Control Officer, receiving periodic reports from the latter, evaluating the proposals made by the independent auditors and the work plan prepared, reporting to the Board of Directors at least every six months on the activity performed and receiving the reports of the Supervisory Body as per Legislative Decree 231/2001. The Committee is also responsible for preventatively examining the annual internal audit plans of Gemina and the Group companies and periodically examining the progress of the audits scheduled in the annual plan, the results of these interventions, the corrective actions scheduled and the implementation thereof, providing indications and suggestions if necessary.

INTERNAL CONTROL SYSTEM

In the meeting of March 25, 2004, the Board of Directors passed a motion to provide the Company with an Internal Control System, which is an essential element of the corporate governance system of the Company and its subsidiaries and plays a fundamental role in identifying, preventing and managing significant risks of the Gemina Group and safeguarding corporate assets.

The Internal Control System decreases, but cannot entirely eliminate, the possibility of erroneous decisions, human error, fraudulent violation of the control systems and unanticipated events. Therefore a good Internal Control System should provide reasonable, but not absolute, assurances that the

3 REPORT ON OPERATIONS

Company is not hindered from reaching its corporate objectives or the ordered and legitimate running of its own affairs by circumstances that can be reasonably anticipated.

In said meeting, the Board set up the Internal Control Committee assigning the duties of providing the advice and proposals set forth above.

Qualifying elements of the Control System of the Gemina Group:

Tools safeguarding operating objectives:

- *separation of roles* in carrying out of operating activities;
- *organizational structure* defined in accordance with top management and documented in official organization charts;
- *system of delegations and authorisations* which attribute to the top management powers that are in line with the responsibilities assigned;
- *system of procedures* for the correct carrying out of corporate processes;
- *adequate tracking* of the activities carried out;
- *Code of Ethics*, that defines the fundamental principles and values of the corporate ethics, and the rules of behaviour with respect to these principles.

Tools safeguarding compliance objectives:

- *Legislative Decree 231/2001*: the Company has adopted an Organisational Model, pursuant to Legislative Decree no. 231/2001. The Board of Directors assigned the Supervisory Body with ensuring correct operation of the Organisational Model and updating it;
- *Law 262/2005 as amended ("Law on Savings") with respect to accounting and financial disclosures*: the Company adopted an administrative-financial governance model in accordance with the Law on Savings;
- *data security*: the Company has a system of organisational procedures and structures aimed at managing data security (for the purposes of the legislation on Privacy);
- *other rules and regulations*: the Managers of the various Departments monitor development and compliance with the laws and regulations of their areas of competence.

Tools safeguarding the reporting objectives:

- *accounting and financial statement disclosures*: the Company has an accounting manual and administrative-accounting procedures which govern the processes of the collection, processing, representation and issuing of the corporate information;
- *privileged information*: the Company has adopted a procedure for the treatment of privileged information which, in line

3 REPORT ON OPERATIONS

with the indications of the Code of Conduct in the matter of Internal Dealing, provides that the management and outgoing communication of documents and information concerning the company and the Group takes place in compliance with the requirements for correctness, clarity and parity of access to the information.

The Board identified the Chairman of the Board of Directors as the executive Director in charge of supervising the operations of the Internal Control System and appointed the Internal Control Officer.

The Internal Control Officer is responsible for ensuring that internal and external regulations are observed and for implementing, through the internal audit department which he manages, activities aimed at identifying specific risk areas, and setting up monitoring and control activities for this purpose. For reasons pertaining to the streamlined nature of Gemina's organisational structure, the manager of the internal audit department uses the services of an independent risk consulting company for some operating activities.

At the meeting held on March 25, 2004, the Board of Directors approved the Organisational Model which is based on the Confindustria and Assonime guidelines and Italian best practice, aiming to avoid the possibility of committing significant offences according to the decree and, as a consequence, the administrative responsibility of the Company.

The Organisational Model, amended over the years to update it in accordance with new provisions of the law, comprises a general part that includes a description of the contents of Legislative Decree 231/2001 among other things, the objectives and functioning of the Organisational Model, the duties of the Supervisory Body, and the disciplinary rules, and seven separate "Special Parts" that cover the different types of illegal actions envisaged by Legislative Decree 231/2001.

Special Parts Nos. 6 and 7 were introduced by the Board of Directors on March 15, 2010, and the general part of the Organisational Model was also amended to introduce the categories of crimes added by Legislative Decree 231/2001 including computer crimes, organised crime, counterfeiting, false legal tender, stamp duty or instrument identification crimes, crimes against industry and commerce, crimes relating to copyright infringement, crimes regarding the failure to testify or bearing false testimony before court authorities.

The Board of Directors meeting of November 13, 2009 decided to transform the Supervisory Body from a monocratic body to a collegial body, appointing Renato Colavolpe (Chairman), Giuseppe Angiolini and Luigi Manganelli as members. They all have the necessary requirements pursuant to the law. The Supervisory Body is subject to regulations that

3 REPORT ON OPERATIONS

govern its operation and identify the powers, duties and responsibilities assigned in particular, in compliance with the principles set out in the Organisational Model.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors is made of up three statutory auditors and three alternate auditors. The Board of Statutory Auditors is appointed based on lists presented by shareholders in compliance with the provisions of Article 20 of the Articles of Association.

The table below shows the composition of the Gemina Board of Statutory Auditors as at December 31, 2009; the table also contains information on the attendance of each Auditor at the Board meetings in percentage terms, the personal and professional details of each Auditor, and the list the Auditor belongs to. The list of other offices held by each Auditor in listed companies is reported in attachment C) of the Report on the Corporate Governance and the ownership structures; the *curricula vitae* of the Auditors are available on the web-site www.gemina.it (corporate governance section).

Name	Office	In office since	List	Indep. from Code	% attend meetings	Other offices held in listed companies
LUCA AURELIO GUARNA	Chairman	04.28.2009	m	YES	100	1
MAURIZIO DATILO	Statutory Auditor	04.28.2009	M	YES	100	-
GIORGIO OLDOINI	Statutory Auditor	04.28.2009	M	YES	100	1

The table hereunder shows the Auditors who left their office during 2009. The table also includes information on the period in which the outgoing Auditors remained in office, as well as the percentage of attendance of each Auditor at the meetings of the Board of Statutory Auditors and personal and professional details of each Auditor.

Name	Office	In office from/to	List	Indep. from Code	% attend meetings	Other offices held in listed companies
GUIDO ZANIN	Chairman	09.01.2008-04.28.2009	m	YES	100	1
VITTORIO AMADIO	Statutory Auditor	05.04.2006-04.28.2009	M	YES	100	1

INDEPENDENT AUDITORS

Pursuant to Art. 8, subsection 7 of Legislative Decree 303/2006, the Gemina Shareholders' Meeting held on May 7, 2007, elected to extend the appointment of Deloitte & Touche S.p.A. to audit the financial statements, including the consolidated financial statements, to audit on a limited basis the half-year report and to carry out the other activities provided by Art. 155 of the TUF, for the period 2007-2012.

3 REPORT ON OPERATIONS

CHANGES THAT OCCURRED AFTER THE END OF THE PERIOD

On January 31, 2010, the working relationship with Mr. Mario Sisto was terminated. He had been appointed on May 1, 2009 as Manager in charge of preparing corporate accounting documents.

In its meeting of February 5, 2010, the Board of Directors decided to appoint Ms. Alessandra Bruni, the Administration, Finance and Control Manager of Gemina as the Manager in charge of preparing corporate accounting documents. She has the honourability requirements provided by Art. 147 *quinquies* of the TUF in addition to the professional competence requirements provided under Art. 19 of the Articles of Association.

As noted previously, the Director Alessandro Grimaldi resigned from office on February 26, 2010. On March 15, 2010, the Board of Directors acknowledged the resignation of the Director, Alessandro Grimaldi and since the Shareholders' Meeting was set to be held shortly, did not make any decisions on his replacement.

3.8 INFORMATION ABOUT RISKS AND UNCERTAINTIES

SPECIFIC RISKS OF GEMINA ASSOCIATED WITH ITS ACTIVITY

In view of the fact it is an investment holding company, the results of the parent company Gemina are affected by the results of the investee companies and, in particular, by the dividends they distribute.

With reference to the subsidiary ADR, which represents 97% of total assets, the distribution of dividends is conditions not only by the results achieved, but also by observance of the financial covenants provided for by the company's loan agreements.

Indeed, failure to observe these covenants entails activating measures to safeguard financiers, including the impossibility to distribute dividends.

Also the trigger event status determined by the rating level in which ADR finds itself since November 2007 is a condition that hinders distribution of the dividends, and it can be removed only after the company recovers its rating.

SPECIFIC RISKS OF ADR ASSOCIATED WITH ITS ACTIVITY

ADR manages the Rome airport system, made up of the Fiumicino and Ciampino airports, as a concession regulated by Agreement no. 2820 of June 26, 1974 signed with the Ministry of Transport, expiring on June 30, 2044.

The above-mentioned agreement sets a series of obligations the operator must accept and also clearly expresses the causes of cancellation or repeal of the concession, mostly attributable

3 REPORT ON OPERATIONS

to cases of unfulfilment.

The ADR Group carries out its activity in a highly regulated sector on the national, European Community and international level.

The extended situation of uncertainty relating to the complexity of the procedure for achieving a satisfactory regulatory and tariff system, is an important risk factor that affects the Group's future economic and financial balance.

The results of the ADR Group are also strongly conditioned by the air traffic trend at the Fiumicino and Ciampino airports, which is in turn conditioned by:

- the economic trend;
- flight operations of the single airline companies on which also the economic-financial conditions of the single airlines make an impact;
- alliances between carriers;
- competition on some routes from of alternative means of transport (e.g. High Speed railway Rome-Milan);
- wars, acts of terrorism and aircraft accidents that negatively influence the propensity to travel, whether for business or for pleasure.

In any case, it should be pointed out that thanks to the attractiveness of Italy and of Rome in particular, the Fiumicino airport has shown an enormous recovery capability following significant negative events (such as the war in Iraq, the Twin Towers attack, bird flu epidemic, etc.).

CREDIT RISK

Credit risk is the risk that a customer or a counterpart of a financial instrument causes a financial loss by not fulfilling an obligation.

The maximum theoretical exposure to the credit risk for the Group as at December 31, 2009 is represented by the book value of financial assets disclosed, in addition to the par value of guarantees granted on payables or third-party commitments.

The greatest exposure to credit risk is that of the ADR Group for trade receivables due from customers.

The commercial policies that the ADR Group has implemented aim at controlling investments according to the following guidelines:

- requests for payments in cash for commercial transactions carried out with end customers (sales in directly-managed shops, multi-storey and long-term car parks, first aid, etc.) with occasional counterparts (for example, for baggage tagging, portorage, managing access to taxi service, etc.);
- requests for payment in cash in advance from occasional

3 REPORT ON OPERATIONS

- carriers or those without suitable creditworthiness or collateral guarantees;
- granting of extension of payment terms to customers deemed reliable (carriers with medium-term flight schedules and holders of sub-concessions) while, however, monitoring their creditworthiness and requesting collateral guarantees.

For a quantitative analysis of credit risk and of the policies implemented to manage it, please refer to note 41 of the Consolidated Financial Statements – Explanatory Notes.

LIQUIDITY RISK

Liquidity risk may occur when it is impossible to obtain, at fair conditions, the financial resources necessary to the Groups business.

The main factor determining the Group's liquidity position consists of the resources generated or absorbed by the operating and investment activities.

The financial structure of the Group is distinguished by a significant incidence of the financial leverage component. As a consequent, a considerable amount of the financial resources generated by operations is absorbed by the debt service and, with a view to the future, by the need to repay debt tranches coming due.

The current medium/long-term loan agreements of both the parent company Gemina and of ADR foresee not only ADR being subject to rating, but also numerous series of control measures to guarantee priority allocation of the cash generated for the debt service.

These measures become more stringent when, as is the current situation, the level of the rating or several agreed financial indicators fail to reach specific minimum thresholds. The current rating assigned to ADR prevents it from taking out additional indebtedness without specific authorisation from its financial creditors. Therefore, any contingent additional need for financial resources deriving from the management of working capital or from investments can be covered by a significant amount of cash, in addition to a revolving facility of 100 million euro (currently not used) specifically aimed at supporting this type of need.

The revolving facility is currently useable in observance of the conditions set forth in the "Revolving and Term Loan Facility Agreement". It is noted that the restrictions applied include that regarding the trigger event, which, however, has been derogated from as a result of the waiver obtained on September 16, 2009.

The priority allocation of the cash generated to the debt service and the aforementioned restrictive control measures for the use of financial resources limit the Group's operating

3 REPORT ON OPERATIONS

and investment flexibility.

Gemina's treasury is managed in coordination with those of Fiumicino Energia and Leonardo Energia.

In ADR, the centralised treasury in place with several subsidiaries, regulated at market terms, permits the optimisation of the management of financial resources and facilitates the settlement of intercompany commercial relations.

For a quantitative analysis of liquidity risk and of the policies implemented to manage it, please refer to note 41 of the Consolidated Financial Statements – Explanatory Notes.

INTEREST RATE RISK

The Group uses outside financial resources in the form of debt.

Fluctuations in the market interest rates have an impact on the cost of the various types of loans, affecting the extent of financial expenses.

To hedge these risks, the Group uses derivative instruments, with the purpose of mitigating, at economically acceptable terms, the potential impact of interest rate fluctuations on the economic result.

Specifically, the Group uses interest rate swaps, interest rate caps, and interest rate collars to hedge its exposure to unfavourable changes in market interest rates.

For a quantitative analysis of interest rate risk and of the policies implemented to manage it, please refer to note 41 of the Consolidated Financial Statements – Explanatory Notes.

EXCHANGE RISK

The Group uses foreign currency hedging derivatives in order to mitigate any future increases in the outgoing cash flow attributable to unfavourable changes in the exchange rate.

As far as commercial transactions are concerned, the Group bears a negligible exposure to the risk deriving from the fluctuation of exchange rates as the transactions in non-EU currencies are attributable to some supplies of goods and services of an insignificant amount.

The financial indebtedness, expressed in currency other than the Euro (Tranche A4 in Pounds Sterling), was covered by a currency swap in Euro.

For a quantitative analysis of exchange risk, please refer to note 41 of the Consolidated Financial Statements – Explanatory Notes.

RISKS ASSOCIATED WITH CURRENT LOAN AGREEMENTS

GEMINA

In December 2008 Gemina contracted a 70 million euro loan with Mediobanca and Unicredit Mediocredito Centrale S.p.A.

3 REPORT ON OPERATIONS

50 million euro of this loan was aimed at the repayment of the residual amount of the Bridge Loan, contracted in 2007, 15 million euro to the payment of interest due and 5 million euro to cover current expenses of the company.

The agreement includes the right of withdrawal for the financiers in the event that ADR is given a credit rating lower than BB-/Ba3 by Standard & Poor's and Moody's, or at least one of the two agencies. Currently, ADR's ratings are BB with a stable outlook, but under "credit watch with negative implications" for Standard & Poor's and Baa3 with negative outlook for Moody's.

A change in the interest rate is planned in the event of the downgrading of ADR.

Gemina is committed to allocating the income from the disposal of equity investments, the collection of dividends and other payments to the repayment of debt.

The loan is backed by a senior pledge on ordinary shares of ADR representing at least 35% of the share capital, and will be adjusted according to a formula defined in the contractual documents, linked mainly to the performance of the Gemina share.

As at December 31, 2009, just as at February 28, 2010, ADR shares used as guarantee numbered 21,808,430.

Gemina has undertaken the following commitments towards the Unicredit Group, in relation to the financial indebtedness transferred by SdE to Fiumicino Energia as a result of the spin-off:

- waiving the distribution of dividends for the Fiumicino Energia 2009 and 2010 financial statements;
- maintaining the ratio of Net financial indebtedness/Shareholders' equity at fair value at 3 or less in the Fiumicino Energia financial statements;
- issuing guarantees for 6 million euro and a pledge on the entire quota equal to 86.12% of Fiumicino Energia as guarantee of the loans.

AEROPORTI DI ROMA

Covenants

The contractual structure of ADR's bank loans and of the bonds issued by Romulus Finance S.r.l. ("Romulus"), guaranteed by a monoline insurance policy, includes a series of specific covenants having the aim of:

- safeguarding the preservation of adequate rating levels;
- preventing the rights granted to each creditor from being determined in ways other than according to the pre-established rules.

These contractual clauses are fully described in note 32 of the Explanatory Notes to the Consolidated Financial Statements, regarding "Guarantees and major covenants on payables".

In particular, it should be stressed that the loan agreements

3 REPORT ON OPERATIONS

provide for a series of financial control ratios (calculated on a historic and perspective basis) that measure: (i) the ratio between cash flow available and debt service (DSCR – Debt Service Coverage Ratio), (ii) the ratio between future discounted cash flows and net indebtedness (CLCR – Concession Life Cover Ratio), in addition to (iii) ratio between net indebtedness and EBITDA (Leverage Ratio).

These ratios are checked twice a year, on two of the four dates serviceable for making payments regarding the debt service (application dates) – March 20 and September 20 – by applying the calculation formulas to the figures of reference of the financial statements as at December 31 and of the half-year report as at June 30.

If the aforementioned ratios surpass certain levels, it may result in the distribution of dividends (if surplus cash is available) and recourse to further indebtedness at higher levels; on the contrary, in the event in which these ratios fall below certain levels, it may result in a trigger event or event of default.

With reference to the ratio more sensitive to the short-term changes of the generated cash flows and amount of debt service to be met in each control period, a table summarising various threshold values of the DSCR and relevant contractual consequences established is provided below.

Level	Condition
≥ 1.7	ADDITIONAL DEBT
≥ 1.5	DISTRIBUTION OF DIVIDENDS
< 1.25	TRIGGER EVENT
< 1.1	DEFAULT

The financial ratios, formalised in September 2009 by ADR based on the half-year data as at June 30, 2009, certified the values at a level greater than the minimum requirements to maintain ordinary operating conditions of the company, with the exception of the possibility to increase the gross debt (however this was already imposed by the trigger event condition set off following the downgrading by Standard & Poor's in November 2007).

The loan agreements also provide for events that cancel the benefits upon termination, resolution or withdrawal which are typical for loans with similar characteristics.

Rating

The loan agreements are subject to rating by Standard & Poor's and Moody's.

The cost of debt and of the insurance guarantee of the monoline AMBAC are, effectively, tied to the rating assigned to ADR by the two agencies. Moreover, if the rating goes

3 REPORT ON OPERATIONS

below the minimum thresholds, which are contractually defined, this causes the financial creditors to set up tighter cash flow control, implemented by introducing additional obligations affecting the Company's managerial flexibility (known as "trigger events").

In relation to the assigned rating, ADR is still subject to the trigger event and cash sweep restrictive regime previously implemented following the downgrading of the rating assigned by Standard & Poor's on November 30, 2007 (from BBB stable to BBB- stable) as described in more detail in note 32 of the Explanatory Notes to the Consolidated Financial Statements.

On September 22, 2009 Moody's confirmed ADR's rating at investment grade level Baa3, but modified the outlook from stable to negative.

According to the Agency, this change in outlook reflects the increase in financial risk deriving from the reduction in traffic volumes and from the risks linked to ADR's debt structure.

On October 1, 2009, Standard & Poor's placed the rating of ADR set on April 10, 2009 (BB with stable outlook) under "Credit Watch with negative implications" due to the risks related to the failure to replace AMBAC – which no longer has the minimum rating requirements – as the swap counterpart to Romulus.

As a result of the recent negative evolution of the rating, the Agencies' ratings of the monoline policy have reached a level even lower than that of the secured debtor (Romulus/ADR).

Due to this new situation, AMBAC, the counterpart to Romulus in the exchange risk and interest rate risk hedging swap on the Pound Sterling bond tranche (A4), must be substituted or counter-guaranteed by a new counterpart with a suitable rating.

This substitution constitutes an obligation for AMBAC while, currently, Romulus only has the right to terminate the swap (Termination) by paying the counterpart the market value of the contract.

Market conditions did not facilitate a quick solution, and only in the last part of the year were initiatives undertaken by the parties involved which provide reasonable certainty of resolving the substitution in the first part of 2010.

The high market value of the swap and the potential negative impact on cash that would derive from the voluntary or automatic exercise of the "Termination" are assessed by the two Agencies - Standard & Poor's in particular – as an increased element of potential financial risk.

COMPLIANCE RISK

As a listed Company in Italy, and in view of the structural characteristics of the business sector in which it operates, Gemina is exposed to risk factors set out in Italian Legislative Decree 231/2001.

From an analysis made on the Company's operations, it is

3 REPORT ON OPERATIONS

found that the potential risks that it may be subject to and the relevant “Sensitive Processes” are those concerning several crimes against Public Administration and company crimes.

With reference to the regulations mentioned above (Italian Legislative Decree 231/2001 on administrative responsibility of corporate bodies), the company has adopted an Organisation, Management and Control Model that is constantly updated to the most recent new rules introduced, and in order to take into account recent instructions provided by legislation and legal interpretations regarding the liability of corporate bodies.

This Model has been disclosed to all company staff and is periodically checked in order to ensure it is correctly applied.

The subsidiary ADR adopted its own Organisation, Management and Control Model which is updated and disclosed as above.

3.9 EQUITY, ECONOMIC AND FINANCIAL HIGHLIGHTS FOR THE GEMINA GROUP

3.9.1 ECONOMIC POSITION

<i>(in millions of euro)</i>	2009	2008	Change
REVENUES	570.9	582.2	(11.3)
CONSUMPTION AND OTHER OPERATING COSTS	(222.9)	(269.6)	46.7
VALUE ADDED	348.0	312.6	35.4
STAFF COSTS	(142.8)	(119.6)	(23.2)
EBITDA	205.2	193.0	12.2
AMORTISATION AND DEPRECIATION	(142.1)	(138.6)	(3.5)
EBIT	63.1	54.4	8.7
FINANCIAL INCOME (EXPENSES)	(81.3)	(101.0)	19.7
INCOME(CHARGES) FROM EQUITY INVESTMENTS	(1.8)	(0.6)	(1.2)
PROFIT OF CURRENT ASSETS BEFORE TAXATION	(20.0)	(47.2)	27.2
INCOME TAX	(20.0)	(6.0)	(14.0)
NET INCOME FROM DISCONTINUED OPERATIONS	-	19.3	(19.3)
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY SHAREHOLDERS	(0.8)	(0.1)	(0.7)
PROFIT (LOSS) ATTRIBUTABLE TO THE GROUP	(39.2)	(33.8)	(5.4)

3 REPORT ON OPERATIONS

NET EARNINGS PER SHARE:	(0.027)	(0.023)	(0.004)
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Revenues amounted to 570.9 million euro and almost fully derive from the activities of the ADR Group.

In comparison with 2008, consumption and operating costs, equal to 222.9 million euro, decreased both due to the lower volumes of activity and as a result of the reduction in costs for consulting, marketing contribution, utilities and services.

2008 included 42.4 million euro losses on receivables due from Alitalia under extraordinary administration.

Staff costs rose by 23.2 million euro essentially as an effect of the restructuring costs.

The reduction in interest rates near the end of the previous year, as well as the effects of ADR's partial restructuring of debt implemented in March 2008 and finished in the month of June, involving refinancing at more favourable conditions resulted in the containment of net financial expenses for the period at 81.3 million euro, recording a reduction of 19.5% compared to 2008.

The Group closed 2009 with a loss of 39.2 million euro attributable to the Group, compared to a loss of 33.8 million euro in 2008.

This result reflects the decrease in traffic and is also affected, as already mentioned, by the restructuring plan costs in addition to the allocations to provisions for the risk linked to the litigation with the Customs Agency.

3.9.2 FINANCIAL POSITION

<i>(in millions of euro)</i>	12/31/2009	12/31/2008	Change
FIXED ASSETS	3,435.1	3,491.1	(56.0)
NET WORKING CAPITAL	38.2	(5.9)	44.1
RISK, CHARGES AND EMPLOYEE SEVERANCE INDEMNITIES	(325.8)	(314.6)	(11.2)
NET CAPITAL INVESTED	3,147.5	3,170.6	(23.1)
FINANCED BY:			
SHAREHOLDERS' EQUITY	1,722.4	1,770.4	(48.0)
NET FINANCIAL INDEBTEDNESS	1,425.1	1,400.2	24.9
TOTAL	3,147.5	3,170.6	(23.1)

3 REPORT ON OPERATIONS

Net working capital increased by 44.1 million euro.

The financial tension which characterised the air transportation sector resulted in an increase of 36.8 million euro in trade receivables.

The increase in working capital was also affected by the “deferred tax assets”, which rose by 8.8 million euro, and to the reduction of 21.9 million euro in trade payables as a result of the drop in investments.

The increase of 11.2 million euro in “Risk, charges and employee severance indemnities” is due to the effect of the allocations for restructuring costs, litigation and tax liabilities and to the reduction of employee severance indemnities due to the exit of resources linked to redundancy and mobility.

Shareholders’ equity decreased due to the loss for the period and the change in the derivative fair value hedging reserve.

3.9.3 NET FINANCIAL POSITION

<i>(in millions of euro)</i>	12/31/2009	12/31/2008
A. CASH AND CASH EQUIVALENTS	149.3	144.2
OTHER RECEIVABLES - FINANCIAL ASSETS	55.5	49.6
FINANCIAL DERIVATIVES	0.5	3.4
B. FINANCIAL ASSETS	56.0	53.0
C. TOTAL CURRENT FINANCIAL ASSETS (A) + (B)	205.3	197.2
D. TOTAL NON-CURRENT FINANCIAL ASSETS	1.4	1.4
E. CURRENT FINANCIAL LIABILITIES	(28.8)	(20.7)
F. FINANCIAL DERIVATIVES	(157.7)	(152.7)
G. TOTAL CURRENT FINANCIAL LIABILITIES (E) + (F)	(186.5)	(173.4)
H. FINANCIAL INDEBTEDNESS	(347.8)	(338.9)
I. OUTSTANDING BONDS	(1,097.5)	(1,086.5)
L. TOTAL NON-CURRENT FINANCIAL LIABILITIES (H) + (I)	(1,445.3)	(1,425.4)
NET FINANCIAL INDEBTEDNESS (C) + (D) + (G) + (L)	(1,425.1)	(1,400.2)
<i>of which:</i>		
CURRENT NET FINANCIAL ASSETS (C) + (G)	18.8	23.8

Financial indebtedness, net of SITI, consolidated using the Net Equity method as at December 31, 2009, amounted to 15.7 million euro. As at December 31, 2008 the amount was

3 REPORT ON OPERATIONS

13.7 million euro.

3.9.4 RECONCILIATION BETWEEN THE RECLASSIFIED STATEMENTS AND THE FINANCIAL STATEMENTS

The items of the Profit and Loss Account and of the Balance Sheet can be deduced from the financial statements, considering the following:

Fixed assets – Comprises:

- “Non-current assets”, with the exclusion of “Invested receivables”, “Deferred tax assets”, “Other non-current assets” and “Other non-current financial assets”.

Net working capital - Comprises:

- “Current assets”, with the exclusion of “Financial instruments - derivatives”, “Other current financial assets” and “Cash and cash equivalents”;
- the following items under “Non-current assets”: “Invested receivables”, “Deferred tax assets” and “Other non-current assets”;
- the following items under “Current liabilities”: “Trade payables”, “Current tax liabilities” and “Other current liabilities”;
- the following items under “Non-current liabilities”: “Deferred tax liabilities”;
- “Assets held for sale”;
- “Liabilities held for sale”.

3.10 GEMINA S.P.A.

3.10.1 ECONOMIC POSITION

<i>(in millions of euro)</i>	2009	2008	Change
INCOME (CHARGES) ON EQUITY INVESTMENTS	(3.7)	21.0	(24.7)
NET FINANCIAL INCOME (EXPENSES)	(3.2)	(4.1)	0.9
REVENUES	0.9	0.5	0.4
OPERATING COSTS	(7.7)	(4.6)	(3.1)
PRE-TAX PROFIT (LOSS)	(13.7)	12.8	(26.5)

3 REPORT ON OPERATIONS

INCOME TAX	(0.4)	1.1	(1.5)
NET PROFIT (LOSS) FOR THE YEAR	(14.1)	13.9	(28.0)

The charges on equity investments derive from Fiumicino Energia, SITI and Pentar S.p.A. (“Pentar”).

The reductions in interest rates and in financial indebtedness contribute to reducing financial expenses compared to the previous year.

<i>(in millions of euro)</i>	2009	2008	Change
INTEREST INCOME	0.8	1.3	(0.5)
INTEREST EXPENSE	(3.4)	(4.4)	1.0
OTHER FINANCIAL EXPENSES	(0.6)	(1.0)	0.4
NET FINANCIAL INCOME (EXPENSES)	(3.2)	(4.1)	0.9

Operating costs net of revenues were contained. These include provisions for the surety granted to ADR for 3.1 million euro. Income taxes include allocations of 1.7 million euro in relation to a tax audit by the Revenue Office regarding the year 2006.

3.10.2 FINANCIAL POSITION

<i>(in millions of euro)</i>	12/31/2009	12/31/2008	Change
FIXED ASSETS	1,856.5	1,858.0	(1.5)
NET WORKING CAPITAL	5.6	29.7	(24.1)
RISK, CHARGES AND EMPLOYEE SEVERANCE INDEMNITIES	(11.1)	(6.3)	(4.8)
NET INVESTED CAPITAL	1,851.0	1,881.4	(30.4)
<i>financed by:</i>			
SHAREHOLDERS' EQUITY	1,819.4	1,834.2	(14.8)
NET FINANCIAL INDEBTEDNESS	31.6	47.2	(15.6)

The collection of receivables deriving from tax consolidation reduced working capital and financial indebtedness.

FIXED ASSETS

<i>(in millions of euro)</i>	12/31/2009	12/31/2008	Change
ADR	1,835.5	1,835.5	-
SdE	-	7.4	(7.4)

3 REPORT ON OPERATIONS

FIUMICINO ENERGIA	7.7	-	7.7
SITI	5.0	6.0	(1.0)
PENTAR	3.6	4.7	(1.1)
TOTAL EQUITY INVESTMENTS	1,851.8	1,853.6	(1.8)
INVESTED RECEIVABLES	4.6	4.3	0.3
OTHER TANGIBLE AND INTANGIBLE FIXED ASSETS	0.1	0.1	-
TOTAL	1,856.5	1,858.0	(1.5)

The equity investment in SdE was transferred to Edison in exchange for the equity investment in Fiumicino Energia.

NET WORKING CAPITAL

<i>(in millions of euro)</i>	12/31/2009	12/31/2008	Change
TRADE RECEIVABLES	0.4	4.4	(4.0)
RECEIVABLES FROM TAX CONSOLIDATION	13.4	21.2	(7.8)
PREPAID TAXES	2.0	0.9	1.1
TRADE PAYABLES	(0.4)	(0.6)	0.2
OTHER CURRENT ASSETS/LIABILITIES	(9.8)	3.8	(13.6)
TOTAL	5.6	29.7	(24.1)

Trade receivables deriving from previous years, already factored with recourse together with receivables originating from tax consolidation reduced working capital by 24.1 million euro.

3.10.3 NET FINANCIAL POSITION

<i>(in millions of euro)</i>	12/31/2009	12/31/2008
A. CASH AND CASH EQUIVALENTS	13.4	1.7
B. OTHER FINANCIAL ASSETS	1.6	0.3
C. TOTAL CURRENT FINANCIAL ASSETS (A) + (B)	15.0	2.0
D. TOTAL NON-CURRENT FINANCIAL ASSETS	1.4	1.4
E. CURRENT FINANCIAL LIABILITIES	(0.1)	(3.8)

3 REPORT ON OPERATIONS

F. FINANCIAL DERIVATIVES	(0.9)	(0.1)
G. TOTAL CURRENT FINANCIAL LIABILITIES (E) + (F)	(1.0)	(3.9)
H. FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE	(47.0)	(46.7)
L. TOTAL NON-CURRENT FINANCIAL LIABILITIES (H)	(47.0)	(46.7)
NET FINANCIAL INDEBTEDNESS (C)+(D)+(G)+(I)	(31.6)	(47.2)
<i>of which:</i>		
CURRENT NET FINANCIAL ASSETS (LIABILITIES) (C) + (G)	14.0	(1.9)

Using the cash deriving from the collection of tax receivables it was possible to cover current expenses also in the absence of income from investee companies.

3.11 INTERCOMPANY RELATIONS AND TRANSACTIONS WITH RELATED PARTIES

INTERCOMPANY RELATIONS

Relations with subsidiaries and associated companies are governed at market terms and conditions, taking account of services rendered.

Specifically, please note the following:

- bond issue of the associated company SITI on June 30, 2006 for 1.4 million euro, expiring on June 30, 2010;
- loan to Fiumicino Energia pursuant to the contract stipulated on December 4, 2009 for a total amount of 2 million euro which, as at December 31, 2009 amounted to 1.5 million euro, disbursed upon request in the form of a giro account;
- agreement for the provision of services to Fiumicino Energia within the company's business and administration activities.
The agreements with the SdE Group were terminated during the year, due to the transfer of the Group to Edison;
- general service supply agreement rendered by SdE, until August 31, 2009;
- rent agreement for the equipped area with ADR;
- tax consolidation agreements with ADR, ADR Tel, ADR Engineering and ADR Sviluppo S.r.l.;
- contract for the provision of e-mail services by ADR Tel;
- staff secondment agreement with ADR.

TRANSACTIONS WITH RELATED PARTIES

In compliance with the recommendations contained in the

3 REPORT ON OPERATIONS

CONSOB notices of February 20, 1997 and February 27, 1998, it is hereby stated that there is no evidence of transactions with “related parties” which are irregular or unusual, alien to customary business management or such as to have a significant impact on the economic and financial position of Gemina.

Transactions which have been established with “related parties” fall under the customary management of business activities and are settled on the basis of market conditions.

More specifically, reference should be made to:

- the cash loan agreement made on December 11, 2008, by and between Gemina, as borrower, Mediobanca as agent, mandated lead arranger, bookrunner and initial lender, Bayerische Hypo – und Vereinsbank AG, Milan Branch as mandated lead arranger and bookrunner and UniCredit MedioCredito Centrale as initial lender for a maximum amount of 70 million euro, with a maximum duration of 3 years;
- hedging contracts with notional value of 35.6 million euro, relating to the above loan, entered into with Mediobanca and UniCredit;
- a fixed-term current account contract in favour of Mediobanca, established for the settlement of cash flows as part of the loan transaction;
- guarantees of 4.0 million euro in the interest of subsidiary Fiumicino Energia to guarantee the fulfilment of obligations deriving from the lease contract entered into with UniCredit Leasing S.p.A.;
- guarantees for a maximum of 2 million euro in the interest of subsidiary Fiumicino Energia to guarantee the fulfilment of obligations deriving from the loan agreement entered into with UniCredit MedioCredito Centrale;
- subscription of a joint deed of pledge on the entire share, equal to 86.12% of the share capital, held in Fiumicino Energia as guarantee of all receivables deriving from the lease agreement entered into with UniCredit Leasing.

3.12 MAJOR SUBSEQUENT EVENTS

ADR submitted to ENAC its application for admission to the procedure for early introduction of fees pursuant to Article 2 of the Finance Law 2010.

Following the formal validation of the urgent, non-postponable works for Fiumicino airport, on March 5, 2010 ENAC sent to the Ministry for Infrastructure and Transport the proposal of early implementation of fees.

3 REPORT ON OPERATIONS

In application of the contractual commitments with Financial Institutions, said Institutions were presented with the 2010-2020 ten-year plan, which limits investments in the Fiumicino Sud area and implements the current Interministerial Committee for Economic Planning (CIPE) regulations on tariffs. This was done while waiting for the new planning agreement, which implements the legislative derogations from the CIPE regulations, to permit the launch of the Fiumicino Nord project.

The Lazio Tax Commission, in its meeting on February 17, examined ADR's appeal against the assessment of the Customs Agency which is currently being collected by way of instalments up to May 3, 2012, for a total amount of 25 million euro.

At the date of approval of the financial statements by the Board of Directors of ADR, the decisions taken by the Rome Regional Tax Commission were not known. While the company firmly maintains its conviction regarding the lack of grounds of the positions expressed by the prosecution, in the event of total or partial negative outcome, it was considered prudent to allocate provisions equal to 50% of the amount assessed as taxes by the Tax Collector's Office. This allocation takes into account two positive, but uncertain, elements. The first is that the company may not lose at least the part of the assessment carried out on a statistical-deductive basis, and the second regards the existence of sureties issued at the time by Gemina, Falck S.p.A. and Impregilo S.p.A. for a portion totalling 51% of the sanction applicable when the case has reached the court of last instance.

Assaeroporti and the trade unions renewed the National Collective Labour Agreement for Air Transport and Airport Activities ground personnel, which had expired on December 31, 2007, and is now valid until December 31, 2011.

The contract includes the payment of a one-off compensation for the previous period, which, in ADR's financial statements, was already allocated to an increase in staff costs estimated on the order of 6.4% once fully implemented.

On February 24, 2010 ADR submitted a request for waiver, containing the following, in brief:

- not applying the cash sweep requirement at the application dates of March 2010 and September 2010, inclusive;
- ADR is authorised to refinance the 170 million euro Bank Loan until the application date of September 2011, inclusive;
- until the application date in September 2010, inclusive,

3 REPORT ON OPERATIONS

none of the restraints resulting from the occurrence of the trigger event shall be applied, except for the following: distribution of dividends, independent auditing and disclosure obligations;

- if the previous conditions are accepted, at the application date of September 2010, ADR shall make available the greater amount between 45 million euro and 80% of the Surplus Cash available at that date to repay the Bank Loan (25%) and securitize Tranche A1 of Romulus (75%).

It is noted that starting from December 2009, in the presence of an increasing – but not yet current – default risk of AMBAC, ADR – with the support of Mediobanca and The Royal Bank of Scotland – launched a procedure for identifying a Financial Institution which could substitute AMBAC as the counterpart to Romulus in the Cross Currency Swap relating to Tranche A4 of the bonds denominated in GBP.

At the end of the second phase of the process, which concluded on February 8, 2010, Unicredit MCC submitted the most cost-effective bid. On February 12, 2010 AMBAC formally notified ADR that it accepted Unicredit MCC's economic bid for substitution.

The substitution of AMBAC with Unicredit MedioCredito Centrale, according to the currently hypothesised contractual structure, will not result in any economic or financial effects for the Group.

On March 3, 2010 Gemina was served, on request of RCS Mediagroup S.p.A. ("RCS"), with a writ of summons for a third party in the proceedings instigated by Mr. Angelo Rizzoli against RCS, Intesa San Paolo S.p.A., Mittel S.p.A., Edison and Giovanni Arvedi. Mr. Rizzoli formulated a series of claims aimed at compensating for the economic damages he incurred as a result of the sale of Rizzoli Editore S.p.A., which owns *Corriere della Sera*, to group of entrepreneurs.

The events date back to 1974-1986.

RCS fully rejected the plaintiff's claims, stating they were completely without grounds and considerably subject to the statute of limitations and, as a final alternative, requested that Gemina be summoned to court, as the party from which the current RCS derives, due to the known spin-off stipulated in 1997.

Provisionally, and on the basis of the elements it is currently aware of, Gemina deems Mr. Rizzoli's claims to be completely groundless, and shall appear in court within the terms provided.

On March 9, 2010 ADR requested that ENAC issue a formal notice for the purpose of launching the process for signing the planning agreement in derogation pursuant to Article 17, subsection 34 *bis* of Legislative Decree no. 78 of July 1, 2009,

3 REPORT ON OPERATIONS

converted, with amendments, into Law no. 102 of 2009.

3.13 BUSINESS OUTLOOK

The global recovery in air traffic is expected to gain strength during the year, accompanied by the general recovery in economic activity.

Nonetheless, the traffic volumes are expected to remain lower than those of 2008.

In the period January-February, traffic in ADR's airports showed the following trend and the following changes compared to the same period of 2009:

	Domestic	International	Total
PASSENGERS	1,864,588	3,284,608	5,149,196
<i>% Change</i>	<i>4.4</i>	<i>11.7</i>	<i>8.9</i>
MOVEMENTS	24,287	31,739	56,026
<i>% Change</i>	<i>(6.6)</i>	<i>3.5</i>	<i>(1.1)</i>
TONNAGE	1,525	2,800	4,325
<i>% Change</i>	<i>(3.8)</i>	<i>5.7</i>	<i>2.2</i>
CARGO (KG)	838,501	23,125,181	23,963,682
<i>% Change</i>	<i>(0.6)</i>	<i>39.6</i>	<i>37.6</i>

3 REPORT ON OPERATIONS

3.14 EQUITY INVESTMENTS HELD BY DIRECTORS, STATUTORY AUDITORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

In observance of what is indicated under Art. 79 of the Regulations approved by Consob with resolution no. 11971 of May 14, 1999 and subsequent amendments, information about the equity investments held by the Directors, the Statutory Auditors and the Executives who have strategic responsibility in the issuer and in its subsidiary companies is provided:

NAME AND SURNAME	INVESTEES COMPANY	NO. OF SHARES OWNED AT YEAR-END 2008	NO. OF SHARES PURCHASED	NO. OF SHARES SOLD	NO. OF SHARES OWNED AT YEAR-END 2009 OR AT THE DATE THE OFFICE CEASES
GUIDO ANGIOLINI		-	-	-	-
GIUSEPPE ANGIOLINI		-	-	-	-
GIUSEPPE BENCINI		-	-	-	-
STEFANO CAO					
GIOVANNI FONTANA		-	-	-	-
ALESSANDRO GRIMALDI		-	-	-	-
ALDO MINUCCI		-	-	-	-
MICHELE MOGAVERO		-	-	-	-
ANDREA NOVARESE		-	-	-	-
EUGENIO PINTO		-	-	-	-
CLEMENTE REBECCHINI		-	-	-	-
PAOLO ROVERATO		-	-	-	-
LUCA AURELIO GUARNA					
MAURIZIO DATTILO		-	-	-	-
GIORGIO OLDOINI					
GUIDO ZANIN		-	-	-	-
VITTORIO AMADIO EXECUTIVES WITH STRATEGIC		- -	- -	- -	- -

3 REPORT ON OPERATIONS

RESPONSIBILITY

4 PROPOSALS TO THE SHAREHOLDERS' MEETING

PROPOSED RESOLUTION

Gemina S.p.A. closed the year with a 14,069,524 euro loss.

You are therefore invited to adopt the following

RESOLUTION

The Shareholders' Meeting:

- having heard the Report of the Board of Directors on operations,
- taking note of the Report of the Board of Statutory Auditors,
- taking note of the Report of the Independent Auditors,
- having read and examined the financial statements as at December 31, 2009 which report a loss of 14,069,524 euro,

RESOLVES

to approve:

- the Report of the Board of Directors on operations;
- the Income Statement, the Balance Sheet and the related Explanatory Notes to the financial statements for the year ended December 31, 2009, which report a loss of 14,069,524 euro, as presented by the Board of Directors, both as a whole and with regards to the individual entries, together with the allocations and provisions proposed therein;

to carry forward the loss as at December 31, 2009, equal to 14,069,524 euro.

Milan, March 15, 2010

for the Board of Directors
The Chairman
(Guido Angiolini)

**CONSOLIDATED FINANCIAL
STATEMENTS**

5.1 CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	Note	2009	of which due to related parties	2008	of which due to related parties
REVENUES	1	570,908	1,536	582,157	1,654
CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	2	(68,135)		(81,275)	
STAFF COSTS	3	(142,733)		(119,550)	
OTHER OPERATING COSTS	4	(154,798)	(3,459)	(188,274)	(4,209)
AMORTIZATION, DEPRECIATION AND WRITE- DOWNS OF FIXED ASSETS	5	(142,165)		(138,643)	
EBIT		63,077	(1,923)	54,415	(2,555)
FINANCIAL INCOME (EXPENSE)					
FINANCIAL INCOME:	6				
Interest income		2,220	1,201	8,754	5,827
Income on derivatives		34,070	1,716	23,917	9,366
Exchange gains		49		67,510	
Other income		1,864		635	
FINANCIAL EXPENSES:	7				
Interest expense		(72,596)	(3,577)	(92,757)	(2,821)
Expenses on derivatives		(26,086)	(7,644)	(103,197)	(2,736)
Exchange losses		(16,399)		(7)	
Other expenses		(4,401)	(520)	(5,859)	(808)
TOTAL FINANCIAL INCOME (EXPENSE)		(81,279)	(8,824)	(101,004)	8,828
INCOME (CHARGES) ON EQUITY INVESTMENTS	8	(1,842)		(587)	
PRE-TAX PROFIT (LOSS) ON CONTINUING OPERATIONS		(20,044)	(7,830)	(47,176)	(11,383)
Income taxes	9	(19,925)		(6,000)	
PROFIT (LOSS) ON CONTINUING OPERATIONS AFTER TAX		(39,969)	(7,830)	(53,176)	(11,383)
NET INCOME FROM DISCONTINUED OPERATIONS	10	-		19,321	
PROFIT (LOSS) FOR THE YEAR		(39,969)	(7,830)	(33,855)	(11,383)
Profit (loss) attributable to minority shareholders		(817)		(71)	
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP		(39,152)		(33,784)	
NET EARNINGS PER SHARE (IN EURO)					
FROM RECURRING ACTIVITIES		(0.027)		(0.036)	
FROM RECURRING AND DISCONTINUED ACTIVITIES		(0.027)		(0.023)	

The basic net earnings per share, which coincides with the diluted net earnings per share, is calculated on the total shares in issue in the respective periods, equal to 1,472,960,320 as at December 31, 2009 and as at December 31, 2008. All Gemina S.p.A. shares are subscribed.

5.1 CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euro)

	2009	2008
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	(39,969)	(33,855)
PROFIT (LOSS) ON DERIVATIVE INSTRUMENTS (CASH FLOW HEDGES)	(13,354)	(12,446)
TAX EFFECT	3,673	3,422
TOTAL PROFIT (LOSS) (*)	(49,650)	(42,878)
TOTAL PROFIT (LOSS) ATTRIBUTABLE TO:		
THE GROUP	(48,444)	(42,429)
MINORITY SHAREHOLDERS	(1,206)	(450)

(*) As a result of the application of IAS 1 Revised from January 1, 2009, the item "Total profit (loss)" includes the change in fair value of hedging derivatives.

5.2 CONSOLIDATED BALANCE SHEET

ASSETS*(in thousands of euro)*

	Note	12/31/2009	<i>of which due to related parties</i>	12/31/2008	<i>of which due to related parties</i>
NON-CURRENT ASSETS					
Airport management concession		2,996,374		3,083,181	
Goodwill		6,906		-	
Other intangible fixed assets		5,167		6,724	
TOTAL INTANGIBLE FIXED ASSETS	11	3,008,447		3,089,905	
Land and buildings		87,638		92,841	
Plant and machinery		74,386		54,010	
Fixtures and fittings, tools and other equipment		1,169		1,270	
Construction in progress and advances		53,180		35,829	
Other tangible fixed assets		198,907		199,023	
TOTAL TANGIBLE/TECHNICAL FIXED ASSETS	12	415,280		382,973	
EQUITY INVESTMENTS IN ASSOCIATED COMPANIES VALUED AT NET EQUITY	13	8,649		15,518	
INVESTED RECEIVABLES	14	4,591		4,267	
OTHER EQUITY INVESTMENTS	15	2,756		2,757	
DEFERRED TAX ASSETS	16	51,324		42,469	
OTHER NON-CURRENT ASSETS	17	9,486		547	
OTHER NON-CURRENT FINANCIAL ASSETS	18	1,400	1,400	1,400	1,400
TOTAL NON-CURRENT ASSETS		3,501,933	1,400	3,539,836	1,400
CURRENT ASSETS					
INVENTORIES	19	10,164		11,255	
CONTRACT WORK IN PROGRESS	20	17,610		12,473	
TRADE RECEIVABLES	21	197,298	68	160,502	361
OTHER RECEIVABLES	22	6,926	33	11,651	33
FINANCIAL INSTRUMENTS - DERIVATIVES	23	534	-	3,436	984
OTHER CURRENT FINANCIAL ASSETS	24	55,497	51,520	49,581	45,969
CASH AND CASH EQUIVALENTS	25	149,272	88,654	144,198	92,797
TOTAL CURRENT ASSETS		437,301	140,275	393,096	140,144
ASSETS HELD FOR SALE	26	-		-	
TOTAL ASSETS		3,939,234		3,932,932	

5.2 CONSOLIDATED BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES*(in thousands of euro)*

	Note	12/31/2009	<i>of which due to related parties</i>	12/31/2008	<i>of which due to related parties</i>
SHAREHOLDERS' EQUITY					
Share capital		1,472,960		1,472,960	
Capital reserves (share premium reserve)		200,057		200,057	
Hedging and translation reserve		(50,304)		(42,823)	
Other reserves		82,756		82,064	
Profit (loss) from previous years		19,556		52,352	
Profit (loss) for the year		(39,152)		(33,784)	
GROUP SHAREHOLDERS' EQUITY		1,685,873		1,730,826	
Minority shareholders in capital and reserves		36,556		39,573	
MINORITY INTEREST IN SHAREHOLDERS' EQUITY		36,556		39,573	
TOTAL SHAREHOLDERS' EQUITY	27	1,722,429		1,770,399	
NON-CURRENT LIABILITIES					
EMPLOYEE BENEFITS	28	24,653		33,494	
PROVISION FOR RISKS AND CHARGES - BEYOND 12 MONTHS	29	280,843		272,183	
DEFERRED TAX LIABILITIES		122		-	
FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE	30	347,825	63,843	338,920	46,688
OUTSTANDING BONDS	31	1,097,465		1,086,534	
TOTAL NON-CURRENT LIABILITIES		1,750,908	63,843	1,731,131	46,688
CURRENT LIABILITIES					
TRADE PAYABLES	33	144,959	10	166,853	18
CURRENT TAX LIABILITIES	34	11,353		1,983	
CURRENT FINANCIAL LIABILITIES	35	28,839	2,553	20,657	2,146
PROVISIONS FOR RISKS AND CHARGES - WITHIN 12 MONTHS	29	20,324		8,944	
FINANCIAL INSTRUMENTS - DERIVATIVES	36	157,685	926	152,694	4,937
OTHER CURRENT LIABILITIES	37	102,737	12	80,271	13
TOTAL CURRENT LIABILITIES		465,897	3,501	431,402	7,114
LIABILITIES HELD FOR SALE	38	-		-	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,939,234		3,932,932	

5.3 STATEMENT OF CONSOLIDATED CASH FLOWS

<i>(in thousands of euro)</i>	2009	2008
PROFIT (LOSS) FOR THE YEAR	(39,152)	(33,784)
Amortization and depreciation of tangible and intangible fixed assets	142,165	138,643
Increase (decrease) of severance and other provisions (net of risks provision for transfer of Elilario)	11,199	(7,560)
(Increase) decrease in deferred tax liabilities	(8,855)	(15,960)
(Revaluation) write-down of equity investments valued at net equity	1,374	584
(Gains) losses on disposal of non-current assets	-	(19,318)
OPERATING PROFIT (LOSS) BEFORE CHANGES IN WORKING CAPITAL	106,731	62,605
(Increase) decrease in inventories of contract work in progress	(4,046)	(2,512)
(Increase) decrease in trade receivables	(36,796)	(8,090)
(Increase) decrease in other current assets	(2,110)	2,012
Increase (decrease) in trade payables	(21,894)	12,954
Increase (decrease) in other current liabilities	38,669	16,797
TOTAL CHANGES IN WORKING CAPITAL	(26,177)	21,161
TOTAL CASH AND CASH EQUIVALENTS GENERATED (ABSORBED) BY OPERATIONS	80,554	83,766
STATEMENT OF CASH FLOWS FROM INVESTMENT ACTIVITIES		
Increases, purchases, capital increases and loss settlements of equity investments	-	(259)
Increase in tangible and intangible fixed assets	(93,012)	(108,407)
Changes in other items in non-current assets and liabilities	(9,141)	(4,094)
Additional charges for disposal of the equity investment which directly reduce the capital gains from disposal of the equity investment in Elilario	-	(2,350)
Proceeds from disposal of non-current assets	5,496	63,800
TOTAL CASH AND CASH EQUIVALENTS GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	(96,657)	(51,310)
STATEMENT OF CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(188)	(188)
(Increase) decrease in trade receivables	(3,014)	19,441
Increase (decrease) in financial payables	33,009	20,801
Raising of medium/long-term bank payables	-	127,500
Repayment of medium/long-term bank payables	-	(206,750)
Other changes in shareholders' equity	(8,630)	(9,904)
TOTAL CASH AND CASH EQUIVALENTS GENERATED (ABSORBED) BY FINANCING ACTIVITIES	21,177	(49,100)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,074	(16,644)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	144,198	160,842
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	149,272	144,198

5.4 STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of euro)

	Share capital	Capital reserves	Hedging and translation reserve	Other reserves	Profit (loss) pertaining to previous years	Profit (loss) for the year	Group Shareholders' equity	Minority shareholders in capital and reserves
BALANCES AS AT 01/01/2008	1,472,960	199,849	(33,799)	81,394	70,326	(17,116)	1,773,614	40,437
ALLOCATION OF RESULTS YEAR 2007				670	(17,786)	17,116		(1,022)
DISTRIBUTION OF DIVIDENDS TO HOLDERS OF SAVINGS SHARES					(188)		(188)	
OTHER CHANGES		208	1,432				1,640	(1,203)
TOTAL PROFIT (LOSS) FOR THE YEAR			(8,645)			(33,784)	(42,429)	(450)
BALANCES AS AT 12/31/2008	1,472,960	200,057	(41,012)	82,064	52,352	(33,784)	1,732,637	37,762
ALLOCATION OF RESULTS YEAR 2008				692	(34,476)	33,784		
CHANGE IN CONSOLIDATION AREA					1,868		1,868	
DISTRIBUTION OF DIVIDENDS TO HOLDERS OF SAVINGS SHARES					(188)		(188)	
TOTAL PROFIT (LOSS) FOR THE YEAR			(9,292)			(39,152)	(48,444)	(1,206)
BALANCES AS AT 12/31/2009	1,472,960	200,057	(50,304)	82,756	19,556	(39,152)	1,685,873	36,556

5.5 STATEMENT OF RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY OF GEMINA AND CONSOLIDATED SHAREHOLDERS' EQUITY AND BETWEEN PROFIT (LOSS) OF GEMINA AND CONSOLIDATED PROFIT (LOSS)

<i>(in thousands of euro)</i>	Shareholders' Equity as at 12/31/2009	Profit (loss) 2009
GEMINA S.P.A.	1,819,404	(14,070)
CANCELLATION OF BOOK VALUE OF CONSOLIDATED EQUITY INVESTMENTS	(136,631)	(28,182)
DIFFERENCE BETWEEN BOOK VALUE AND PRO-RATA VALUE OF SHAREHOLDERS' EQUITY	(137,731)	(30,610)
PROFIT (LOSS) OF CONSOLIDATED COMPANIES	1,100	1,100
REVERSAL OF DIVIDENDS	-	(240)
ELIMINATION OF WRITE-DOWNS ASSOCIATED COMPANIES	-	1,568
WRITE-OFF OF IMPACT OF TRANSACTIONS PERFORMED BETWEEN CONSOLIDATED COMPANIES	3,100	3,100
GUARANTEES PROVIDED TO SUBSIDIARIES	3,100	3,100
GROUP SHAREHOLDERS' EQUITY AND NET PROFIT (LOSS) FOR THE YEAR	1,685,873	(39,152)
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY AND NET PROFIT (LOSS) FOR THE YEAR	36,556	(817)
CONSOLIDATED SHAREHOLDERS' EQUITY AND PROFIT (LOSS) FOR THE YEAR	1,722,429	(39,969)

5.6 EXPLANATORY NOTES

ACCOUNTING STANDARDS

The consolidated financial statements have been prepared according to the international accounting standards (IAS/IFRS) issued by the IASB (International Accounting Standard Board), as approved by the European Union.

The term IAS/IFRS refers to International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as supplemented by the interpretations issued by IFRIC (International Financial Reporting Interpretations Committee), and previously by the SIC (Standard Interpretation Committee).

Where necessary, the half-year figures of the consolidated investee companies, drawn up by the Boards of Directors or by the Sole Director, have been adjusted to bring the accounting standards used into line with those adopted by the Group.

The financial statements have been drawn up on the basis of the historical cost concept, except for:

- financial derivatives (and the financial liabilities hedged thereby);
- assets available for sale, the valuation of which has been effected on the basis of the fair value concept;
- the defined benefit plans for the employees of the ADR Group, for which the actuarial gains and losses have been recognised as prescribed by IAS 19.

The accounting statements have been prepared in thousands of euro.

CONSOLIDATION CRITERIA

The consolidated financial statements as at December 31, 2009 include data of the parent company Gemina and of the subsidiary companies over which Gemina exercises control either directly or indirectly, at the same date and based on the line-by-line method.

Pursuant to IAS 27, control is exercised when the Parent Company has the power to determine the financial and operating policies of an enterprise, in such a way as to obtain benefits from its activity.

The companies over which Gemina exercises joint control pursuant to IAS 31, starting from 2008, are included in the consolidated financial statements using the net equity method. The equity investments in associated companies, over which Gemina exercises significant control pursuant to IAS 28, are consolidated using the net equity method.

The lists of the subsidiaries and associated companies of the Gemina Group subject to consolidation are included in point

5.6 EXPLANATORY NOTES

5.9.

Subsidiaries that are dormant or that generate an insignificant turnover are not included in the consolidated financial statements. Their influence on the total assets, liabilities, financial position and profit or loss of the Group is insignificant.

The main consolidation criteria are set forth below:

- all assets and liabilities, charges and income of companies consolidated using the line-by-line method are fully included in the consolidated financial statements.
The book value of the equity investments is set off against the corresponding share of Shareholders' Equity in the investee companies, attributing to the single asset and liability items their current value at the date of acquisition of control;
- the profits of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition until the effective date of disposal;
- where necessary, adjustments have been made to the financial statements of subsidiaries to bring their accounting criteria in line with those adopted by the group;
- minority interests in the Shareholders' equity of subsidiaries is separately indicated with regard to Group Shareholders' equity;
- profits and losses that have not yet been realised by the Group, as they arise on intercompany transactions, have been eliminated, as well as significantly large items that give rise to payables and receivables, income and charges between consolidated companies;
- where applicable, consolidation adjustments take into account their deferred tax effect;
- dividends received in the year from subsidiaries that are recorded in the income statement of the Parent Company as income from equity investments have been set off against "profits carried forward".

EQUITY INVESTMENTS IN JOINT VENTURES

From financial year 2008, the Group records its share of the joint ventures using the net equity method.

The consolidated financial statements include the share pertaining to the Group of profit (loss) of joint-controlled companies, recorded using the Net Equity Method, starting from the date when significant influence begins until the date when said significant influence ceases to exist.

EQUITY INVESTMENTS IN ASSOCIATED COMPANIES

An associated company is a company in which the Group is

5.6 EXPLANATORY NOTES

capable of exercising a significant influence, but not control or joint control, by contributing to the financial and operating decision-making policies of the investee, as it is described by IAS 28 – Investments in Associates.

The economic results of the associated companies have been recorded in the consolidated financial statements using the Net Equity Method, starting from the date when the significant influence begins until the date when said significant influence ceases to exist.

The surplus of the acquisition cost with respect to the Group's percentage of the current value of the assets, liabilities and potentially identifiable liabilities of the associated company at the date of acquisition is recognised as goodwill. Goodwill is included in the book value of the investment and is subject to impairment test.

VALUATION CRITERIA

The most significant valuation criteria used for the preparation of the consolidated financial statements are set forth below.

REVENUES

Revenues are recorded to the extent to which it proves possible to reliably determine their fair value and that the company is likely to enjoy the related economic benefits.

They are measured on an accrual basis and, in particular, according to the type of transaction. Revenues are recorded only when the following conditions are met:

- a) sale of assets:
 - significant risks and rewards of ownership are transferred to the buyer;
 - the effective control of the sold assets and the normal continuous level of activities associated with the property have ceased;
 - the costs incurred or to be incurred for the transaction may be reliably determined;
- b) provision of services:
 - the stage of completion of the transaction at the balance sheet reporting date may be reliably measured;
 - the costs incurred for the transaction and the costs to be incurred for its completion may be reliably determined.

COSTS

Costs are valued at the fair value of the amount paid or to be paid, and are recognised in the income statement on an accrual basis.

5.6 EXPLANATORY NOTES

USE OF ESTIMATES

Drawing up the financial statements requires estimates and assumptions to be made, which affect the book asset and liability values on the date of reference.

The estimates and assumptions are based on data that reflect the current state of knowledge available, so the final results of the year might differ from these estimates.

The estimates are primarily used to record estimation of the recoverability of the value of assets, the definition of the useful lives of the tangible assets, the valuation of employee benefits, taxes, other allocations, derivative instruments and provisions.

The estimates and underlying assumptions are periodically reviewed, and the effects of each change are reflected in the income statement or in Shareholders' equity, in connection with the classification of the item of reference.

DIVIDENDS

Dividends are recorded in the financial year when their distribution is resolved by the Shareholders' Meeting.

FINANCIAL INCOME AND EXPENSE

Financial income and expense are recorded in the income statement on an accrual basis, based on the interest accrued on the net value of the respective financial assets and liabilities using the actual interest rate.

INCOME TAXES

Current taxes are calculated based on taxable income, in compliance with the rates and regulations in force.

Any deferred or prepaid income taxes are calculated on the temporary differences between the equity values entered in the financial statements and the corresponding values recognised for tax purposes, applying the tax rate that is expected to be in effect on the date when the temporary difference will be paid.

The prepaid taxes are recognised to the extent in which it is probable that future income will become available, against which they can be recovered.

The deferred taxes are directly charged to the income statement, except for those concerning items recorded directly at Shareholders' equity; if this is the case, their deferred taxes will also be charged to Shareholders' equity.

NET INCOME FROM DISCONTINUED OPERATIONS

Pursuant to IFRS 5, paragraph 33, the economic results of the discontinued operating activities are shown in one amount only, "Net income from discontinued operations", which indicates:

- total profits or losses of the discontinued operations without tax effects;

5.6 EXPLANATORY NOTES

- the capital gains (or losses) without tax effects, recorded after disposal of the activities.

In the explanatory notes, the Group also provides an analysis of the above-mentioned amount broken down into the following components:

- revenues, costs and profit and income taxes of discontinued operations;
- capital gains (or losses) recorded after disposal of the assets, net of taxes and directly related costs.

Pursuant to IFRS 5, paragraph 34, comparative information for the previous years is presented with the same logic described above so as to make the values presented homogeneous.

EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the Group's economic result by the weighted average of outstanding shares at year-end, not including own shares.

The profit (loss) attributable to each category of shares (ordinary and savings) is also represented. It is determined based on the respective rights to be given dividends.

The diluted profit corresponds to the basic earnings as diluting instruments have not been issued.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are recorded at the purchase or production cost, including directly attributable accessory charges necessary in order to make the assets ready to be used.

Assets with a defined useful life are systematically amortised from the moment when the asset becomes ready for use in relation to its expected useful life.

Recoverability of value is verified according to criteria provided by IAS 36 (Impairment of Assets) and illustrated in the paragraph "Impairment of assets" below.

Research costs are charged to the income statement for the period in which they are incurred.

Internally generated intangible fixed assets deriving from the development of Group products are recorded under assets, only if all the following conditions are fulfilled:

- the asset can be identified (such as software or new processes);
- the asset created is likely to generate future economic benefits;
- the development costs of the asset can be reliably measured.

Intangible fixed assets are amortised on a straight-line basis over their useful life.

5.6 EXPLANATORY NOTES

When internally generated assets cannot be recorded in the financial statements, their development costs are attributed to the income statement for the year when they were incurred.

Concessions

The value of the airport management concession is amortised on the basis of the residual life of said concession, which will expire on June 30, 2044 (see paragraph on “Information on the concession”).

Goodwill

Goodwill arising from acquisition is initially valued at cost insofar as it is indicative of the surplus of purchase cost over the share pertaining to the purchaser of the net fair value referred to the identifiable values of the assets and liabilities acquired.

After initial recording, goodwill is valued at cost, net of any accumulated losses of value.

At the moment of the transfer of part of all of a company acquired, whose acquisition resulted in the accumulation of goodwill, in calculating the capital gain or capital loss from the transfer, the corresponding remaining value of goodwill is considered.

Goodwill is recorded as an asset and the recovery of the book value is verified at least annually, and when events occur that lead to the assumption of impairment, according to that set forth in IAS 36 (Impairment of Assets).

Any impairments are immediately carried to the income statement and may not be restored at a later date.

Impairment of assets

Periodically, the Group reviews the book value of its tangible and intangible fixed assets to determine whether there are indications that these assets could be impaired.

When such indications are present, the recoverable amount of said assets is estimated, in order to calculate any write-downs.

The recoverable amount is the greater of the fair value net of selling costs and the value in use.

The fair value is estimated on the basis of the best information available in order to reflect the amount that the company could obtain from sale of the asset.

The value in use is determined by discounting back the expected cash flows at a rate reflecting the current market values of the interest rate and of the specific risks of the assets.

If the recoverable amount is estimated lower than its book value, it is reduced to that lesser value. The loss in value is recorded in the income statement.

When the loss of value does not occur or is reduced afterwards, except for goodwill, the revaluation that reinstates the book value, within the limits of the cost, is entered in the

5.6 EXPLANATORY NOTES

income statement.

TANGIBLE ASSETS

Property, plant, machinery and equipment are entered at historic cost (in some cases increased pursuant to monetary revaluation laws) inclusive of any accessory charges and net of the accumulated depreciation and of any write-downs for impairment.

Fixed assets are depreciated on a straight-line basis in each period in accordance with the depreciation rates established in relation to the estimated useful life and, in the case of disposal, until the end of use.

Depreciation is recorded from the time the fixed asset is available for use, or is potentially capable of providing the economic benefits associated therewith.

A breakdown of the depreciation rates used is provided hereunder:

- Buildings from 3% to 10%
- Plant and machinery from 7% to 25%
- Equipment from 10% to 25%
- Revertible assets from 1% to 10%
- Other assets from 10% to 25%
- Land is not subject to depreciation.

In the case in which, regardless of the depreciation already recorded, there is evidence of impairment determined according to the criteria described in the concept “Impairment of fixed assets”, the fixed asset is written down accordingly.

If in subsequent years the conditions for the write-down cease to exist, the original value will be reinstated within the limits of accumulated depreciation.

Profits and losses deriving from the transfer or disposal of tangible fixed assets are calculated as the difference between the revenues from the sale of the assets and their book value, and are recorded in the income statement for the year.

The costs incurred after the purchase are capitalised even if they increase the future economic benefits inherent in the asset to which they refer.

Maintenance costs are charged to the income statement.

Costs for improvements and maintenance that result in a significant and tangible increase in production capacity or that extend the useful life of the asset in question, are capitalised and added to the value of the relative asset; they are depreciated on the basis of the useful life of the asset to which they refer.

Costs for improvements to third-party goods which meet the requirements for inclusion under assets are recorded among tangible fixed assets and depreciated over the lesser of the remaining term of the agreement, and the remaining useful life of the asset.

LEASING

5.6 EXPLANATORY NOTES

Lease contracts are treated as finance leases when the terms of the contract in question are such that all of the risks and rewards of ownership are substantially transferred to the lessee.

The assets to which the finance lease contracts refer are recorded as Group assets at their current value of minimum payments due for the lease and are subject to depreciation on the basis of their estimated useful life, as for group-owned assets, or, if less, at their fair value at the date of acquisition.

The corresponding liability towards the lessor is included in the balance sheet as financial liability. Payments for lease instalments are divided into principal and interest and the financial expenses are directly ascribed to the income statement for the year.

All the other leases are considered operating leases and the relative costs for the lease instalments are entered on the basis of the conditions set forth in the contract.

INVENTORIES

Inventories are recorded at the lower of acquisition or production cost and net realisable value.

Inventories are valued using the weighted average cost method.

The net realisable value is estimated sale price, less the estimated costs to completion and all costs required to perform the sale.

CONSTRUCTION CONTRACTS

When the profits of a construction contract can be reliably estimated, the revenues and costs regarding such work are recorded, respectively, as revenues and costs of the year in relation to the stage of completion of the work at the balance sheet date, based on the relationship between the costs incurred for the work performed to the balance sheet date, and the total estimated contract costs, except when this calculation is not deemed representative of the state of completion of the contract.

Any change to the contract, price revision or incentives included are those that have been agreed with the contractor.

When the profits of a construction contract cannot be assessed with reasonable certainty, the revenues from said contract are recorded limited to the costs of work carried out to date, which are likely to be recovered.

Contract costs are recorded as expenses for the year in which they are incurred.

If it is likely that total contract costs exceed the revenues from the contract, all of the loss is recognised as soon as it is foreseen.

FINANCIAL ASSETS

Financial assets are initially valued at fair value, which corresponds to cost, including charges directly connected with

5.6 EXPLANATORY NOTES

their acquisition.

Financial assets other than those identified as held to maturity are classified as held for trading or held for sale (other equity investments), and are valued at fair value at the end of each period.

In the event of financial assets that are not quoted on an active market and for which a fair value cannot be determined in a reliable way, their book value is maintained at cost.

RECEIVABLES

Receivables are stated at their fair value in the financial statements, which corresponds to their par value, and are adjusted to their estimated realisable value.

In the case of receivables whose collection is expected to be long-term, a value equal to the current value of the estimated discounted cash flows is recorded.

Trade receivables whose expiration falls within the normal commercial terms are not discounted.

Receivables denominated in currencies other than the euro are valued at the exchange rate ruling at year-end.

CASH AND CASH EQUIVALENTS

The item includes cash, bank current accounts and deposits reimbursable upon request and other short-term financial investments with high liquidity, which can be easily converted into cash and are subject to an insignificant risk of change in value.

EMPLOYEE BENEFITS

ADR Group companies calculated the employee severance indemnities by applying an actuarial method - Projected unit credit method - based on a demographic and financial assumption which allows for a reasonable estimate of the amount of benefits that each employee has already accrued based on his years' of service.

Based on this method, the accrued amount payable must be projected in order to estimate the amount to be paid at the moment of terminating the employment relationship and subsequently actualised.

Using the actuarial valuation current service costs and interest costs are charged to the income statement as follows: current service costs, which represent the total benefits accrued by employees during the year under "Staff costs", whereas interest costs, which consist of the imputed charges that the business would incur by requesting a loan from the market of the same amount as its employee severance indemnities, are recorded under "Financial income (expense)".

Profits and losses that show the effects deriving from changes in the actuarial assumptions used are recorded in the income statement to the extent that their unrecorded value at the beginning of the financial year exceeds 10% of the liability

5.6 EXPLANATORY NOTES

(the so-called corridor method).

In the case of the other Group companies, post employment benefits have been valued according to Italian accounting standards and to current legislation regarding national collective labour agreements and company pension schemes in force.

An evaluation based on actuarial criteria was not made since the actuarial data expected, both in absolute terms and with respect to the Group Shareholders' equity, was insignificant.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges include the allocations arising from current obligations of a legal or implicit nature, deriving from past events, and the fulfilment of which will probably require the employment of resources, of which the amount cannot be reliably estimated.

Provisions are allocated based on the best estimate of the costs expected to fulfil the obligation at the balance sheet date, and are discounted when the amount involved and its effect is material.

Moreover, a "Transferable charges fund" is also recorded, against the higher estimate - carried out by technical bodies - of the charges deriving from the obligation to return the airport complex in a state of efficiency upon termination of the concession (2044).

FINANCIAL PAYABLES

Financial payables are initially recorded at fair value, corresponding to the value received, net of any additional charges for its registration. Subsequently said loans are valued using "amortised cost" criteria.

The amortised cost is the amount of the liability recorded at the time of its initial recognition net of repayments of principal and additional charges amortised applying the effective interest rate method.

If the loans are hedged by derivative instruments of the "fair value hedge" type, in accordance with IAS 39, said loans are valued at fair value as are the related derivative instruments (also see the relevant paragraph "Derivatives and accounting treatment of hedging transactions").

BONDS

Bonds are initially recorded at their fair value, less any costs incurred to trade and issue the financial instrument (transaction cost). Following the initial recognition, bonds are recorded at amortised cost.

TRADE PAYABLES

Trade payables are stated at their fair value, which corresponds to the par value. Those denominated in currencies other than the Euro are adjusted using the exchange rate ruling at the year end.

5.6 EXPLANATORY NOTES

DERIVATIVES AND ACCOUNTING TREATMENT OF HEDGING TRANSACTIONS

The Group uses derivative instruments to hedge the risks arising from interest rate and exchange rate fluctuations relating to existing bank loans and bond issues.

The structure of the existing contracts complies with the hedging policy approved by the Boards of Directors of the Group companies and is consistent with the restraints imposed by the existing loan agreements.

Derivative instruments are initially recognised at their fair value, corresponding to cost and adjusted to their fair value at year-end.

The recording of hedging derivatives differs depending on the hedging objective: cash flow hedge or fair value hedge.

Cash flow hedge

Any changes in the fair value of derivatives, which are so designated, and considered to be effective in hedging against future cash flows of the Group's contractual commitments, are directly recorded in shareholders' equity less the relevant deferred taxes, while their ineffective portion is immediately recognised in the income statement.

Fair value hedge

If a derivative instrument is designated as an instrument to hedge exposure of the fair value changes of a balance sheet asset or liability, the profit or loss deriving from the subsequent fair value valuations of the hedging instrument is recorded in the income statement.

The profit or loss deriving from the fair value change of the hedged item modifies the book value of said item and is recorded in the income statement.

ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale include non-current assets or groups being disposed of, and the associated liabilities which have been selected for disposal.

Assets held for sale are valued at the lower of their book value and their fair value net of disposal costs.

The amounts of previous years, shown for comparison purposes, have not been reclassified under assets and liabilities held for sale, pursuant to IFRS 5 paragraph 40.

SEGMENT INFORMATION

The segmentation criteria of business areas, as provided for by IFRS 8, which substituted IAS 14, require that the Gemina Group profit and loss, shown in Note 40 of this Report, be divided in:

- activities of the Parent Company (corporate activities);
- airport infrastructures.

5.6 EXPLANATORY NOTES

- energy.

ADOPTION OF NEW STANDARDS

Accounting standards, amendments and interpretations applied from January 1, 2009

The following accounting standards, amendments and interpretations, revised also as a result of the annual 2008 Improvement process conducted by the IASB, were applied for the first time by the Group starting from January 1, 2009.

IAS 1 REVISED - PRESENTATION OF FINANCIAL STATEMENTS

The presentation of income components such as income and charges (defined as “non-owner changes in equity”) in the Statement of Changes in Shareholders’ Equity is not permitted, and these changes deriving from transactions with non-owners must be indicated separately.

All non-owner changes in equity are highlighted in a single separate statement which shows the trend in comprehensive income for the period or in two separate statements, entitled “Consolidated income statement” and “Consolidated statement of comprehensive income”.

The changes must be shown separately also in the Statement of changes in Shareholders’ equity.

The Group applied the revised version of the standard from January 1, 2009 retrospectively, choosing to indicate all changes due to transactions with non-shareholders in two separate tables which show the trend for the period called respectively “Consolidated income statement” and “Consolidated statement of comprehensive income”.

The Group subsequently amended the presentation of the Statement of changes in Shareholders’ equity.

IFRS 8 — OPERATING SEGMENTS

The standard requires companies to base the segment reporting – previously governed by IAS 14 - on the elements that the management uses in taking its operational decisions. Therefore, this requires the identification of operating segments based on internal reporting, which is regularly reviewed by the management for the purpose of allocating resources to the various segments and for performance analysis.

Adoption of this standard did not produce any effects, as the current internal reporting structure regularly reviewed by the Group’s management matches the structure of the subsidiaries and corresponds to the consolidated financial statements of ADR, drawn up according to the IFRS, and the financial statements of the Fiumicino Energia Group and the Parent Company’s holding company activities.

5.6 EXPLANATORY NOTES

IAS 23 REVISED – BORROWING COSTS

Starting from January 1, 2009, the standard removed the option, which had been adopted by the Group up to December 31, 2008, of immediately recognising, within the income statement, financial expenses that relate to investments in assets that normally take a substantial amount of time to prepare for use or sale (qualifying assets).

This version of the standard was also amended during the 2008 Improvement process conducted by the IASB, in order to revise the definition of borrowing costs to be considered for capitalisation.

In accordance with the transition rules provided by the standard, the Group applied the new accounting standard prospectively from January 1, 2009, capitalising borrowing costs directly attributable to the acquisition, construction or production of qualifying assets in which the Group has begun the investment process, has incurred financial expenses for which the activities necessary for preparing the asset for its specific use or for sale began following January 1, 2009.

However, no accounting effects were recorded in 2009 as a result of the adoption of this standard, substantially due to the fact that as per the ADR loan agreements, investments are currently financed through cash flows generated from operations and not through specific or large loans.

IAS 7 – FINANCIAL INSTRUMENTS: DISCLOSURES

This requires greater disclosure in the event of valuation at fair value and strengthens the existing principles regarding disclosure of liquidity risks of financial instruments. Specifically, disclosure is provided regarding the levels of fair value measurement hierarchy for financial instruments. The adoption of this standard, from January 1, 2009, did not entail an effect in terms of the valuation and recognition of the balance sheet items, but only on the type of disclosure provided.

IAS 28 — INVESTMENTS IN ASSOCIATES

For equity investments valued using the Net Equity method, any impairment is not allocated to the single assets (or, specifically, to any goodwill) that make up the book value of the equity investment, but to the value of the equity investments as a whole. Therefore, if the conditions for a subsequent reinstatement of the value exist, said reinstatement of value is recognised in full.

In accordance with the transition rules of the Improvement, the Group applied the standard prospectively from January 1, 2009. Nonetheless, no accounting effects derived from the adoption of this standard, because in 2009 the Group did not record any reinstatements of the value of goodwill included in the book value of the equity investments.

The Standard requires that additional information be provided for equity investments in associated companies and

5.6 EXPLANATORY NOTES

joint ventures valued at fair value according to IAS 39. Its adoption, from January 1, 2009, did not entail the recognition of any effect in these financial statements.

Accounting standards, amendments and interpretations not yet applicable and not adopted in advance by the Group.

IFRIC 12 - PUBLIC UTILITY CONCESSIONS

The interpretation, which contains the methods for recognising and measuring concession contracts between a public party and a private company was issued in November 2006.

Unlike the practice adopted until now without specific instructions in the IFRS standards, the new interpretation states that the concessionaire must not enter the revertible infrastructure as a tangible asset as it does not have the “control”, but instead, only the right to use it to supply the service in agreement with the terms and procedures with the grantor.

This right can be classified as a financial asset or as an intangible asset, depending on whether or not there is an unconditioned right to receive remuneration regardless of the actual use of the infrastructure or the right to charge the users for use of the public service.

According to the Interpretation, the concessionaire is the supplier of services of twofold nature: (I) construction or expansion of the infrastructure; (II) management, maintenance and use of it to supply a public service.

In connection with this, the accounting repercussions of this interpretation are represented by the recognition of revenues and costs correlated with the construction activity according to the criteria established by the IAS 11 standard for the long-term orders, and of the revenues from tolls.

Analyses and in-depth examinations to quantify the effects of adopting the Interpretation on the Group’s consolidated financial statements are being completed.

Applicable from January 1, 2010.

IFRS 3 REVIEWED VERSION, BUSINESS COMBINATIONS (AMENDMENT TO IAS 27, CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS)

Issued by the IASB on January 10, 2008.

Application starts from January 1, 2010.

IAS 24 – RELATED PARTY DISCLOSURES

Issued on November 4, 2009, it simplifies the type of disclosure required for transactions with related parties that are government-owned and clarifies the definition of related parties.

5.6 EXPLANATORY NOTES

Applicable from January 1, 2011.

IFRS 9 – FINANCIAL INSTRUMENTS: CLASSIFICATION AND MEASUREMENT.

Published on November 12, 2009.

Applicable from January 1, 2013.

It sets forth a single method for determining impairment of financial assets.

INFORMATION ON CONCESSIONS

CONCESSIONARY RELATIONSHIP

ADR's corporate purpose is the construction and management of airports or of a part thereof, and the exercise of any activity related or complementary to air traffic of any type or speciality.

The corporate purpose includes the management and development of the Rome airport system (made up of the "Leonardo da Vinci" Airport of Fiumicino and the "G.B. Pastine" Airport of Ciampino) according to the criteria of economy and coherent organisation, pursuant to Law no. 755 of November 10, 1973 and subsequent amendments.

DURATION OF THE CONCESSION

The above-mentioned activity is carried out as a concession on behalf of the competent State Administration (Ministry for Infrastructure and Transport) with expiration in 2044.

However, the term of the concession, originally set at 35 years and expiring on June 30, 2009 (Art. 3, subsection 2, Law 755/73), was extended by a further 35 years (to June 30, 2044) in compliance with Art. 14 of Law no. 359 of August 8, 1992, and Art. 1-quater of Law no. 351 of August 3, 1995, as set forth in the reports by the Ministry of Transport and Navigation on September 12, 1994 and January 23, 1998.

Pursuant to Agreement 2820/74, the concession (Art. 25) can be terminated with just cause for requirements of public safety. Moreover, other causes for termination of the concession are specified (Art. 24), including: unjustified delays in completing the work, irregularity and negligence in the management of the airport system, any transfer, even partial, of the concession, etc.

SUBJECT OF THE CONCESSION

Law 755/1973 (Art. 1) sets forth the subject of the concession, consisting in the single management of the Capital's airport system, to be carried out under the supervision of the Ministry of Transport (now ENAC - Italian Civil Aviation Authority - pursuant to Italian Legislative Decree 250/1997) according to the provisions of the Navigation Code and regulations currently in force.

In particular, the concession, governed by specific agreements with the Grantor, includes the management of infrastructures

5.6 EXPLANATORY NOTES

and services and the maintenance of existing systems, machinery and buildings. ADR also supplies passengers with carry-on baggage and hold baggage security checks.

INCOME

Pursuant to Art. 6, subsection 1, of Law 755/73, “all revenues of the State, which derive from the management of the two airports, belong to the company holding the concession”.

Art. 6 of Agreement 2820/1974 groups the revenues into those deriving from the use of the airports, those regarding the use of services and the services rendered by the concessionaire, and those regarding the use of airport assets.

The Agreement also provides that the concessionaire has the right to claim fair payment from whoever carries out a profit-making activity in the airports.

With resolution no. 86 of August 4, 2000, the Interministerial Committee for Economic Planning (“CIPE”) issued a favourable opinion on the “Reordering framework regarding the tariff system for airport services rendered on an exclusive basis” proposed by the Minister of Transport and Navigation in conjunction with the Minister of Finance.

According to said framework, revenues subject to regulation can be classified as follows:

- revenue due as payment (airport fees) for the use of airport infrastructures that are instrumental in services of air transport;
- payments due for the use of airport assets (for common use, for exclusive use, centralised infrastructure) that are instrumental in terminal assistance services (supplied or self-produced);
- payments for security services set forth in another concession deed;
- payments for terminal assistance services, when supplied by the airport operator - in fact or by rights - under exclusive conditions.

Adjustment of the income pertaining to the company holding the concession is governed by regulations whose application is supervised by CIPE, Nucleus of Implementation and Regulation of Public Utility Services (“NARS”), ENAC, as well as the Ministry of Transport that operates together with other Ministries.

The aforementioned CIPE Resolution no. 86/2000 was cancelled and substituted by CIPE Resolution no. 38/2007 of June 15, 2007 (published in the Official Gazette no. 221 of the Italian Republic of September 22, 2007), which approved the new “Directive” regarding the tariff system for airport services rendered on an exclusive basis (“Directive”).

The purpose of the Directive is to set forth guidelines for the implementation of Law no. 248/2005. It requires ENAC

5.6 EXPLANATORY NOTES

(Italian Civil Aviation Authority) to set forth, within 60 days from the publication of the CIPE Directive in the Official Gazette, “guidelines setting forth criteria for the application of the Directive”.

The definitive text of the application Guidelines of CIPE Directive no. 38/07 and the relative attachments, was published by ENAC on its website on January 7, 2008, then rewritten following the observations made by NARS.

On February 14, 2008, the Guidelines were approved by means of Interministerial Decree of the Minister of Transport and the Minister of the Economy and Finance no. 41/T. Said decree (never published in the Official Gazette) was repealed by the subsequent Decree of the Ministry for Infrastructure and Transport of December 10, 2008, which formally approved the Guidelines drawn up by ENAC for applying the Ministerial Directive regarding the tariff system for airport services rendered on an exclusive basis.

On March 27, 2008, CIPE then made a lexical change to its Resolution no. 38/2007 – publishing the subsequent Resolution no. 51/08 - pursuant to sentence no. 51 of the Constitutional Court dated February 27, 2008, which envisaged the need for the opinion of the Joint Conference. With this change (at point 5.3), the range of duties of the Regions in approving planning agreements was expanded.

All of the other decisions of resolution no. 38/2007 and of the attachment that is an integral part thereof are upheld and unchanged by the March 27, 2008 resolution.

CIPE’s resolution of March 27, 2008 with the above mentioned amendment, was published in the Official Gazette no. 128 of June 3, 2008.

CIPE Resolution no. 51/08, the same as the previous no. 86/00, provides that the new regulated tariffs that the airport operator can apply will be established within a specific “planning agreement” to be entered into by the operator and ENAC.

In consideration of the long time frame required for the approval procedure of planning agreements, and waiting for the planning agreement approval to be completed, national regulations have established the terms of adapting only the airport fees on a provisional basis.

Specifically, Law no. 31 of February 28, 2008 (“Milleproroghe”) provided that until the enactment of the decrees to define airport fees pursuant to Law 248/05, the Minister of Transport issued its own decree, to be adopted by December 31, 2008, to index airport fees to programmed inflation.

Said term was extended once to December 31, 2009 (with Law Decree no. 207 of December 30, 2008, converted into Law 14/2009), then additionally extended to December 31,

5.6 EXPLANATORY NOTES

2010 (by subsection 6 of Art. 5 of Law Decree no. 194 of December 30, 2009, known as the “Milleproroghe” Decree). Ministerial Decree of July 21, 2008 containing the “Airport fee update” to take into account the programmed inflation regarding 2008 that is expected to be 1.7%, according to the Economic and Financial Planning Document was published in the Official Gazette of October 21, 2008, and entered into force on November 20, 2008.

ADR lodged an appeal with Latium Regional Administrative Court against the aforesaid Decree, requesting its annulment, in consideration of the fact that such Decree would have implemented Law no. 31/08, thus ordering the increase in airport fees, which had not been raised since 2000, by an amount calculated taking into account the programmed inflation rate for the years from 2001 to 2008 (so that the operators would get at least the actual recovery of the loss of purchasing power of money).

ADR also filed an appeal against the Decree owing to the fact that that amounts of the separate fees for Fiumicino and Ciampino are not even equal to the amount of the airport fees set forth in Ministerial Decree 140/T of November 14, 2000 (latest update) increased by 1.7%, but are considerable less than this percentage.

Similarly, the Ministry for Infrastructure and Transport Decree of October 8, 2009 on “Update of airport fees for 2009” was then published in the Official Gazette of December 22, 2009, no. 297.

The amount of airport fees has been updated to the amount of programmed inflation relating to 2009 which, in the Italian Economic and Financial Planning Document, is forecast as equal to 1.5%.

ADR will also appeal this Decree before the Latium Regional Administrative Court.

Again on the issue of airport fees, the Finance Law 2010 (Law no. 191 of December 23, 2009, published in the Official Gazette no. 302 of December 30, 2009) permitted airport operators to increase the fees in advance.

In particular, subsections 200 and 201 of Article 2 of the Finance Law 2010, authorise the early introduction by airport operators, starting from 2010, and while awaiting the signing of the planning agreements, of passenger boarding fees, within the maximum limit of 3 euro per outbound passenger, on condition that the new urgent infrastructural investments subject to validation by ENAC are executed by way of self-financing.

In order to access this early introduction, airport operators are required to submit a suitable application to ENAC, containing the four-year development and modernisation plan and the list of urgent, non-postponable works. The early

5.6 EXPLANATORY NOTES

introduction of fees is also subject to ENAC's technical validation of the above development plan.

The early introduction of the fees shall not apply in the event that airport operators:

- do not file the documentation necessary for the signing of the planning agreements within the term of six months from the date of ENAC's technical validation of the four-year development plans;
- do not sign the planning agreements within the term of 18 months from said validation;
- and, in any event, if the planned investments are not launched according to the terms and methods set forth in the four-year plan.

On January 15, 2010, ADR sent to ENAC its "application for admission to the procedure for early introduction of fees", according to the methods required by said Authority with letter of December 21, 2009, protocol no. 0090287/DIRGEN/DG, pursuant to Art. 2, subsections 200 and 201 of the Finance Law 2010, attaching:

- a. the four-year development plan;
- b. the list of works, among those set forth in the Plan, which are deemed urgent and non-postponable;
- c. traffic forecasts for the four year period of the Plan.

CONCESSION FEE

Italian Legislative Decree 251/95, later converted into Law 351/95 introduced the obligation to pay a concession fee. The criteria for the calculation of the concession fee were modified by Art. 2, subsection 188 of Law 662/96. In compliance with said law, the fee was periodically set for each period considered, with reference to the volumes of passenger and cargo traffic.

In the 1997-2002 period, the concession fee was calculated "in an amount corresponding to ten percent of the total amount of revenue deriving from fees on the use of the two airports, as well as the fees for loading and unloading of cargo".

The Decree of the State Property Agency on June 30, 2003 adopted a new, different reference parameter for calculating the fee, identified as the so-called "WLU (Work Load Unit)" which "corresponds to one passenger or 100 kg of cargo or post" and is "calculated using the data reported in the statistical yearbook of the Ministry for Infrastructure and Transport - ENAC (Italian Civil Aviation Authority)".

The same decree identified several levels of traffic and, through the use of a differentiated coefficient per layer, allows for the calculation of a fee that values and measures airport traffic.

Lastly it is noted that Article 11.10 of Law 248/2005 - mentioned earlier - has provided that the state concession fees

5.6 EXPLANATORY NOTES

be reduced by 75% up to the date of introduction of the system for determination of airport fees.

Art. 1, subsection 258, of Finance Law 2007 established that with the Minister of Transport decree, in agreement with the Minister of the Economy, the annual fees due from airport management companies would be increased proportionally, to an extent that would bring in new revenue for the tax authority equal to 3 million euro in 2007, 9.5 million euro in 2008 and 10 million euro in 2009.

By the Decree of August 3, 2007 – published on the Official Gazette no. 226 of the Italian Republic dated September 28, 2007 – the Minister of Transport together with the Minister of the Economy and Finance, pursuant to Law no. 296 of December 27, 2006, (Financial Law 2007), decided the increase in the annual fee for the use of assets of the State Public Property due from the airport managing company for the years 2007-2009.

The Decree of the State Property Office of December 23, 2009, published in the Official Gazette no. 302 of December 30, 2009, extended to 2012 the methods for quantifying airport management fees due by operators, previously set forth in the inter-executive decree of June 30, 2003.

AIRPORT INFRASTRUCTURES.

Using funds from autonomous loans or using funds issued by the State on the basis of specific regulations and agreements, the company has the task of coordinating all assets necessary for the creation of the “Development Plan” of airport infrastructures. The total amount of assets used by the company for the financial year in the exercise of its own activity is composed of four distinct types:

- “Own assets”: assets acquired as property by the company through its own financial means, for which the company does not believe that there is an obligation to assign them at the end of the term of the concession.
They consist of light buildings, systems and machinery, industrial and commercial equipment and other assets. They are shown under balance sheet assets among “Tangible/technical fixed assets”.
- “Revertible assets”: are assets purchased by the company using its own financial means and, based on the concession agreement in force, subject to free reconveyance to the Grantor, in conditions of normal use and regular functioning, upon termination of the concession.
Revertible assets include all works and fixed systems carried out on the airport State-owned soil. They consist of industrial building and fixed systems, and are shown under assets among “Tangible/technical fixed assets”.
- “Assets received in concession”: are assets owned by the

5.6 EXPLANATORY NOTES

State and received in concession for use. They essentially consist of previously existing infrastructures on airport soil at the moment of creation of the company in 1974.

As they are not property of the company, their relative value is only indicated in the notes (see the note 12 regarding “Tangible/technical fixed assets”).

- “Assets created on behalf of the State”: are works created by the company, under the construction concession, on behalf of and using funds of the State, for which the company generally does not receive profits or losses deriving from their creation.

As they are not property of the company, the value of the part created by the company and reported to ENAC is indicated only in the notes (see note 12 regarding “Tangible/technical fixed assets”).

The part under construction and not yet disclosed at year end, is included in Assets among “Contract work in progress”. For implementation of said works the company receives from the Grantor an advance, by way of funds provided for the management of the works, which is recorded under payables, at the item “Advances”. Thereafter the costs incurred by the Company for works, supplies and price revision are reported and invoiced to the Grantor on the basis of the state of progress of works, reducing the advances received throughout the period of time required to complete the works.

Only for general construction expenses (for design, inspectors’ fees, inspection fees, management of works, etc.) shall the Grantor pay the company a lump sum reimbursement, equal to 9% of the loan, corresponding, as a whole, to the total estimated costs that the company shall incur for that item.

In addition, the category Assets, among “Tangible/technical fixed assets”, includes fixed assets for modernisation or renovation carried out using autonomous financial means, on “Assets received in concession” and on “Assets created on behalf of the State”.

VALUATION OF THE CONCESSION

As stated in the paragraph regarding the concession relationship, ADR’s corporate purpose is the construction and management of airports. The concession is the legal instrument that enables ADR to carry out this activity, settling fees and obligations both during and at the end of the concession. As a result, the valuation of the concession effectively corresponds to the valuation of the company, and vice versa.

The airport management concession is recorded in the consolidated financial statements for a value of 2,996 million euro, originating as follows:

5.6 EXPLANATORY NOTES

(in millions of euro)

Value entered at the time of the first consolidation of Leonardo S.p.A.		
1)	(now ADR), related to the difference in value between the price paid by Leonardo S.p.A. and ADR's shareholders' equity:	
	a) net value as at December 31, 2006 for the 51.08% share of ADR owned by Gemina	1,151
	b) net value as at July 1, 2007 for the 44.68% share of ADR purchased by Macquarie (change in consolidation area)	891
	Subtotal	2,042
2) Value measured as at July 1, 2007:		
	a) difference between ADR's shareholders' equity and the price paid to Macquarie	930
	b) deferred taxes on the value of 930	257
		1,187
3) Depreciation regarding 2007-2008		
		(146)
4) Value of concession as at December 31, 2009 (1+2+3)		
		3,083
5) Depreciation regarding 2009		
		(87)
6) Value of concession as at December 31, 2009 (4+5)		
		2,996

The value of the concession is amortised on a straight-line basis in each year along the duration of the concession, i.e. until June 30, 2044.

The fairness of the value has been ascertained by estimating the expected income and cash flows over the period of time of the concession, i.e., until June 2044.

The two chief areas of ADR's activity, "aviation" and "non aviation", are considered a single Cash Generating Unit (CGU). ADR manages all of the airport and commercial activities pursuant to Agreement no. 2820.

For the purpose of determining cash flows, for the period 2010 – 2019 the forecasts contained in the 2010 – 2019 Plan approved by ADR's Board of Directors on January 28, 2010 were used. This Plan was submitted to the approval of the Financial Institutions for the verification of its economic-financial sustainability, with regard to the restraints put in place by the loan agreements.

The Plan was drawn up based on the following assumptions:

- investments in infrastructure for 1,575 million euro, primarily aimed at upgrading and completing the Fiumicino Sud terminal; no investments in the Fiumicino Nord terminal or the new Viterbo airport;
- passenger traffic increasing according to sector experts, to reach 54 million users in 2019, in line with the capacity of the infrastructures;

5.6 EXPLANATORY NOTES

- tariff framework in line with the current CIPE regulations, without, therefore, applying the derogations that Law 102/2009 (“Anti-Crisis Decree”) grants ENAC for airports with traffic exceeding 10 million passengers per year.

For the years following 2019, the following assumptions have been formulated:

- investments for improvement and maintenance of existing infrastructure;
- growth in passenger traffic limited to 0.8% per year, in line with the improvement in efficiency of the existing infrastructures;
- annual of 2.0% applied to revenues not deriving from tariffs, and to operating costs;
- unchanged tariff framework, thus with unit values significantly decreasing due to the lack of new infrastructures.

Cash flows for the entire period 2010 – 2044 were thus discounted using ADR’s post-tax cost of capital, equal to 6.5%.

The analyses confirmed the amount of the concession’s value. Nonetheless, it is important to note that according to the most reliable forecasts, traffic in the Rome airport system will reach 90 – 100 million passengers at the termination of the concession. This is the basis for the plan for upgrading the Fiumicino airport, already launched by ADR with the plan for expanding to the north of the current terminal, and for which the tender for the master plan has already been called.

The significant investments needed for the initiative require the stipulation of a planning agreement which ensures a return on the resources invested, by way of its duration and mechanism for determining tariffs.

The current status of both the valuation of investments and the possible form of the planning agreement do not permit the use of the same for the impairment test of the value of the concession.

On March 9, 2010 ADR requested that ENAC issue a formal notice for the purpose of launching the process for signing the planning agreement in derogation pursuant to Article 17, subsection 34 *bis* of Law Decree no. 78 of July 1, 2009, converted, with amendments, into Law no. 102/2009.

CONSOLIDATION AREA

Due to the spin-off of SdE, from July 1, 2009 the

5.6 EXPLANATORY NOTES

consolidation area includes Fiumicino Energia S.r.l. and Leonardo Energia S.c. a r.l.

These companies, together with Gemina and ADR, have been consolidated on a line-by-line basis

SITTI has been valued at net equity, while Pentar has been valued at cost.

As regards items evaluated, the following tables generally show the amounts of the same, their breakdown, the amount pertaining to the previous year and/or any change with respect to the latter.

Figures shown are in thousands of euro.

NOTES TO THE INCOME STATEMENT

NOTE 1 REVENUES

	2009	2008	Change	% Change
AIRPORT INFRASTRUCTURES	570,213	581,724	(11,511)	(2.0)
AIRPORT FEES	163,182	165,313	(2,131)	(1.3)
CENTRALISED INFRASTRUCTURES	35,522	36,450	(928)	(2.5)
SECURITY	62,918	63,081	(163)	(0.3)
OTHERS	29,851	24,575	5,276	+21.5
AVIATION ACTIVITIES	291,473	289,419	2,054	+0.7
REVENUES FROM SALES	80,154	87,040	(6,886)	(7.8)
FACILITY SUB-CONCESSIONS	103,221	102,600	621	+0.6
CAR PARKS	27,493	30,009	(2,516)	(8.6)
ADVERTISING	22,787	26,048	(3,261)	(12.3)
REFRESHMENTS	6,746	8,572	(1,826)	(22.1)
OTHER	30,069	23,512	6,557	+28.1
NON-AVIATION ACTIVITIES	270,470	277,781	(7,311)	(2.6)
OTHERS	8,270	14,524	(6,254)	(43.4)
HOLDING AND OTHER ACTIVITIES	695	433	262	+60.5
TOTAL	570,908	582,157	(11,249)	(1.9)

Revenues almost entirely relate to airport activities, and have decreased compared to the previous year.

5.6 EXPLANATORY NOTES

The change compared to the previous year reflects the reduction in traffic and is analysed in detail in paragraph 3.2.2 “Performance” of the Report on Operations.

NOTE 2 CONSUMPTION OF RAW MATERIALS AND CONSUMABLES

	2009	2008
COMBUSTIBLES	16,767	26,727
FUEL AND LUBRICANTS	2,566	3,469
ELECTRICITY	2,604	-
SPARE PARTS (PRODUCTION PURCHASES)	5,005	4,709
DIRECT SALES MATERIALS	35,881	39,302
CONSUMABLES	4,221	7,208
CHANGES IN RAW MATERIAL	1,091	(140)
TOTAL	68,135	81,275

The decrease in costs for raw materials and consumables is the result of the decreased activities and several cost containment measures implemented.

NOTE 3 STAFF COSTS

	2009	2008
SALARIES AND WAGES	89,799	88,655
SOCIAL SECURITY CHARGES	26,026	23,786
POST-EMPLOYMENT BENEFITS	5,660	5,596
RESTRUCTURING COSTS	20,348	-
PREVIOUS YEARS COST OF LABOUR ADJUSTMENTS	(332)	216
OTHER COSTS	1,232	1,297
TOTAL	142,733	119,550

The increase in staff costs is almost fully attributable to the ADR Group, due to the charges allocated for the restructuring plan.

NOTE 4 OTHER OPERATING COSTS

	2009	2008
SERVICE CHARGES	108,032	119,552
COSTS FOR USE OF THIRD PARTY ASSETS	13,818	13,536
ALLOCATION TO PROVISION FOR RISKS	6,949	1,523
OTHER PROVISIONS	501	405
WRITE-DOWNS OF RECEIVABLES	5,935	2,580
CONCESSION FEES	-	15
OTHER OPERATING EXPENSES	19,563	50,663
TOTAL	154,798	188,274

As regards operating costs, significant contractions in costs

5.6 EXPLANATORY NOTES

were achieved in consulting, marketing expenses and utilities. This item shows a decrease of 33.5 million euro compared to the previous year.

In 2008 “Other operating expenses” included the losses on receivables of the ADR Group due from Alitalia Group companies for 42.4 million euro. In 2009, this item included the estimated charges relating to litigation with the Customs Agency for 12.1 million euro, described in Note 29 “Provisions for risks and charges”.

AMORTIZATION, DEPRECIATION AND WRITE-DOWNS OF FIXED
NOTE 5 ASSETS

	2009	2008
AMORTISATION OF INTANGIBLE FIXED ASSETS	90,470	90,336
DEPRECIATION OF TANGIBLE FIXED ASSETS	51,695	48,307
TOTAL	142,165	138,643

The difference with respect to the previous year is mainly attributable to:

- increase in amortisation of the ADR Group for 2.7 million euro.
- depreciation of the co-generation power plant at Fiumicino airport for 0.8 million euro.

Total amortisation of the airport management concession amounted to 86.8 million euro and it is broken down as follows, both for 2008 and 2009:

AMORTISATION OF CONCESSION RECORDED IN ADR'S FINANCIAL STATEMENTS	49,284
AMORTISATION OF CONCESSION RECORDED IN GEMINA CONSOLIDATED FINANCIAL STATEMENTS FROM CONSOLIDATION OF 51.08% OF ADR	5,472
AMORTISATION OF CONCESSION RECORDED IN GEMINA CONSOLIDATED FINANCIAL STATEMENTS FROM CONSOLIDATION OF 44.68% OF ADR	32,051
TOTAL	86,807

NOTE 6 FINANCIAL INCOME

	2009	2008
INTEREST INCOME	2,220	8,754
INTEREST ON BANK DEPOSITS AND LOANS	2,220	8,754
INCOME ON DERIVATIVES	34,070	23,917
SWAP DIFFERENTIALS	14,200	8,388
VALUATION OF DERIVATIVES	16,390	15,529

5.6 EXPLANATORY NOTES

VALUATION OF DEBT INSTRUMENTS UNDERLYING DERIVATIVES	3,480	-
EXCHANGE GAINS	49	67,510
OTHER INCOME	1,864	635
DEFAULT INTEREST ON CURRENT RECEIVABLES	33	137
INTEREST FROM CUSTOMERS	1	65
INCOME FROM RECEIVABLES HELD AS FIXED ASSETS	3	4
OTHER INCOME	1,827	429
TOTAL	38,203	100,816

The difference with respect to the previous year is mainly attributable to:

- decrease in interest income due to the reduction in interest rates near the end of the previous year;
- increase in income on derivatives of the ADR Group due to the greater positive swap differentials paid to ADR and Romulus by the counterparts with which the companies subscribed variable rate hedging contracts;
- decrease in exchange gains of the ADR Group as a result of the conversion into Euro of Tranche A4 issued in Pounds Sterling.

NOTE 7 FINANCIAL EXPENSES

	2009	2008
INTEREST EXPENSE	72,596	92,757
INTEREST ON OUTSTANDING BONDS	60,835	72,857
INTEREST ON BANK LOANS	11,410	19,900
INTEREST ON FINANCIAL PAYABLES	351	-
EXPENSES ON DERIVATIVES	26,086	103,197
SWAP DIFFERENTIALS	15,457	9,439
VALUATION OF DERIVATIVES	10,629	78,929
VALUATION OF DEBT INSTRUMENTS UNDERLYING DERIVATIVES	-	14,829
EXCHANGE LOSSES	16,399	7
OTHER EXPENSES	4,401	5,859
COMMISSION EXPENSE	327	465
DUE TO EMPLOYEES FOR SEVERANCE INDEMNITIES	722	1,016
EFFECTS OF APPLICATION OF THE AMORTISED COST METHOD	2,966	3,835
OTHER EXPENSES	386	543
TOTAL	119,482	201,820

The difference with respect to the previous year is mainly attributable to:

- decrease in interest expense due to the reduction in interest rates and to the lower exposure of the ADR

5.6 EXPLANATORY NOTES

Group as a result of partial repayments of 99.2 million euro in March 2008, refinanced for 80 million euro at the end of the first half 2008;

- lower expenses on derivatives due to the positive impact of the reduction in rates on variable rate interest rate swaps;
- greater exchange losses following the conversion into Euro of Tranche A4, denominated in Pounds Sterling, which were offset in the item "Income on derivatives – valuation of derivatives".

NOTE 8 INCOME (CHARGES) ON EQUITY INVESTMENTS

	2009	2008
MEASUREMENT OF SDe BY THE NET EQUITY METHOD	-	(934)
MEASUREMENT OF SITI	(34)	642
CAPITAL LOSS ON 3 ITALIA	-	(3)
WRITE-DOWN OF LA PIAZZA DI SPAGNA	(44)	(1)
WRITE-DOWN OF PENTAR	(1,100)	(291)
OTHER CHARGES ON EQUITY INVESTMENTS	(664)	-
TOTAL	(1,842)	(587)

The book value of the equity investment in SITI is aligned with the likely salvage value.

The book value of the equity investment in Pentar was prudently aligned to the quota of the Company's shareholders' equity, as is seen in the best information available.

NOTE 9 INCOME TAXES

	2009	2008
CURRENT INCOME TAXES	31,580	25,973
IRES	375	338
CHARGES FROM CONSOLIDATED TAXATION	17,442	8,694
IRAP	13,763	13,556
SUBSTITUTE TAX	-	3,385
INCOME TAXES FOR PREVIOUS YEARS	1,230	(523)
NET (PREPAID) DEFERRED INCOME TAX	(12,885)	(19,450)
TOTAL	19,925	6,000

Lacking certainty regarding the availability of tax funds, the

5.6 EXPLANATORY NOTES

extraordinary income of 1.6 million euro linked to the IRES reimbursement deriving from the 10% deduction of IRAP for the years 2004-2007 was not allocated.

The application for refund was submitted on February 1, 2010 by the consolidating company ADR for 2004-2006 and on February 24, 2010 by the consolidating company Gemina for 2007.

It is noted that a Group tax consolidation agreement is in force between Gemina, ADR, ADR Tel, ADR Engineering S.p.A., and ADR Sviluppo S.r.l. for the 2007-2009 period.

According to the above agreement, the Parent Company recorded IRES receivables as the company incurred tax losses during the year.

For details on calculation of prepaid taxes, see note 16.

The following table shows the reconciliation of IRES theoretical tax with the actual tax (also including charges from consolidated taxation):

	2009		2008	
PRE-TAX INCOME		(20,044)		(13,178)
TAX CALCULATED ON THE THEORETICAL IRES				
TAX RATE	(5,512)	27.5%	(3,624)	27.5%
EFFECT OF CHANGES INCREASES (DECREASES) COMPARED TO THE ORDINARY TAX RATE				
PERMANENT DIFFERENCES:				
REVENUES NOT SUBJECT TO TAXATION	-	-	(14)	0.1%
DIVIDENDS	(63)	0.3%	(80)	0.6%
UNDEDUCTIBLE COSTS	9,348	(46.6%)	6,282	(47.7%)
CAPITAL GAINS FROM DISPOSALS	-	-	(8,079)	61.3%
OTHER PERMANENT DIFFERENCES	(586)	2.9%	2,604	(19.8%)
TEMPORARY DIFFERENCES:				
INCREASE	12,171	(60.7%)	9,185	(69.7%)
DECREASE	(6,569)	32.8%	(4,155)	31.5%
TAX CONSOLIDATION ADJUSTMENTS	9,331	(46.6%)	6,913	(52.5%)
USE OF GROUP LOSSES OF PREVIOUS YEARS	-	-	-	-
TOTAL ACTUAL CURRENT IRES	17,817	n/a	9,032	n/a

NOTE 10 NET INCOME FROM DISCONTINUED OPERATIONS

In 2008 this item included the net capital gain resulting from the transfer of the subsidiary **Elilario** to the Spanish

5.6 EXPLANATORY NOTES

company Idomeneo S.L. (INAER Group), occurred in February 2008 at a price of 60.8 million euro.

NOTE 11 INTANGIBLE FIXED ASSETS

	12/31/2008	Increases	Decreases	12/31/2009
AIRPORT MANAGEMENT CONCESSION	3,083,181	-	(86,807)	2,996,374
GOODWILL	-	6,906	-	6,906
OTHER INTANGIBLE FIXED ASSETS	6,724	1,466	(3,023)	5,167
TOTAL	3,089,905	8,372	(89,830)	3,008,447

Airport management concession

The change in value with respect to December 31, 2008 can be attributed to the amortisation over the year described in note 5 of these Explanatory Notes.

*Goodwill*Valuation of the goodwill of the co-generation power plant.

In accordance with agreements made with Edison S.p.A., on July 1, 2009 Gemina exchanged 45.55% of SdE to Edison, for 40.57% of Fiumicino Energia, without any cash adjustments between the parties.

This was backed up by a valuation of the agreement between the parties, performed at the time – in September 2008 – which assigned substantially equal values to the two equity investments.

Gemina thus attributed to the incoming equity investment in Fiumicino Energia the same cost as the outgoing equity investment in Sistemi di Energia, equal to 7.4 million euro. At the date of the spin-off, June 30, 2009, the shareholders' equity of Fiumicino Energia was 0.4 million euro.

Therefore, an estimation was made of the fair value of the equity investment in Fiumicino Energia, equal to 86.12% of the share capital, based on the following assumptions:

- Fiumicino Energia built a plant for the production of electric and thermal power according to the process of co-generation.
- The co-generation power plant was built on Fiumicino airport soil received through sub-concession from ADR.
- The agreements with ADR envisage that the power plant will be transferred free of charge to Aeroporti di Roma in June 2023.
- Fiumicino Energia has let the co-generation power plant to consortium company Leonardo Energia, 90% held by Fiumicino Energia and 10% held by ADR.
- The annual lease rental is variable, and equal to the difference between revenues and operating costs of the power plant.

5.6 EXPLANATORY NOTES

- The energy produced is destined to meet the requirements of ADR. The selling price is indexed to the trend in prices of a basket of fuel oils.
- The cash flows were discounted at the net tax rate of 4% gathered from the company's financial structure, composed of about 3% of shareholders' equity and of about 97% of financial indebtedness in the form of leasing for the main part, mortgages for the construction part, and short-term loans for the remaining part.

The value obtained from the discounting of cash flows is 9.2 million euro, which corresponds to 7.9 million euro for Gemina's share, equal to 86.12%.

The difference between the purchase cost of the equity investment and the pro-rata Shareholders' Equity, equal to 6.9 million euro, was provisionally recorded as goodwill.

Fiunicino Energia balance sheet summary

	12/31/2009	07/01/2009	Change
FIXED ASSETS	22.7	22.0	0.7
NET WORKING CAPITAL RISK, CHARGES AND EMPLOYEE SEVERANCE INDEMNITIES	-	(2.5)	2.5
NET CAPITAL INVESTED	22.7	19.5	3.2
<i>financed by:</i>			
SHAREHOLDERS' EQUITY	0.9	0.4	0.5
NET FINANCIAL INDEBTEDNESS	21.8	19.1	2.7

Other intangible fixed assets

	12/31/2008			Changes		12/31/2009		
	Cost	Accr. Amort.	Book value	Increase (decr.)	Amort. rate	Cost	Accr. Amort.	Book value
INDUSTRIAL PATENTS AND INTELLECTUAL PROPERTY RIGHTS	7,446	(5,034)	2,412	367	(1,138)	7,813	(6,172)	1,641
CONCESSIONS, LICENCES, TRADEMARKS AND SIMILAR RIGHTS	20,720	(16,424)	4,296	1,736	(2,511)	22,456	(18,935)	3,521
OTHER	57	(41)	16	2	(13)	59	(54)	5
TOTAL	28,223	(21,499)	6,724	2,105	(3,662)	30,328	(25,161)	5,167

5.6 EXPLANATORY NOTES

NOTE 12 TANGIBLE/TECHNICAL FIXED ASSETS

	12/31/2008			Changes				12/31/2009		
	Cost	Accr. Depr.	Book Value	Increase (Decrease)	Reclass./Change in consolidation area			Cost	Accr. Depr.	Book Value
					Cost	Accr. Depr.	Depr. rate			
LAND AND BUILDINGS	194,234	(101,393)	92,841	1,582	241	3	(7,029)	196,057	(108,419)	87,638
PLANT AND MACHINERY	140,472	(86,462)	54,010	30,138	1,321	49	(11,132)	171,931	(97,545)	74,386
FIXTURES AND FITTINGS, TOOLS AND OTHER EQUIPMENT	8,430	(7,160)	1,270	382	-	-	(483)	8,812	(7,643)	1,169
CONSTRUCTION IN PROGRESS AND ADVANCES	35,829	-	35,829	27,644	(10,293)	-	-	53,180	-	53,180
OTHER ASSETS	565,397	(366,374)	199,023	26,358	7,032	353	(33,589)	598,787	(399,880)	198,907
TOTAL	944,362	(561,389)	382,973	86,104	(1,699)	405	(52,503)	1,028,767	(613,487)	415,280

5.6 EXPLANATORY NOTES

Items “Land and buildings” and “Plant and machinery” include assets held by the ADR Group which must be relinquished to the Grantor. The value of these assets is shown in the table below:

	12/31/2008			Changes			12/31/2009			
	Cost	Accr. Depr.	Book value	Increase (Decrease)	Reclass./Change in consolid. area		Depr. rate	Cost	Accr. Depr.	Book value
					Cost	Accr. Depr.				
LAND AND BUILDINGS	172,722	(82,894)	89,828	1,334	226	-	(6,547)	174,282	(89,441)	84,841
PLANT AND MACHINERY	20,564	(13,052)	7,512	1,142	328	23	(1,045)	22,034	(14,074)	7,960
TOTAL	193,286	(95,946)	97,340	2,476	554	23	(7,592)	196,316	(103,515)	92,801

The increase in the item “Plant and Machinery” includes the value, equal to 22.7 million euro, of the co-generation power plant at Fiumicino airport as a result of the inclusion of Fiumicino Energia in the consolidation area.

The capitalisations for the year in the item “Plant and Machinery” include:

- air conditioning and purification systems for 759 thousand euro;
- baggage screening equipment and security equipment, amounting to 528 thousand euro;
- security systems totalling 963 thousand euro;
- electrical systems for 1,112 thousand euro;
- vehicles used to transport passengers with reduced mobility for 476 thousand euro.

The increase of “Fixed assets in progress and advances” is mostly made up of:

- 8,653 thousand euro relating to investments in Group property and, in particular, 5,353 thousand euro regarding the new Pier C and 360 thousand euro for the purchase of new printers and readers for boarding cards;
- 18,991 thousand euro are made up by improvement interventions on third party assets that are under way, amongst which:
 - renovation of Quadrante 300 aircraft aprons for 2,947 thousand euro;
 - former Alitalia Cargo civil engineering works for 3,088 thousand euro;
 - runway and aircraft apron sign adjustment works amounting to 546 thousand euro;
 - works on the external road network for 1,074 thousand euro;

5.6 EXPLANATORY NOTES

Among the most important improvements on third party assets completed during the year, included in the item “Other assets”, we note:

- Runway 2 and taxiway maintenance for 807 thousand euro;
- new passenger sign system in the terminals totalling 1,532 thousand euro;
- Ciampino runway maintenance amounting to 685 thousand euro;
- upgrading of technological plans and U.T.A. revision at Fiumicino and Ciampino for 951 thousand euro.

The guarantees supplied by the ADR Group to some financiers regarding fixed assets are described under Note 32 of these Explanatory Notes.

The following table sets forth the value of the systems and infrastructure received in concession in the Fiumicino and Ciampino airports, and the value of the works financed, realised and reported to the National Civil Aviation Board.

	12/31/2009	12/31/2008
FIUMICINO ASSETS RECEIVED IN CONCESSION	119,812	119,812
CIAMPINO ASSETS RECEIVED IN CONCESSION	29,293	29,293
ASSETS CREATED ON BEHALF OF THE STATE	672,999	668,060
TOTAL	822,104	817,165

As these are assets received in concession, and not owned, the related value is not recorded under “Assets” in the Balance Sheet.

EQUITY INVESTMENTS IN ASSOCIATED COMPANIES VALUED AT
NOTE 13 NET EQUITY

	12/31/2009	12/31/2008	Change
SdE	-	5,495	(5,495)
SITTI	5,000	5,274	(274)
PENTAR	3,609	4,709	(1,100)
LA PIAZZA DI SPAGNA	40	40	-
TOTAL	8,649	15,518	(6,869)

In accordance with the agreements made, Gemina exchanged its shares in SdE with Edison, without adjustments, for the shares held by Edison in Fiumicino Energia, by deed of exchange on July 1, 2009.

5.6 EXPLANATORY NOTES

The book value of the shareholding in SITTI is aligned with the likely salvage value.

The book value of the equity investment in Pentar was prudently aligned to the quota of the Company's shareholders' equity, as is seen in the best information available.

NOTE 14 INVESTED RECEIVABLES

This item, equal to 4,591 thousand euro, includes the receivable from the INAER Group, due by 2017, following the transfer of the equity investment in Elilario occurred in February 2008.

This is an interest-bearing loan. A 7.5% share is capitalised and will be recognised at the expiry date of the receivable (591 thousand euro in 2009).

A share equal to Euribor rate plus 2% was collected periodically.

NOTE 15 OTHER EQUITY INVESTMENTS

	12/31/2009	12/31/2008	Change
NON-CONSOLIDATED SUBSIDIARIES:	10	10	-
DOMINO S.R.L.	10	10	-
NON-CONSOLIDATED ASSOCIATED COMPANIES	10	-	10
CONSORZIO E.T.L.	10	-	10
OTHER COMPANIES:	2,736	2,747	(11)
KIWI 1 VENTURA SERVICOS S.A.	28	28	-
AEROPORTO DI GENOVA S.P.A.	1,395	1,395	-
S.A. CAL. S.P.A.	1,307	1,307	-
ALINSURANCE S.R.L.	6	6	-
CONSORZIO E.T.L.	-	10	(10)
LEONARDO ENERGIA S.C.A R.L.	-	1	(1)
TOTAL	2,756	2,757	(1)

NOTE 16 DEFERRED TAX ASSETS

The item amounted to 51,324 thousand euro, compared to 42,469 thousand euro as at December 31, 2008.

A breakdown of the item and movements recorded over the year is reported in the table below:

12/31/2008		Increase		Decrease		12/31/2009	
Taxable income	Tax	Taxable income	Tax	Taxable income	Tax	Taxable income	Tax
(A)		(B)		(C)		(A+B-C)	

5.6 EXPLANATORY NOTES

PREPAID TAXES	152,036	43,626	57,048	16,131	24,417	6,883	184,667	52,874
PROVISIONS FOR RISKS AND CHARGES	20,395	6,310	15,240	4,450	2,778	811	32,857	9,949
PROVISION FOR OBSOLETE GOODS	446	146	314	101	287	93	473	154
BAD DEBT PROVISION	28,700	7,895	3,924	1,079	879	242	31,745	8,732
PERSONNEL-RELATED ALLOCATIONS	2,579	710	10,640	2,926	2,376	653	10,843	2,983
PREPAID AMORT./DEPRECIATION	1,141	371	-	-	145	47	996	324
NET FINANCIAL INCOME/EXPENSE	13,180	3,625	1,114	306	11,454	3,150	2,840	781
CONSOLIDATION ADJUSTMENTS	16,306	5,269	2,854	923	1,600	517	17,560	5,675
OTHER	15,852	4,617	2,526	726	4,898	1,370	13,480	3,973
DERIVATIVES	53,347	14,683	20,436	5,620	-	-	73,873	20,303
DEFERRED TAXES	(4,192)	(1,157)	(1,522)	(419)	(88)	(26)	(5,626)	(1,550)
DIVIDENDS	(55)	(15)	-	-	(55)	(15)	-	-
CAPITAL GAINS	(71)	(24)	-	-	(33)	(11)	(38)	(13)
OTHER	(4,066)	(1,118)	(1,522)	(419)	-	-	(5,588)	(1,537)
TOTAL	147,844	42,469	55,526	15,712	24,329	6,857	179,041	51,324

The increase, compared to December 31, 2008, is attributable to the increase in prepaid taxes following, primarily, the allocations to provisions for risks and charges and, specifically, to provisions for restructuring, in addition to those relating to derivatives.

NOTE 17 OTHER NON-CURRENT ASSETS

This item amounts to 9,486 thousand euro, compared to 547 thousand euro as at December 31, 2008. It includes the amount of 8.9 million euro for the instalments paid, in line with the instalment plan agreed by the Tax Collection Agency, as collection of the amounts provisionally assessed as owed within the litigation with the Customs Agency, described in Note 43. These payments are effectively a financial advance, given the provisional assessment of the amounts as owed in the presence of the appeal presented by ADR against the tax deed.

NOTE 18 OTHER NON-CURRENT FINANCIAL ASSETS

They amount to 1,400 thousand euro (unchanged compared to December 31, 2008) and are solely composed of the share of the bond issue of SITTI, subscribed by Gemina.

NOTE 19 INVENTORIES

12/31/2009	12/31/2008	Change
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5.6 EXPLANATORY NOTES

RAW, ANCILLARY AND CONSUMABLE MATERIALS	2,919	2,913	6
FINISHED PRODUCTS AND GOODS FOR RESALE	7,245	8,342	(1,097)
TOTAL	10,164	11,255	(1,091)

The guarantees supplied by the ADR Group to some financiers regarding inventories are described in Note 32 of these Explanatory Notes.

NOTE 20 CONTRACT WORK IN PROGRESS

	12/31/2009	12/31/2008	Change
WORK IN PROGRESS	11,299	10,667	632
RECEIVABLES FOR ACCOUNTS INVOICED	6,929	2,346	4,583
<i>less</i>			
ADVANCES FROM CUSTOMERS	(618)	(540)	(78)
TOTAL	17,610	12,473	5,137

NOTE 21 TRADE RECEIVABLES

	12/31/2009	12/31/2008	Change
DUE FROM CUSTOMERS	238,777	198,121	40,656
DUE FROM OTHERS	763	533	230
	239,540	198,654	40,886
BAD DEBT PROVISION	(34,164)	(30,058)	(4,106)
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(8,078)	(8,094)	16
	(42,242)	(38,152)	(4,090)
TOTAL	197,298	160,502	36,796

Trade receivables, net of allowances for doubtful accounts, mainly refer to receivables due from customers and amounts due from Public Agencies for work funded by the same and for the supply of utilities and services.

The increase in receivables compared to December 31, 2008 derives from the failure to liquidate the receivables of the ADR Group due from companies of the Alitalia Group under extraordinary administration, amounting to 27.0 million euro as at December 31, 2009, from the extension of the time required for payment by customers, as well as from the increased receivables for council surcharges resulting from the two euro increase in the surcharge in force from November 2008.

The guarantees supplied by the ADR Group to some financiers regarding receivables are described in Note 32 of

5.6 EXPLANATORY NOTES

these Explanatory Notes.

NOTE 22 OTHER RECEIVABLES

	12/31/2009	12/31/2008	Change
DUE FROM ASSOCIATED COMPANIES	530	530	-
TAX RECEIVABLES	2,164	6,644	(4,480)
DUE FROM OTHERS	4,232	4,477	(245)
TOTAL	6,926	11,651	(4,725)

NOTE 23 FINANCIAL INSTRUMENTS - DERIVATIVES

	12/31/2009	12/31/2008	Change
INTEREST RATE HEDGING DERIVATIVES	-	2,936	(2,936)
ACCRUED INTEREST	534	500	34
TOTAL	534	3,436	(2,902)

Details of all derivative contracts of the Group are described in Note 36, in the section regarding derivative liabilities.

NOTE 24 OTHER CURRENT FINANCIAL ASSETS

This item as at December 31, 2009 was equal to 55,497 thousand euro, compared to 49,581 thousand euro as at December 31, 2008.

The figure includes the balance, equal to 51 million euro, of the fixed-term deposit held by the “Security Agent” of the ADR loans, called the “Debt Services Reserve Account”.

In this account, ADR deposited an amount as security on the servicing of debt due over the period, according to the methods established by the loan agreement.

NOTE 25 CASH AND CASH EQUIVALENTS

	12/31/2009	12/31/2008	Change
BANK AND POST OFFICE DEPOSITS	148,695	143,312	5,383
CASH ON HAND	577	886	(309)
TOTAL	149,272	144,198	5,074

It is worth noting that bank deposits include the balance (11.1 million euro) of the “Recoveries Account”, required

5.6 EXPLANATORY NOTES

under the terms and conditions of ADR loan agreements, in which cash raised through extraordinary transactions is deposited, net of related costs.

As at December 31, 2009, the amount of 46.2 million euro, coming from the “free” cash (i.e. that can be also destined, under ordinary conditions, to the payment of dividends generated in previous years) was on a current account of ADR, which had not been pledged.

The guarantees supplied by the ADR Group to some financiers regarding cash equivalents are described in Note 32 of these Explanatory Notes.

NOTE 26 ASSETS HELD FOR SALE

There are no entries in this item.

NOTE 27 SHAREHOLDERS' EQUITY

Group shareholders' net equity for the period as at December 31, 2009 amounts to 1,685,873 thousand euro, while shareholders' equity pertaining to minority shareholders amounts to 36,556 thousand euro.

Changes occurred over the period are highlighted in the special statement at section 5.4.

The fully paid-in share capital is made up of 1,469,197,552 ordinary shares and 3,762,768 savings shares of the par value of 1 euro.

The reconciliation statement of Gemina shareholders' equity and the net profit (loss) for the year with consolidated shareholders' equity and profit (loss) can be found in section 5.5 of these Explanatory Notes.

NOTE 28 EMPLOYEE BENEFITS

VALUE AS AT 12/31/2008	33,494
CURRENT SERVICE COST	5,799
FINANCIAL EXPENSES ON OBLIGATIONS ASSUMED	722
OTHER CHANGES	39
USE	(15,401)
VALUE AS AT 12/31/2009	24,653

Current service cost and net actuarial losses are recorded in the income statement in staff costs as post-employment benefits.

The actuarial profit (loss) not recorded at year-end is insignificant.

The decrease in employee severance indemnities mainly is attributable to the payment of indemnities due to the exit of resources and mobility, in addition to the allocation of shares

5.6 EXPLANATORY NOTES

of employee severance indemnity accrued during the year to complementary compensation funds and the INPS Treasury Fund.

Financial expense on obligations assumed is entered in the income statement among “Financial expenses - other expenses”.

NOTE 29 PROVISIONS FOR RISKS AND CHARGES

	12/31/2008	Change			12/31/2009
		Other changes	Allocations	Use	
	281,127	-	29,923	(9,883)	301,167
OF WHICH:					
- AFTER 12 MONTHS	272,183	-	18,543	(9,883)	280,843
- WITHIN 12 MONTHS	8,944	-	11,380	-	20,324

Provisions for risks and charges as at December 31, 2009 amounted to 301,167 thousand euro, compared to 281,127 thousand euro as at December 31, 2008.

The item includes:

- deferred tax on the difference between price paid to Macquarie in July 2007 and ADR's shareholders' equity allocated to airport management concession; said value, equal to 245.4 million euro as at December 31, 2008, remains at 238.5 million euro as at December 31, 2009;
- 26.9 million euro in provisions for outstanding litigation, relating to probable liabilities connected with court cases in which the ADR Group is involved;
- estimated charges of 12.1 million euro relating to ongoing litigation with the Customs Agency, with notice of assessment for a total of 25 million euro. In this regard it is noted that the collection procedure is underway for the entire amount assessed as owed, which ADR is paying in 36 instalments, following the petition presented to the Tax Collection Agency after having paid a down payment of 4 million euro. The instalments already paid have been recorded under tax receivables, for a total of 8.9 million euro. As at December 31, 2009 28 instalments remain to be paid, for a total of 17.2 million euro, including interest. The outcome of the appeal presented by ADR to the Regional Tax Commission of Rome is expected shortly. In ADR's opinion, the appeal will be accepted in favour of

5.6 EXPLANATORY NOTES

ADR, fully or at least in part. On this assumption, the representation of the liability in the financial statements respects the prudential valuation performed of the risk of negative outcomes. In this regard it is noted that the Half-Year Report as at June 30, 2009 represented the amounts assessed as owed among payables for the unpaid portion, and recorded among receivables the entire amount of the tax assessed;

- The provision for risks allocated for guarantees granted by the purchaser of the equity investment in Elilario and other provisions for the Group's current obligations, totalling 6 million euro, payment of which will probably fall due in the years to come;
- the restructuring provisions allocated during the year for the restructuring plan launched by ADR, which envisages the use of mobility and the extraordinary earnings supplement fund for 8.6 million euro;
- provision for internal insurance, equal to 1.4 million euro.

NOTE 30 FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE

The Group's financial indebtedness is broken down as follows:

FINANCER	NAME DESCRIPTION	GEMINA GROUP COMPANY	AMOUNT OF LOAN GRANTED	AMOUNT USED	BOOK VALUE	INTEREST RATE	REDEMPTION	DURATION	EXPIRATION
POOL OF BANKS	Term Loan Facility	ADR	170,000	170,000	169,795	(*)	at maturity	6 years	Feb. 2012
	Revolving Facility	ADR	100,000	-	-	(*)	revolving	6 years	Feb. 2012
BEI	EIB Loan	ADR	80,000	80,000	79,637	(*)	at maturity	10 years	Feb. 2018
BANCA BIIS (EX-BANCA OPI)	BOPI Facility	ADR	43,350	43,350	43,037	(*)	6-monthly instalments from 2010 to 2015	12 years	Mar. 2015
MEDIOBANCA	Tranche A	Parent Company	50,000	47,500 (**)	46,964	(*)	at maturity	3 years	Dec. 2011
UNICREDIT MedioCredito CENTRALE	Tranche B	Parent Company	15,000	-(***)	-	(*)	at maturity	3 years	Dec. 2011
IN POOL	Tranche C	Parent Company	5,000	-	-	(*)	revolving	3 years	Dec. 2011
UNICREDIT LEASING	Leasing	Fiumicino Energia	18,844	18,844	17,387	(*)	monthly instalments	8 years	Apr. 2017
UNICREDIT MedioCredito CENTRALE	Loan	Fiumicino Energia	2,000	2,000	1,694	(*)	6-month instalments	5 years	Aug. 2013
OTHER SHORT-TERM LOAN					18,150				
TOTAL					376,664				

(*) Variable indexed to the Euribor + margin

(**) The unused portion of this tranche was contractually written-off.

(***) This tranche was contractually written-off on January 22, 2010

This amount is recorded for 347,825 thousand euro under

5.6 EXPLANATORY NOTES

non-current liabilities and for 28,839 thousand euro under current financial liabilities (see Note 35).

There was an increase of 17.1 million euro following the recognition of the payables of Fiumicino Energia, consolidated on a line-by-line basis starting from July 1, 2009. The fair value estimate of medium-term loans granted by banks to the Gemina Group, recorded for a value of 358.5 million euro, was equal to approximately 369.0 million euro (net of interest accrual), as at December 31, 2009.

The description of guarantees supplied and the major covenants on such loans is given in Note 32 of these Explanatory Notes.

NOTE 31 OUTSTANDING BONDS

The value of bonds as at December 31, 2009, equal to 1,097,465 thousand euro, can be attributed to the ADR Group.

VALUE AS AT 12/31/2008	1,086,534
REPAYMENT OF BONDS	(4,405)
APPLICATION EFFECT OF AMORTISED COST METHOD	2,430
ADJ. FOR CHANGE IN FAIR VALUE AND EXCHANGE RATE ADJUSTMENT	12,906
VALUE AS AT 12/31/2009	1,097,465

The item Outstanding bonds, which includes the bond issue made by the company Romulus Finance (“Romulus”), increased by 10.9 million euro, mainly due to the adjustment of Tranche A4, issued in Pounds Sterling, to the exchange rate at December 31, 2009.

The decrease of 4.4 million euro derives from the purchase by ADR of a share of the A4 bonds on the market on February 13, 2009 for a value of 2.8 million euro.

In this regard, it is worth noting that on February 14, 2003 the creditor banks of ADR, in relation to the loan granted on August 2, 2001 for a total of 1,725 million euro, signed an agreement for transfer in lieu of payment of a portion of the debt claimed by ADR from Romulus.

Romulus, Special Purpose Entity (SPE) vehicle, established pursuant to Law no. 130 of April 30, 1999 on securitisations and controlled by two entities governed by Dutch legislation, financed the acquisition of the pre-existing bank loan to ADR through the issue of 1,265 million euro in bonds listed on the Luxembourg Stock Exchange and underwritten by institutional investors.

Following the above-mentioned redemption transaction, the characteristics of the issued securities are summarised below:

5.6 EXPLANATORY NOTES

Name	Amount	Currency	Interest rate	Coupon	Redem.	Duration	Maturity term
A1	500,000	Euro	4.94%	annual	at maturity	10 years	Feb. 2013
A2	200,000	Euro	Euribor 3M + 0.90%	quarterly	at maturity	12 years	Feb. 2015
A3	175,000	Euro	Euribor 3M + 0.90%	quarterly	at maturity	12 years	Feb. 2015
A4	325,019	GBP	5.441%	six-monthly	at maturity	20 years	Feb. 2023
TOTAL	1,200,019(*)						

(*) This is the par value of debt; the book value recorded in the financial statements (1,097 million euro) is adjusted on the amortised cost method, for changes in fair value, and for changes in interest rates for the component issued in Pounds Sterling.

The bonds issued by Romulus relative to Classes A1, A2, A3, and A4 were guaranteed by Ambac Assurance UK Limited (“AMBAC”), a monoline guarantee, which as at December 31, 2009 had a rating lower than ADR (Caa2 from Moody’s and CC from Standard & Poor’s).

For updates and additional information, see also paragraph 3.7 of the Report on Operations, “Information about risks and uncertainties”.

ADR’s rating level makes an impact on the amount of the premium paid to AMBAC for guaranteeing the bonds, but not on the interest margin applied on the single Classes of bonds.

The estimated fair value of the bonds as at December 31, 2009 is approximately 1,196.2 million euro, net of interest accrual.

The description of guarantees supplied and the major covenants on such bonds is given in Note 32 of these Explanatory Notes.

NOTE 32 GUARANTEES AND MAJOR COVENANTS ON PAYABLES

Bank loans and outstanding bonds of the ADR Group, specified in Notes 30 and 31, are secured through:

- special privilege (having the characteristics of a property mortgage) of equal degree on:
 - moveable property (such as plants, machinery and instruments, etc.), as recorded at any moment under depreciable assets and in the inventories of ADR;
 - raw materials, work in progress, stock, finished products, goods or any other assets in ADR’s warehouse;
 - receivables deriving from the transfer of plants, machinery and instruments and assets constituting the warehouse of ADR, as well as other assets and rights that are the subject of special privileges;

5.6 EXPLANATORY NOTES

- assignment in guarantee of receivables and, more generally, of any right deriving from the contracts with customers, with ADR Tel and ADR Advertising as well as from insurance policies;
- pledge on ADR's bank current accounts, regulated by a specific contract ("Account Bank Agreement");
- pledge on all shares held by ADR in ADR Tel S.p.A., ADR Advertising S.p.A. and ADR Assistance S.r.l.
- "ADR Deed of Charge", pledge provided for by the British legislation on receivables, hedging agreements and insurance policies subject to British legislation, pursuant to loan agreements.

These guarantees will remain valid until the related bank loans and outstanding bonds are extinguished.

The Loan that Mediobanca and Unicredit MedioCredito Centrale granted to the Parent Company on December 11, 2008 is back by the following guarantees:

- a senior pledge on the ordinary shares of ADR representing at least 35% of the share capital of the company and to be supplemented if the guarantee margin drops to below 4.5x.

Gemina commits to ensure a guarantee margin of at least 4.5x, to be calculated on a monthly basis as the relationship between the simple average of the unit value of ADR shares owned by Gemina in the previous month (calculated by applying the formula included in the contract documents) and the residual loan amount.

As at December 31, 2009, 21,808,430 ADR shares – corresponding to 35% of the company's share capital – were pledged to Mediobanca and Unicredit MedioCredito Centrale for a value, determined based on the book value of the equity investment, of 670,873 thousand euro. This number was the same as at February 28, 2010;

- pledge of the current account Gemina holds at Mediobanca into which the income derived from the disposal of equity investments, collection of dividends and other compensation will go.

A number of contract provisions govern the management of ADR's indebtedness, both in reason of the entity of the same, and of AMBAC's need for hedging ADR's unfulfilment and insolvency risk in order to minimize the actual difference between the ensured maximum rating and the issuer/debtor rating. Amongst the main provisions the following can be noted:

- acquisitions of financial assets are possible only with the prior approval of creditors or through a vehicle company without recourse and in any case only through authorised indebtedness or available cash;

5.6 EXPLANATORY NOTES

- profits from sale of financial assets can be used for investments or, if not used within 12 months from collection, they shall be destined to the repayment of the payable;
- payment of dividends is possible only if specific financial ratios are over the agreed thresholds and no event of default or a trigger event occurred;
- it is possible to arise a further loan only if the same financial ratios are over specified thresholds (higher with respect to those required for normal debt management) and if the rating granted to ADR is higher than the minimum preset levels;
- if a credit line due to expire is not repaid at least 12 months before the expiration term, during this period the entire exceeding cash generated shall be primarily destined (based on predefined percentage) to the repayment of the debt, the so-called retention regime (nevertheless, if determined financial ratios are not fulfilled 24 months before the expiration term, the retention regime can be of 24 months);
- if financial covenants are lower than certain preset minimum thresholds or the rating is below the thresholds near the sub-investment grade or other critical situations occur, as defined in the agreement, stricter measures will be adopted for the management of cash flows (trigger event) in order to hedge credits against default risk of ADR.

ADR's loan agreements also include the respect of financial covenants consisting of ratios, defined based on actual and forecasted data, that measure: (i) the ratio between cash flow available and debt service, (ii) the ratio between future discounted cash flows and net indebtedness, in addition to (iii) ratio between net indebtedness and EBITDA.

The aforementioned ratios are verified twice a year, on the application dates of March 20 and September 20, by applying the calculation methods of the respective ratios to the reference dates as at December 31 and June 30.

If the aforementioned ratios surpass certain levels, it may result in the distribution of dividends and recourse to further indebtedness; on the contrary, in the event in which these ratios fall below certain levels, it may result in a trigger event or event of default.

The trigger event condition results in a series of management restrictions for ADR, principally:

- a) cash sweep with the obligation to use all available cash on the application dates (March 20 and September 20 of each year) for (i) interest payments, (ii) early capital repayment under pari passu regime, (iii) the guarantee of

5.6 EXPLANATORY NOTES

- Romulus securities which cannot be repaid in advance through the creation of specific cash provisions in special current accounts as pledge in favour of AMBAC (so-called cash collateralization);
- b) blocking the payment of dividends and the proscription to use any provisions for dividends payments to make authorised investments (so-called authorised investments);
 - c) through the Security Agent, creditors can obtain any information, which is deemed suited, and share a solution plan with related implementation schedule, by entrusting an independent expert to evaluate the corporate plan providing measures and solutions for the restatement of a compatible minimum rating. In the event the remedy plan is not implemented, AMBAC will have the faculty to increase the guarantee premium on Romulus bonds;
 - d) no financial asset acquisitions and new loans will be allowed, even though they are destined to repay the existing indebtedness;
 - e) transfer under warranty in favour of creditors of all monetary receivables of ADR with consequent notice to debtors transferred.

The financial ratios, formalised in September by ADR based on the half-year data as at June 30, 2009, certified the values at a level greater than the minimum requirements to maintain ordinary operating conditions of the company, with the exception of the possibility to increase the gross debt. However this was prevented by the trigger event condition in which ADR found itself following the downgrading by Standard & Poor's on November 30, 2007 (from BBB stable to BBB- stable). Moreover, it is noted that on April 10, 2009, Standard & Poor's downgraded ADR's rating, bringing it to BB with stable outlook.

The change in rating by Standard & Poor's had limited effects on the cost of debt. As a result of this event, it was necessary to formalize a new request to the financial creditors for their consent to maintain the pre-existing waiver of the consequences of the trigger event, which are more penalising for management of the company.

Also at the September 2009 "application date" AMBAC and the other financial creditors granted the waiver of application of the trigger event and cash sweep regime until the application date of March 2010. For this reason, the only impact on cash and cash equivalents resulted from AMBAC'S decision not to permit the transfer of part of the unavailable cash on the DSRA (Debt Service Reserve Account) for an amount of 14.7 million euro to available bank accounts. This transfer would have occurred cyclically at the application date in September.

The new downgrading by Standard & Poor's on April 10,

5.6 EXPLANATORY NOTES

2009 (from BB+ to BB with stable outlook) resulted in effects on the cost of debt and caused the non-application of the waiver of the consequences of the trigger event, specifically, the exemption from the cash sweep previously authorised by the financial creditors on request of ADR, thereby making it necessary to launch a new authorisation procedure aimed at maintaining the validity of the waiver previously granted.

Therefore, on April 27, 2009, ADR formalised a new request for waiver of all the consequences of the trigger event and the cash sweep (except for the prohibition of distribution dividends and the need to agree on the measures undertaken to recover the rating) which, with the exception of AMBAC, all the financial creditors authorised at the time.

AMBAC reserved the possibility of deciding whether to force ADR to apply the cash sweep mechanism at the next deadline on which said mechanism would have been applied (the application date in September). On September 15 AMBAC formalised the granting of the waiver of the consequences of the trigger event and cash sweep until the application date of March 2010 (exclusive).

The loan agreements also provide for events that cancel the benefits upon termination, resolution or withdrawal which are typical for loans with similar characteristics.

The Loan agreement obliges Gemina to allocate 100% of the net income deriving, inter alia, from ADR deeds of transfer or provision or of other assets of Gemina, capital transactions, subordinate and deferred shareholder loans, distribution of dividends or other distributions, issue of financial instruments or debt instruments, financial contracts and all transactions that depict a form of loan, shares of any kind, diversified financial instruments and bonds to the early repayment of the Loan, according to the procedures and within the limits stated in the Loan agreement.

The Loan also requires that Gemina provides declarations and guarantees, obligations, proscriptions and commitments, and provides for events that cancel the benefits upon termination, resolution or withdrawal which are typical for loans with similar characteristics.

It is reported that the Financers have the right of withdrawal should Standard & Poor's Rating Group and Moody's Investors Service Inc., or at least one of the two, assign ADR a rating lower than BB-/Ba3.

In relation to the lease contract stipulated by Fiumicino Energia, in the month of July 2009, Fiumicino Energia stipulated a contract in favour of the financier, to guarantee payment of all amounts due by virtue of said lease contract. The contract requires that Fiumicino Energia factor with

5.6 EXPLANATORY NOTES

recourse the entire receivable deriving from the lease rental that Leonardo Energia must pay to Fiumicino Energia pursuant to the company branch leasing contract. Any surplus of the receivable compared to the monthly lease instalment shall be credited to Fiumicino Energia.

Gemina's commitments in relation to the financiers of Fiumicino Energia are shown in Note 28 "Guarantees and Commitments" in the Financial Statements as at December 31, 2009.

NOTE 33 TRADE PAYABLES

As at December 31, 2009 trade receivables stand at 144,959 thousand euro (166,853 thousand euro as at December 31, 2008).

The decrease compared to December 31, 2008 is mainly attributable to the contraction in infrastructural investments by the ADR Group.

NOTE 34 CURRENT TAX LIABILITIES

As at December 31, 2009, the item records a total of 11,353 thousand euro (1,983 thousand euro as at December 31, 2008), substantially including the current tax payables of Group companies.

NOTE 35 CURRENT FINANCIAL LIABILITIES

	12/31/2009	12/31/2008	Change
INTEREST ON BONDS	13,815	14,029	(214)
INTEREST ON BANK LOANS	850	1,428	(578)
AMOUNTS PAYABLE TO OTHER FINANCERS	1,768	-	1,768
DUE TO BANKS	12,406	5,200	7,206
TOTAL	28,839	20,657	8,182

These increased due to the reclassification from non-current financial liabilities of the instalments of the loan granted by BIIS (formerly Banca OPI) expiring within the following year, for 8.5 million euro.

NOTE 36 FINANCIAL DERIVATIVES

	12/31/2009	12/31/2008	Change
FOREIGN CURRENCY HEDGING DERIVATIVES	82,929	99,297	(16,368)
INTEREST RATE HEDGING DERIVATIVES	73,873	52,849	21,024
ACCRUED INTEREST	883	548	335
TOTAL	157,685	152,694	4,991

5.6 EXPLANATORY NOTES

The table hereunder summarises the outstanding derivative contracts of the Group.

5.6 EXPLANATORY NOTES

SUMMARY TABLE OF DERIVATIVE INSTRUMENTS AND RELATED EFFECTS

Grantor	Gemina Group company	Instrument	Type	Hedged risk	Subscription date	Maturity term	Hedged notional value	Applied rate	Fair value of derivative		Change in fair value	
									as at 12/31/09	as at 12/31/08	to Income Statement	to Shareholders' equity (**)
AMBAC Financial Services LP	ADR Group	Cross Currency Swap	CF	I.	02/03	02/23	325,019	Receives a 5.441% fixed rate and pays 3-month Euribor + 90 bps until December 2009, then 6.4% fixed rate.	(62,462)	(39,392)	(1,144)	(21,926)
				C					(82,929)	(99,297)	16,368	-
									(145,391)	(138,689)	15,224	(21,926)
								(Note 36) Exchange risk hedging derivatives	(82,929)	(99,297)	-	
								Re-absorption effect of provision on IRS paid - outstanding value on net equity			-	7693
Mediobanca Barclays Royal Bank of Scotland	ADR Group	IRS	FV	I.	10/04	10/09	495,000 (*)	Receives a 3.3% fixed rate and pays a 3-month variable Euribor rate + 0.7% with a 6% cap	-	2,936	(2,936)	-
Mediobanca Barclays Royal Bank of Scotland	ADR Group	CAP	FV	Trading	10/04	10/09	495,000 (*)	With a 6% cap on the Pay leg of 3-month Euribor	-	-	-	-
Mediobanca Barclays Royal Bank of Scotland, HVB (Unicredit Group), Deutsche Bank	ADR Group	IRS	CF	I.	04/03 (****)	10/09	864,000	Receives a variable Euribor 3-month rate and pays a 3.891% fixed rate	-	(9,430)	-	9,430
Barclays Royal Bank of Scotland	ADR Group	Interest Rate Collar Forward Start	CF	I.	05/06 (***)	02/12	240,000	Receives a variable Euribor 3-month rate and pays a variable 3-month Euribor rate with a 5% cap and a 3.64% floor	(10,517)	(3,898)	1,166	(7,785)
Mediobanca	GEMINA	IRS	CF	I.	12/08	12/11	17,812.5	Pays a 3.15% fixed rate and receives 6-month Euribor	(447)	(63)		(384)
Unicredit MCC	GEMINA	IRS	CF	I.	12/08	12/11	17,812.5	Pays a 3.15% fixed rate and receives 6-month Euribor	(447)	(66)		(381)
								(Note 7) Financial expenses, charges on derivatives, valuation of derivative	-	-	(10,629)	
								(Note 36) Interest rate risk hedging derivatives	(73,873)	(52,849)	-	
								(Note 23) Interest rate risk hedging derivatives	-	2,936	-	

5.6 EXPLANATORY NOTES

SUMMARY TABLE OF DERIVATIVE INSTRUMENTS AND RELATED EFFECTS

Grantor	Gemina Group company	Instrument	Type	Hedged risk	Subscription date	Maturity term	Hedged notional value	Applied rate	Fair value of derivative		Change in fair value	
									as at 12/31/09	as at 12/31/08	to Income Statement	to Shareholders' equity (**)
								Note 6	Financial income, income on derivatives, valuation of derivatives		-	16,390
												(13,353)
Change in hedging reserve												3,672
Tax effect												9,681(1)
Total net hedging reserve (5.4)												

(*) Until March 2008, the hedged notional was 468 million euro.
 (**) Change in hedging reserve.
 (***) Effects of derivatives will start from October 2, 2009.
 (****) Contracts renegotiated on December 18, 2006.

Key:
 FV Fair Value Hedge
 CF Cash Flow Value Hedge
 C Exchange rate
 I Interest rate

(1) The change in hedging reserve shown in par. 5.4, equal to 9,292 thousand euro, is shown net of third party interests.

5.6 EXPLANATORY NOTES

Derivatives hedging foreign currency risk (ADR)

The ADR Group uses hedging derivatives for exchange rate risks to mitigate any future increases in outgoing cash flows attributable to unfavourable changes in exchange rates. Specifically, one component of the cross currency swap allows the cash flows in euro regarding the payment of interest and the redemption of the A4 bond in Pounds Sterling to be stabilised.

Derivatives hedging interest rate risk (ADR)

The Group uses interest rate swaps and interest rate caps to hedge its exposure to unfavourable changes in market interest rates.

The Group's hedging policy, which is an integral part of ADR's loan agreements, require that at least 51% of debt is secured against the risk of interest rate fluctuations.

As at December 31, 2009 55.2% of ADR's payables were regulated at fixed rates.

Starting from October 2, 2009 two Interest Rate Collar Forward Start contracts became active, subscribed on May 16, 2006 by ADR with Barclays and Royal Bank of Scotland on a notional capital of 120 million euro each. Based on these contracts ADR receives a variable Euribor 3-month rate and pays a variable 3-month Euribor rate with a 5% cap and a 3.64% floor, starting from October 2, 2009 until February 20, 2012.

Thanks to these hedging contracts, an extensive protective barrier has been built against interest rate risk for a further three years on a total notional amount of 240 million euro. With these contracts, hedging of interest rate risk increases to 71.3% of total payables.

Derivatives hedging interest rate risk (Gemina)

Gemina uses an interest rate swap to manage its exposure to unfavourable changes in the market interest rate.

The hedging policy, which is an integral part of the current loan agreement, requires that at least 75% of Tranche A is protected from the risk of interest rate fluctuations.

On December 22, 2008 Gemina entered into two interest rate swap agreements with Mediobanca and Unicredit MedioCredito Centrale, respectively, for a total amount of 35.6 million euro.

The fair value of the aforesaid instruments has been calculated on the basis of the parameters in force as at December 31, 2009 on the reference market.

The financial derivatives described in Notes 23 and 36 are included in "Level 2" of the "Fair Value Hierarchy" defines by IFRS 7, meaning the fair value is measured based on valuation techniques which take as reference parameters that are

5.6 EXPLANATORY NOTES

observable on the market, different from the prices of the financial instrument.

NOTE 37

OTHER CURRENT LIABILITIES

These amount to 102,737 thousand euro as at December 31, 2009 and mainly consist of tax payables, amounts due to social security institutions and sundry trade payables.

The increase of 22.5 million euro compared to December 31, 2008 is mainly due to:

- increase of 11.0 million euro in amounts due to the Tax Authorities for council surcharges on passenger boarding fees;
- higher amounts due recorded in relation to charges for the fire prevention and fire fighting service in 2009, equal to 8.7 million euro. Payables recorded in the financial statements for the years 2007-2009 amount to a total of 25.7 million euro, payables not yet settled while awaiting the outcome of pending cases on appeals lodged by several of the leading airport management companies;
- recording of payables due to personnel for 6.3 million euro linked to the one-off compensation awarded upon renewal of the CCNL;
- increase of 2.1 million euro in payables to former employees for employee severance indemnity to be settled;
- reduction of 5.1 million euro in payables due to ENAC for the concession fee.

NOTE 38

LIABILITIES HELD FOR SALE

There are no entries in this item.

NOTE 39

CATEGORIES OF ASSETS/LIABILITIES IAS 39

	12/31/2009			Derivatives
	Receivables and loans	Fin. instr. available for sale	Payables at amortised cost	
BOOK VALUES AS AT 12/31/2009				
OTHER EQUITY INVESTMENTS		2,756		
INVESTED RECEIVABLES	4,591			
OTHER NON-CURRENT FINANCIAL ASSETS	1,400			
TRADE RECEIVABLES	197,298			
FINANCIAL INSTRUMENTS - DERIVATIVES				534
OTHER CURRENT FINANCIAL ASSETS	55,497			
CASH AND CASH EQUIVALENTS	149,272			
TOTAL ASSETS IAS 39	408,058	2,756		534
FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE				347,825

5.6 EXPLANATORY NOTES

TRADE PAYABLES		144,959	
CURRENT FINANCIAL LIABILITIES		28,839	
FINANCIAL INSTRUMENTS - DERIVATIVES			157,685
TOTAL LIABILITIES IAS 39		521,623	157,685

**INCOME (CHARGES) RECORDED ON
THE INCOME STATEMENT:**

INTEREST INCOME	2,220		
INCOME ON DERIVATIVES			34,070
OTHER INCOME	1,864		
INTEREST EXPENSE		(72,596)	
EXPENSES ON DERIVATIVES			(26,086)
OTHER EXPENSES		(4,401)	
	4,084	(76,997)	7,984
SHAREHOLDERS' EQUITY			(9,292)

	12/31/2008			
	Receivables and loans	Fin. instr. available for sale	Payables at amortised cost	Derivatives
BOOK VALUES AS AT 12/31/2008				
OTHER EQUITY INVESTMENTS	-	2,757		
INVESTED RECEIVABLES	4,267	-		
OTHER NON-CURRENT FINANCIAL ASSETS	1,400	-		
TRADE RECEIVABLES	160,502	-		
FINANCIAL INSTRUMENTS - DERIVATIVES	-	-		3,436
OTHER CURRENT FINANCIAL ASSETS	49,581	-		-
CASH AND CASH EQUIVALENTS	144,198	-		-
TOTAL ASSETS IAS 39	359,948	2,757		3,436

FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE		338,920		-
TRADE PAYABLES		166,853		-
CURRENT FINANCIAL LIABILITIES		20,657		-
FINANCIAL INSTRUMENTS - DERIVATIVES		-		152,694
TOTAL LIABILITIES IAS 39		526,430		152,694

**INCOME (CHARGES) RECORDED ON
THE INCOME STATEMENT:**

INTEREST INCOME	8,754	-	-	-
INCOME ON DERIVATIVES	-	-	-	23,917
INTEREST EXPENSE	-	-	(92,757)	-
EXPENSES ON DERIVATIVES	-	-	-	(103,197)
OTHER EXPENSES	-	-	(5,859)	-
	8,754	-	(98,616)	(79,280)
SHAREHOLDERS' EQUITY				(9,024)

5.6 EXPLANATORY NOTES

NOTE 40 SEGMENT INFORMATION

INCOME STATEMENT

<i>(in millions of euro)</i>	Total revenues		Amortisation, depreciation and write-downs		EBIT		Net profit (loss) included the share of third parties	
	2009	2008	2009	2008	2009	2008	2009	2008
	1. CORPORATE ACTIVITIES	0.9	0.5	-	-	(6.8)	(4.1)	(14.1)
2. AIRPORT INFRASTRUCTURES (ADR GROUP)	570.2	581.7	(103.8)	(101.1)	105.3	96.0	0.7	(15.2)
3. ENERGY	8.2	-	(0.8)	-	(1.0)	-	(1.0)	(0.3)
4. EFFECT OF CONSOLIDATION USING NET EQUITY METHOD	-	-	-	-	-	-	0.7	(0.3)
5. AMORTISATION OF AIRPORT MANAGEMENT CONCESSION	-	-	(37.5)	(37.5)	(37.5)	(37.5)	(30.6)	(30.6)
6. OTHER CONSOLID. ITEMS	(8.4)	-	-	-	3.1	-	4.3	(1.7)
TOT. GEMINA GROUP	570.9	582.2	(142.1)	(138.6)	63.1	54.4	(40.0)	(33.9)

BALANCE SHEET

	Net capital invested		Shareholders' equity		Net financial position	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
1. CORPORATE ASSETS AND CONSOLIDATION ITEMS (INCLUDED EQUITY INVESTMENTS AT NET EQUITY)	1,075.4	1,131.5	1,043.8	1,084.3	31.6	47.2
2. AIRPORT INFRASTRUCTURES (ADR GROUP)	2,049.5	2,039.1	677.7	686.1	1,371.8	1,353.0
ENERGY	22.6	-	0.9	-	21.7	-
TOT. GEMINA GROUP	3,147.5	3,170.6	1,722.4	1,770.4	1,425.1	1,400.2

For detailed information regarding the economic, equity and financial performance of each segment, see the Report on Operations.

NOTE 41 FINANCIAL RISK MANAGEMENT

CREDIT RISK

The maximum theoretical exposure to the credit risk for the Gemina Group, as at December 31, 2009, is represented by the book value of financial assets disclosed, in addition to the par value of guarantees granted on payables or third-party commitments.

The greatest exposure to credit risk is that of the ADR Group

5.6 EXPLANATORY NOTES

for trade receivables due from customers.

A special bad debt provision is recorded in the financial statements for the risk of customer default in paying. Its amount is periodically reviewed. The write-down process the Group has adopted envisages that the trade positions are written down individually depending on the age of the receivable, the reliability of the single debtor, the status of the management file and debt recovery.

The commercial policies that the ADR Group has initiated aim at controlling investment in receivables as follows:

- Request of cash payments for commercial transactions made with end consumers (sales in the stores under direct management, long-term multi-level car parks, first aid, etc.), with occasional counterparts (e.g. for registration, baggage portorage, taxi access management activities, etc.);
- Request of cash or advance payments made to air carriers that are occasional or those without suitable creditworthiness or collateral guarantees;
- Granting of deferred payment to retained customers deemed reliable (carriers with medium-term flight scheduling and subcontractors) for which the credit rating and request of collateral is in any case monitored.

The analysis of trade receivables and other receivables broken down by expiration term is shown below.

<i>(in millions of euro)</i>		Receivables coming due	Receivables expired not written down				Total receivables
			before 60 days	from 61 to 120 days	from 121 to 180 days	more than 181 days	
TRADE RECEIVABLES	Dec. 31, 09	78.1	47.0	15.0	5.7	51.5	197.3
	Dec. 31, 08	47.5	49.4	24.6	12.5	26.5	160.5
OTHER RECEIVABLES	Dec. 31, 09	5.0	-	-	-	1.9	6.9
	Dec. 31, 08	11.2	-	-	-	0.5	11.7

Receivables not written down that have expired for more than 180 days mainly consist of amounts due from public administrations and the companies of the Alitalia Group under extraordinary administration.

The ADR Group's credit risk is highly concentrated in so far as about 57% (50% in 2008) of the credit not written down is due from ten customers.

LIQUIDITY RISK

Liquidity risk may occur when it is impossible to obtain, at fair conditions, the financial resources necessary to the Groups business.

The main factor determining the Group's liquidity position consists of the resources generated or absorbed by the operating and investment activities.

5.6 EXPLANATORY NOTES

Breakdown of payables by expiry terms is shown hereunder (in millions of euro).

	12/31/2009				12/31/2008			
	within the following year	between 1 and 5 years	after 5 years	Total	within the following year	between 1 and 5 years	after 5 years	Total
FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE	-	262.4	85.4	347.8	-	250.0	88.9	338.9
OUTSTANDING BONDS	-	495.5	602.0	1,097.5	-	497.7	588.8	1,086.5
TRADE PAYABLES	137.7	7.3	-	145.0	157.5	9.4	-	166.9
CURRENT FINANCIAL LIABILITIES	28.8	-	-	28.8	20.7	-	-	20.7
OTHER CURRENT LIABILITIES	102.6	0.1	-	102.7	78.6	1.7	-	80.3

ADR Group

The financial structure of the ADR Group is distinguished by a heavy incidence of the financial leverage component. As a consequence, a considerable amount of the financial resources generated by operations is absorbed by the debt service and, in perspective, by the need to repay debt tranches coming due (the first of which will come due in 2012).

The current medium/long-term loan agreements require not only being rated by Moody's and Standard & Poor's, but also a large number of control measures to guarantee priority allocation of the cash generated for the debt service. These measures become more stringent when, as is the current situation, the level of the rating or several agreed financial indicators fail to reach specific minimum thresholds. This complex contractual structure lowers liquidity risk. Nonetheless, the current rating assigned to ADR prevents it from taking out additional indebtedness without specific authorisation from its financial creditors. Therefore, any contingent additional need for financial resources deriving from the management of working capital or from investments can be covered by a significant amount of cash, in addition to a revolving facility of 100 million euro (currently not used) specifically aimed at supporting this type of need.

It is obvious that the priority allocation of the cash generated for the debt service and the aforementioned restrictive control measures for using financial resources restrict the Group's operations and investment flexibility in depressing situations characterised by particular financial tension. The centralised treasury system ADR manages with several of its subsidiary companies, which is adjusted to market

5.6 EXPLANATORY NOTES

conditions, allows management of financial resources to be optimised and regulation of infra-group trade relations to be facilitated.

Gemina

To meet its short-term commitments, the Company has liquidity of 13.4 million euro, in addition to bank credit lines of 6 million euro, and a 5 million euro revolving line of credit (Tranche C) for paying interest on current expenses.

The Loan requires Gemina to allocate 100% of the net income deriving from the transfer or provision of shares of ADR and of the other investee companies, and from the distribution of dividends or other distributions of ADR and of the other investee companies to mandatory advance repayment.

The amount of the Loan not repaid with the income listed above will be refinanced upon expiration.

The Loan also provides for events that cancel the benefits upon termination, resolution or withdrawal which are typical for loans with similar characteristics. It is reported that the Financers have the right of withdrawal should Standard & Poor's Rating Group and Moody's Investors Service Inc., or at least one of the two, assign ADR a rating lower than BB-/Ba3.

INTEREST RATE RISK

The Gemina Group uses interest rate derivative instruments (interest rate swaps, interest rate caps and interest rate collars), with the purpose of mitigating, at economically acceptable terms, the potential impact of interest rate fluctuation on the economic result.

ADR Group

The Group's hedging policy, which is an integral part of ADR's loan agreements, require that at least 51% of debt is secured against the risk of interest rate fluctuations.

In conformity with this policy, ADR has entered into interest rate swap, interest rate cap and interest rate collar contracts whose characteristics are fully describe in Note 36.

The fixed-rate indebtedness as at December 31, 2009 was 71.3% of the total, due to the aforementioned hedges.

Gemina

The hedging policy, which is an integral part of the Loan Agreement entered into on December 11, 2008, requires that at least 75% of outstanding Tranche A be protected from the risk of interest rate fluctuations.

With regard to this contractual provision, on December 22, 2008 the Company entered into two interest rate swap agreements with Mediobanca and Unicredit MedioCredito Centrale for a notional total amount of 35.6 million euro.

The characteristics of this derivative instrument are described in Note 36.

5.6 EXPLANATORY NOTES

Sensitivity analysis

In order to evaluate the potential impact resulting from the fluctuation of interest rates applied, the variable-rate financial debts are analysed, for which the impact in the income statement and to shareholders' equity due to fluctuations of cash flows are assessed. The potential impacts are shown gross of the tax effect.

Given the expiry and the activation of several hedging contracts on October 2, 2009, the sensitivity analysis was performed based on the conditions of outstanding loans and hedges as at December 31, 2009.

With reference to the variable-rate debts and their hedging derivatives, a hypothetical, immediate increased change of 0.5% of the market interest rate level would generate a positive effect on the cash flow hedge reserve equal to 9.2 million euro and increased financial expenses for the year totalling 2.3 million euro for the portion of unhedged debt. This change would also bring about a decrease of financial expenses totalling 0.2 million euro due to the portion of the fair value change of the collar forward starting directly recorded in the income statement.

To the contrary, a hypothetical, immediate decreased change of 0.5% of the market interest rate level would generate a negative impact on the cash flow hedge reserve equal to 9.6 million euro and a reduction of financial expenses equal to 2.3 million euro.

This change would also bring about a decrease of financial expenses totalling 0.2 million euro due to the portion of the fair value change of the collar forward starting directly recorded in the income statement.

In brief:

- 0.5% increase in interest: higher financial expenses for 2.5 million euro and a positive change in the cash flow hedge reserve totalling 9.2 million euro
- 0.5% decrease in interest: lower financial expenses for 2.5 million euro and a negative change in the cash flow hedge reserve totalling 9.6 million euro.

Lastly, it should be emphasized that the interest rate applied to the Gemina Loan and to some of ADR's credit facilities is the same as Euribor plus a margin proportionate to the rating ADR has been given.

The financial expenses Gemina and ADR pay their financiers therefore depend not only on the fluctuation of interest rates, but on ADR's rating as well.

EXCHANGE RISK

As for the financial indebtedness, Tranche 4 of the bond

5.6 EXPLANATORY NOTES

issue made by Romulus Finance S.r.l., equal to 215 million Pounds Sterling, was hedged with a currency swap in Euro for the entire duration (year 2023).

The characteristics of this derivative instrument are described in Note 36.

Sensitivity analysis

A hypothetical immediate increase of 10% in the exchange rates of the Euro compared to the Pound Sterling would have generated a positive impact on the cash flow hedge reserve of 3.2 million euro, whereas a hypothetical immediate decrease of 10% of the exchange rates of the Pound Sterling compared to the Euro would have generated a negative impact on the cash flow hedge reserve equal to 2.6 million euro.

Lastly, appreciable effects on the income statement due to Euro/Pound Sterling exchange rate changes would not be noticed.

NOTE 42 GUARANTEES AND COMMITMENTS

As at December 31, 2009 the Group had the following **guarantees**:

- guarantees issued for the loan agreements mentioned in Note 32;
- guarantees stood by the ADR Group to customers and third parties, for 169 thousand euro.

As regards the Group commitments, it should be noted that ADR holds purchase commitments amounting to 97,872 thousand euro.

As for the Group's other commitments, please take note of the following.

On February 28, 2003 ADR granted IGPDecaux S.p.A. a put option on shares held by the latter in the ordinary and preferred capital of ADR Advertising S.p.A. Said option can be exercised up until December 31, 2011, subject to the fulfilment of special conditions that are currently deemed unlikely.

Within the context of purchase commitments, mention is given to ADR's commitment, as airport infrastructure operator, to draw up and implement plans for containing and abating noise, as provided by the Framework Law on noise pollution (Law no. 447/1995) and by Ministerial Decree 11/29/2000.

To this end, ADR is effecting a survey to establish whether and to what extent limits are actually exceeded and, should they not be respected, it will draw up plans for containing and abating noise.

These commitments prove difficult to quantify and in any

5.6 EXPLANATORY NOTES

case must be determined in an interpretative manner as there are no specific indications as to the activities to be considered in the “maintenance” and “upgrading” of the infrastructures, that constitute the basis for calculation pursuant to the mentioned Framework Law.

In consideration of the above, and on the basis of the estimates available at reporting date, ADR deems that its total liability will not exceed the amount of 30 million euro. Hence the amount is conditional on subsequent events and will be defined in relation to the actual programme of the measures to be taken. Future measures will most likely be entered as investment costs subject to capitalisation.

The November 3, 2006 agreements covering sale of the equity investment held in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.) contemplate a price adjustment condition for a maximum value of 12.5 million euro.

Of this, the portion considered to probably occur was entered in the income statement in the years 2006-2009 with provisions for risks and charges counter-item for a total of about 4 million euro as at December 31, 2009, whereas the remaining portion – presently considered improbable – will undergo updated valuation during future financial years.

It is also important to note the commitments undertaken by Gemina in relation to the financiers of Fiumicino Energia, which are shown in Note 28 of the Explanatory Notes to the Financial Statements.

NOTE 43 LITIGATION

As regards litigation in progress, the Group carried out a thorough assessment of existing risks in order to identify the litigation for which the risk of negative outcome is likely, in order to make a reasonable assessment of provisions to be allocated.

Provisions have not been made for litigation for which, given the different legal interpretations, a negative outcome is merely possible, 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 for the Group, although negligible, could not be measured.

We do not believe that current litigation and potential litigation can give rise to liabilities greater than the amounts already allocated to the relevant provisions.

Customs Agency

On August 16, 2007, the main Customs Office of Rome II served ADR an assessment report which charged irregularities in sales made at the *Duty Free Shops* over the period January 1, 1993 – January 31, 1998. The objections are mainly related to sales made to passengers with destinations within the EU Community, exceeding the limits of quantities

5.6 EXPLANATORY NOTES

and value.

On December 18, 2007, the same main Customs Office served an order of payment for the amounts related to VAT, manufacture tax and duties on tobacco, due according to assessments made in the assessment report. The total amount of taxes and interest required amounted to about 22.3 million euro.

ADR, believing, with the support of the opinions of its tax experts, that the recognition of the legitimacy of its actions to be highly likely, presented appeals to the Tax Commission for the Province of Rome against the afore-mentioned order of payment.

On April 6, 2009 the Tax Commission for the Province of Rome filed judgment no. 149/39/00 which turned down the appeal presented by the Company. Following this ruling, the Customs Agency initiated the procedure for collection of the amounts assessed as owed, which the company is paying in 36 instalments, following the acceptance of the petition presented to the Tax Collection Agency, after having paid a down payment of 4 million euro, which the company set out using an irrevocable payment order on April 27, 2009.

Furthermore, on April 24, 2009, the Company presented a petition to the Customs Agency requesting that collection of the assessed debt be suspended until the date the Lazio Regional Tax Commission issues its decision. With deed dated May 19, 2009, the Customs Agency notified its decision to reject the petition for suspension.

The Company is convinced that it has acted correctly in both substance and form, on which its tax advisers agree, confirming the lack of grounds of the tax claim.

Therefore, on July 14, 2009, submitted an appeal against the judgment issued by the Tax Commission for the Province of Rome.

With notification dated November 3, 2009, ADR was informed by the Regional Tax Commission of Rome that the hearing on the appeal submitted by the Company was set for February 17, 2010.

The Rome Tax Commission, in its meeting on February 17, examined ADR's appeal against the assessment of the Customs Agency.

Specific provisions have been allocated, which are described in the Explanatory Notes to the Consolidated Financial Statements.

Aviation fuel charge risk

Assaero (National Air Transport Operators and Carriers Association) and Blu Panorama filed an appeal with the Lazio Regional Administrative Court (TAR), with concomitant plea for suspension, against the ENAC letter, protocol no. 60600 of September 15, 2006 in which the authority communicated the results of the inspections made at the fully managed airports "in order to analyse the correlation with cost of what

5.6 EXPLANATORY NOTES

the management companies are requesting the oil companies to pay as a flat rate”.

The TAR rejected the petition in its judgment no. 11154/2007 and the appeal by the carriers was announced on January 2, 2008. The Council of State admitted the appeal in its judgment no. 1416/2009.

While it confirmed the possibility for airport managers to legitimately charge “fuel royalties” in as much as these are effectively related to the costs incurred by the latter, and while it acknowledged ENAC’s authority to monitor the imposition of surcharges by managers, the Council of State observed that when carrying out this work ENAC must first of all check actual, reliable figures for the costs of said activity.

In compliance with this judgment, following a new preliminary investigation, on April 24, 2009 ENAC issued a ruling which, while repealing all the previously issued rulings for the purpose of self-protection, also repeated that “the oil companies are required to directly pay the airport operator the amount due for the provision of the assets and systems necessary for carrying out the refuelling service within the limit of the ascertained costs”.

IBAR (Italian Board Airlines Representatives) and 6 carriers (Iberia, Tap, American Airlines, Delta Airlines, Ethiopian Airlines and Cyprus Airlines) filed an appeal with the Lazio Regional Administrative Court, with concomitant injunctive relief, against ENAC letter protocol no. 60600 of September 15, 2006 (in addition to other prior provisions), with which the authority communicated the results of the inspections made at the airports with complete management “in order to analyse the correlation with the cost of what the management companies are requesting of the oil companies at a flat rate”. With deed notified on February 27, 2008, Esso Italiana submitted an objection to the sentence. Subsequently, IBAR submitted additional grounds, requesting that the Lazio Regional Administrative Court confirm the illegality of the most recent rulings issued by ENAC on this issue. The date of the hearing has yet to be announced.

Income tax assessment

As part of the annual audit plan set forth by Article 42 of Law 388/2000, on June 4, 2009 the Revenue Office - Lazio Regional Management instigated a general tax audit of ADR regarding income taxes, IRAP (Regional Income Tax) and VAT for the 2007 tax period.

Upon conclusion of the audit, on October 29, 2009 the company was served with an assessment report which presented some findings regarding direct taxes, IRES and IRAP, for a higher taxable income equal to 1,195 thousand euro, and VAT for 2,416 thousand euro. In acknowledging this report, the Company reserved the right to produce replies and to take actions at the competent venues.

5.6 EXPLANATORY NOTES

Admittance of liabilities of the Alitalia Group under extraordinary administration

Following the rulings of the Bankruptcy Section of the Court of Rome declaring the state of insolvency of the companies Alitalia – Linee Aeree Italiane S.p.A. under extraordinary administration, Volare S.p.A. under extraordinary administration, Alitalia Express S.p.A. under extraordinary administration, Alitalia Servizi S.p.A. under extraordinary administration, and Alitalia Airport S.p.A. under extraordinary administration, ADR filed appeals for the respective admittance of liabilities.

As to the proceedings regarding Alitalia – Linee Aeree Italiane S.p.A., ADR's petition was discussed at the December 16, 2009 hearing. At that time, given that ADR is the only operator whose petition and documentation produced was deemed adequate, in relation to the receivables accrued before the start of the proceedings, the discussion of several invoices which are still subject to checks on the correct execution of the performance or the completion of the related payment in the meantime was postponed to the hearing of April 28, 2010. The discussion of the receivable accrued following the start of the proceedings was postponed to the hearing of October 19, 2010.

These are the other issues: AZ Servizi S.p.A. under extraordinary administration: at the hearing of October 29, 2009, the examination of ADR's appeal for admittance of liabilities was postponed to March 30, 2010; AZ Airport S.p.A. under extraordinary administration: at the hearing of October 15, 2009, the examination of ADR's appeal for admittance of liabilities was postponed to March 16, 2010; Volare S.p.A. under extraordinary administration: at the hearing of December 9, 2009, the examination of ADR's appeal for admittance of liabilities was postponed to March 30, 2010 for the receivables prior to the start of the proceedings, and to May 26, 2010 for receivables accrued following; Alitalia Express under extraordinary administration: at the hearing of November 25, 2009, the examination of ADR's appeal for admittance of liabilities was postponed to March 17, 2010 for the receivables prior to the start of the proceedings, and to May 19, 2010 for receivables accrued following.

Numerous legal undertakings have also been adopted at the Court of Civitavecchia. They are focused on protecting ADR's evidence of credit for navigation fees Alitalia owes the company, sustained by lien on the aircraft with regard to the relevant owners as well, jointly and severally liable *ex lege*.

CIPE Resolution 38/07 – ENAC Guidelines - appeal to the Lazio TAR

5.6 EXPLANATORY NOTES

On 25 March 2009, ADR filed additional motivations to the main appeal with the Lazio TAR, challenging the Ministerial Decree of December 10, 2008 published in Official Gazette No. 42 of February 20, 2009 which approves ENAC official guidelines and replaces the previous Ministerial Decree challenged by ADR and never published in the Official Gazette.

The date of the hearing has yet to be announced.

Volare Group revocatory action

In October 2009 the companies Volare Airlines S.p.A. and Air Europe S.p.A. under extraordinary administration instituted a civil lawsuit before the Court of Busto Arsizio to obtain the revocation of the payments made to ADR over the year prior to the carrier's admission to insolvency proceedings, which occurred by way of decree of November 30, 2004 – and, as a result, the sentencing of ADR to return the amount of 6.7 million euro relating to Volare Airlines S.p.A. and 1.8 million euro relating to Air Europe S.p.A..

The plaintiff's request is substantially based on the presumption of ADR's knowledge of the state of insolvency of the carrier and the entire group it was part of, along with Air Europe and Volare Group, at least up to 2002.

The hearing for the first appearance of the parties was set for March 31, 2010.

Ligabue Gourmet bankruptcy

A group of 16 plaintiffs has served a writ of summons against ADR and Fallimento Ligabue Gourmet (Ligabue Gourmet Bankruptcy), whereby they are contesting the validity of the sale of the company branch of the Ovest catering company by ADR to the company Ligabue, with a consequent request for compensation for damages for a total amount of about 9.8 million euro for damages up to 2006, for future damages and for employee severance indemnities. Though no decisions have yet been made on this litigation, it is deemed highly unlikely that the adverse party's claims will be accepted. In the hearing of January 28, 2010 set for discussion, the judge set the deadline for submitting reply briefs at April 18, 2010.

Litigation concerning public tenders

On December 30, 2004, ATI NECSO Entrecanales – Lamaro Appalti notified its decision to appeal judgment no. 35859/2003 issued by the Civil Court of Rome, summoning ADR before the Appeal Court of Rome. In addition to rejecting ATI's claims, the judge at the initial hearing also ordered the company to pay ADR's legal expenses. ATI is claiming damages of 9.8 million euro, plus interest, revaluation and costs, from ADR in relation to 7 reserves posted in the accounts relating to the contract for work on the extension and restructuring of the Satellite West at

5.6 EXPLANATORY NOTES

Fiumicino airport. Consequent to the positive outcome of the ruling in the first instance, the probability of ADR losing appears to be remote and in any event, much lower than the adverse party's claims. The proceedings for pronouncement of the sentence were held on November 18, 2008. In the month of April 2009, the Court of Appeals issued an order ruling that it is necessary for the court to appoint an expert witness for the verification of the claims for damages relating to the greater duration of the contract works attributable to the principal ADR. The appointed expert witness was sworn in and assigned the specific issues on November 24, 2009. The start of expert operations was December 21, 2009 and shall continue on March 29, 2010.

Shareholder Serafini litigation

The Court of Milan had dismissed, in first instance, on the grounds that they were inadmissible, the appeals filed by the shareholder Renato Serafini against the resolutions passed by the Shareholders' Meeting of Gemina on May 10, 2002 (approval of the financial statements as at December 31, 2001 and adjustment of the financial statements as at June 30, 1991 and as at June 30, 1992) and on May 13, 2003 (approval of the financial statements as at December 31, 2002). Last December, the parties filed their legal briefs and reply briefs in the appeals proceedings instigated by the shareholder, Mr. Serafini, against the first instance judgments of the Court of Milan.

Surety on the Customs Agency litigation

On December 12, 2002, having received the consent of IRI to sell 44.74% of ADR to the Macquarie Group, Gemina, Impregilo S.p.A. and Falck S.p.A. took the place of IRI, directly assuming the commitment to indemnify ADR, with a share of 50%, 13.0% and 36.90%, respectively. This commitment was issued by IRI upon the privatisation of ADR for the purpose of covering 51.166% of capital losses the company may incur due to tax claims for deeds and declarations relating to periods prior to the privatisation, which took place in July 2000.

The ongoing dispute between ADR and the Customs Agency regards the period 1993-1998, and is covered by the aforementioned guarantee, which will be enforceable following the final judgment ruling against ADR in relation to the Tax Authorities.

Impregilo S.p.A. and Falck S.p.A. do not recognise the guarantee as valid. ADR has instituted action against these companies for the purpose of sentencing them to pay the amounts owed, on condition that the final judgment ruling against ADR is passed.

Rizzoli litigation

Mr. Angelo Rizzoli brought legal proceedings against RCS

5.6 EXPLANATORY NOTES

MediaGroup S.p.A., Intesa Sanpaolo S.p.A., Mittel S.p.A., Edison S.p.A. and Giovanni Arvedi, formulating a series of claims aimed at compensating for the economic damages he incurred as a result of the sale of Rizzoli Editore S.p.A., which owns *Corriere della Sera*, to group of entrepreneurs. The events date back to 1974-1986.

RCS MediaGroup S.p.A., appearing in court, fully rejected the plaintiff's claims, stating they were completely without grounds and considerably subject to the statute of limitations and, as a final alternative, requested that Gemina be summoned to court, as the party from which the current RCS MediaGroup S.p.A. derives, due to the known spin-off stipulated in 1997. The writ of summons for a third party was served to Gemina on March 3, 2010.

Provisionally, and on the basis of the elements it is currently aware of, Gemina deems Mr. Rizzoli's claims to be completely groundless, and shall appear in court within the terms provided.

5.7 INFORMATION PURSUANT TO ART. 14-DUODECIES OF CONSOB ISSUERS' REGULATION

The following statement, drawn up pursuant to Art. 149-*duodecies* of the Consob Issuers' Regulation, highlights the remunerations pertaining to the 2009 financial year for audit services and other services rendered by the same Independent Auditors.

<i>(in thousands of euro)</i>	Company that rendered the service	Target company	Remunerations pertaining to the year 2009
AUDIT	DELOITTE & TOUCHE S.P.A.	GEMINA PARENT COMPANY	168
	DELOITTE & TOUCHE S.P.A.	SUBSIDIARY COMPANIES	246
CERTIFICATION	DELOITTE & TOUCHE S.P.A. (1)	GEMINA PARENT COMPANY	3
	DELOITTE & TOUCHE S.P.A.	SUBSIDIARY COMPANIES	79

(1) Subscription of tax acts Income Tax Return and 770 forms.

GEMINA GROUP

5.8 LIST OF EQUITY INVESTMENTS

NAME	TYPE	REGISTERED	ASSETS	CURRENCY	CAPITAL	EQUITY INVESTMENT		CONSOLIDATION	CONSOLID. METHOD	BOOK VALUE
		OFFICE				% SHARE	THROUGH	SHARE	METHOD	VALUE
								*	**	***
PARENT COMPANY										
GEMINA	L	Milan	Holding of equity investments	euro	1,472,960,320	n/a	n/a		100.00	Line-by-line
AIRPORT ACTIVITY										
AEROPORTI DI ROMA	UL	Fiumicino (Rome)	Airport management	euro	62,309,801	95.76	Direct		100.00	Line-by-line
Airport Invest	B.V.	Amsterdam (Holland)	Equity investments	euro	101,040	100.00	Aeroporti di Roma S.p.A.		100.00	Line-by-line
ADR Engineering Unipersonale	UL	Fiumicino (Rome)	Airport engineering	euro	774,690	100.00	Aeroporti di Roma S.p.A.		100.00	Line-by-line
ADR Tel	UL	Fiumicino (Rome)	Telecommunications	euro	600,000	99.00	Aeroporti di Roma S.p.A.		100.00	Line-by-line
						1.00	ADR Sviluppo Unipersonale S.r.l.			
ADR Advertising (1)	UL	Fiumicino (Rome)	Advertising	euro	1,000,000	51.00	Aeroporti di Roma S.p.A.	(2)	100.00	Line-by-line
ADR Sviluppo Unipersonale	S.r.l.	Fiumicino (Rome)	Real estate	euro	100,000	100.00	Aeroporti di Roma S.p.A.		100.00	Line-by-line
Romulus Finance	S.r.l.	Conegliano (Treviso)	Credit securitisation	euro	10,000	-	n/a		-	Line-by-line
ADR Assistance Unipersonale	S.r.l.	Fiumicino (Rome)	Assistance to passengers with reduced mobility	euro	6,000,000	100.00	Aeroporti di Roma S.p.A.		100.00	Line-by-line
La Piazza di Spagna	S.r.l.	Fiumicino (Rome)	Refreshments	euro	100,000	49.00	Aeroporti di Roma S.p.A.		49.00	Net equity
Ligabue Gate Gourmet Rome in bankruptcy	UL	Tessera (Venice)	Airport catering	euro	103,200	20.00	Aeroporti di Roma S.p.A.		20.00	Valued at cost
S.A.CAL.	UL	Lamezia Terme (Catanzaro)	Airport management	euro	7,755,000	16.57	Aeroporti di Roma S.p.A.		16.57	Valued at cost
Aeroporto di Genova	UL	Genoa Sestri	Airport management	euro	7,746,900	15.00	Aeroporti di Roma S.p.A.		15.00	Valued at cost

GEMINA GROUP

5.8 LIST OF EQUITY INVESTMENTS

NAME	TYPE	REGISTERED	ASSETS	CURRENCY	CAPITAL	EQUITY INVESTMENT		CONSOLIDATION	CONSOLID.	BOOK
		OFFICE				SHARE	THROUGH	SHARE	METHOD	VALUE
								*	**	***
Consorzio E.T.L.	Cons.	Rome	Study of European transport rules	euro	82,633	25.00	Aeroporti di Roma S.p.A.	25.00	Valued at cost	
Alinsurance, in liquidation	S.r.l.	Rome	Insurance Brokerage	euro	104,000	6.00	Aeroporti di Roma S.p.A.	6.00	Valued at cost	6
ELECTRICITY										
Fiumicino Energia	S.r.l.	Milan	Electricity Production	euro	391,795	86.12	Direct	100	Line-by-line	
Leonardo Energia	S.C.a r.l.	Milan	Electricity Production	euro	10,000	90.00	Fiumicino Energia S.r.l.	100	Line-by-line	
						10.00	Aeroporti di Roma S.p.A.			
AIR TRAFFIC CONTROL SYSTEMS										
SITTI	UL	Vimodrone (Milan)	Air traffic control systems	euro	1,560,000	40.00	Direct	40.00	Net Equity	5,000
OTHER										
PENTAR	UL	Milan	Holding company	euro	24,571,000	20.35	Direct	20.35	Valued at cost	3,609

GEMINA GROUP

5.8 LIST OF EQUITY INVESTMENTS

NAME	TYPE	REGISTERED	ASSETS	CURRENCY	CAPITAL	EQUITY INVESTMENT		CONSOLIDATION	CONSOLID.	BOOK	
		OFFICE				SHARE	THROUGH	SHARE	METHOD	VALUE	
								*	**	***	
DOMINO	S.r.l.	Milan	Internet services	euro	10,000	100.00	Direct		100.00	Valued at cost	10
KIWI 1 VENTURA SERVICOS	S.A.	Channel Islands	Investment fund	euro	110,610,000	0.92	Direct	(3)	0.92	Valued at cost	28
DIRECTIONAL CAPITAL HOLDING	N.V.	Channel Islands	Financial services	euro	6,249	5.00	Direct		5.00	Valued at cost	
GEMINA FIDUCIARY SERVICES	S.A.	Luxembourg	Fiduciary services	euro	150,000	99.99	Direct		99.99	Valued at cost	
TELEFIN, in liquidation (formerly Tempo Libero)	UL	Milan	Financial services	Lire	20,000,000,000	42.50	Direct		42.50	Valued at cost	

NOTES:

* The consolidated share refers to consolidation within the specific group belonging to the Gemina Group.

** The consolidation method of indirect equity investments is attributable to sub-consolidation and not directly to Gemina.

*** The book value for equity investments valued at cost, in thousands of euro.

(1) Equity investment held in ordinary share capital of the company (500,000 euro). The stake held in the overall share capital (1,000,000 euro) is 25.5%.

(2) With reference to purchase commitments, it is noted that on February 28, 2003 ADR granted IGP Decaux S.p.A. a put right on shares held in ADR Advertising S.p.A.'s ordinary and privileged share capital. right can be exercised until December 31, 2011, upon the occurrence of specific conditions. At present, the commitment cannot be quantified as conditions for the exercise of such right have not occurred.

(3) The company has been in liquidation since January 2009, as per the Shareholders' Agreement

KEY:

L Listed joint stock company.

UL Unlisted joint stock company.

S.r.l. Limited liability company.

Cons. Consortium.

S.c. a r.l. Limited liability consortium company.

5.9 CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

We, the undersigned, Guido Angiolini, in my position of Chairman of the Board of Directors, and Alessandra Bruni, in my position of Manager in charge of preparing corporate accounting documents of Gemina S.p.A., taking also account of provisions set forth by Art. 154bis, subsections 3 and 4 of the Italian Legislative Decree no. 58 of February 24, 1998, hereby declare:

- the consistency with regard to the characteristics of the company and
- of the administration and accounting procedures for the drafting of the consolidated financial statements over 2009.

It is also stated that:

- the consolidated financial statements as at December 31, 2009:
 - were drawn up pursuant to the applicable International Accounting Standards adopted by the European Union pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of July 19, 2002;
 - correspond to figures disclosed in the accounting books and records;
 - supply a true and fair disclosure of the equity, economic and financial situation of the issuer and of the companies included in the consolidation area;
- the Report on Operations includes a reliable analysis of the performance and management result, as well as the situation of the issuer and of the companies included in the consolidation, together with the description of the major risks and uncertainties to which they are exposed.

Milan, March 15, 2010

The Chairman
of the Board of
Directors
(Guido Angiolini)

The Manager in charge of preparing
corporate accounting documents
(Alessandra Bruni)

5.10

INDEPENDENT AUDITORS' REPORT



Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

**AUDITORS' REPORT PURSUANT TO ART. 156
OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

**To the Shareholders of
Gemina – GENERALE MOBILIARE
INTERESSENZE AZIONARIE S.p.A.**

1. We have audited the consolidated financial statements of Gemina S.p.A. and subsidiaries (the "Gemina Group"), which comprise the balance sheet as of December 31, 2009, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on March 31, 2009.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Gemina Group as of December 31, 2009, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

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

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

Member of Deloitte Touche Tohmatsu

4. The Directors of Gemina S.p.A. are responsible for the preparation of the Report on Operations and the annual report on corporate governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the consolidated financial statements of the Gemina Group as of December 31, 2009.

DELOITTE & TOUCHE S.p.A.

Signed by
Vincenzo Mignone
Partner

Milan, Italy
March 31, 2010

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

FINANCIAL STATEMENTS

6.1 GEMINA S.P.A. INCOME STATEMENT AS AT DECEMBER 31, 2009

<i>(in euro)</i>	Note	2009	<i>of which due to related parties</i>	2008	<i>of which due to related parties</i>
Income (charges) on equity investments:					
Dividends from associated companies		240,000		204,000	
Other income/(charges) on equity investments		(3,952,922)		20,822,616	
Total income (charges) on equity investments	1	(3,712,922)		21,026,616	
Net financial income (expense):					
Financial income:					
Interest income		837,299	<i>208,695</i>	1,310,868	<i>216,383</i>
Financial expenses:					
Interest expense		(3,477,636)	<i>(3,236,098)</i>	(4,414,098)	<i>(2,821,454)</i>
Other expenses		(604,840)	<i>(520,190)</i>	(1,019,794)	<i>(795,666)</i>
Total net financial income (expense)	2	(3,245,177)		(4,123,024)	
Staff costs	3	(1,410,492)		(1,236,110)	
Other operating costs	4	(3,163,118)	<i>(79,573)</i>	(3,343,627)	<i>(81,671)</i>
Amortisation, depreciation and write-downs	5	(3,100,000)	<i>(3,100,000)</i>	-	
Amortisation, depreciation and write-downs of fixed assets		(28,707)		(33,405)	
Revenues	6	300,559	<i>208,175</i>	280,725	<i>273,644</i>
Other operating profit	6	645,844	<i>505,436</i>	225,573	<i>183,307</i>
Total net operating costs		(6,755,914)		(4,106,844)	
Pre-tax profit (loss)		(13,714,013)		12,796,748	
Income taxes	7	(355,511)		1,058,495	
Profit (loss) for the year		(14,069,524)		13,855,243	

6.1 GEMINA S.P.A. INCOME STATEMENT AS AT DECEMBER 31, 2009

STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of euro)</i>	2009	2008
PROFIT (LOSS) FOR THE YEAR	(14,070)	13,855
PROFIT (LOSS) ON DERIVATIVE INSTRUMENTS (CASH FLOW HEDGES)	(765)	(129)
TAX EFFECT	210	35
TOTAL PROFIT (LOSS) FOR THE YEAR (*)	(14,625)	13,761

(*) *As a result of the application of LAS 1 Revised from January 1, 2009, Total Profit/(Loss) includes the change in fair value of the hedging derivatives.*

6.2 GEMINA S.P.A. BALANCE SHEET AS AT DECEMBER 31, 2009

ASSETS

<i>(in euro)</i>	Note	12/31/2009	<i>of which due to related parties</i>	12/31/2008	<i>of which due to related parties</i>
NON-CURRENT ASSETS					
Other intangible fixed assets		3,141		16,368	
TOTAL INTANGIBLE FIXED ASSETS	8	3,141		16,368	
Fixtures and fittings, tools and other equipment		10,308		15,169	
Other tangible fixed assets		37,316		47,664	
TOTAL TANGIBLE FIXED ASSETS	9	47,624		62,833	
EQUITY INVESTMENTS IN SUBSIDIARIES	10	1,843,211,448		1,835,546,345	
EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	10	8,609,066		18,072,741	
OTHER EQUITY INVESTMENTS	10	28,255		28,255	
INVESTED RECEIVABLES	11	4,591,111		4,266,667	
DEFERRED TAX ASSETS	12	2,109,436		2,710,607	
OTHER NON-CURRENT ASSETS		116		581	
OTHER NON-CURRENT FINANCIAL ASSETS	13	1,400,000	<i>1,400,000</i>	1,400,000	<i>1,400,000</i>
Tot. NON-CURRENT ASSETS		1,860,000,197		1,862,104,397	
CURRENT ASSETS					
TRADE RECEIVABLES	14	397,990	<i>335,755</i>	4,419,688	<i>424,399</i>
OTHER RECEIVABLES	15	14,434,597	<i>13,455,843</i>	24,590,992	<i>21,263,073</i>
OTHER CURRENT FINANCIAL ASSETS	16	1,566,043	<i>1,566,043</i>	286,891	<i>49,120</i>
CASH AND CASH EQUIVALENTS	17	13,433,520	<i>411,482</i>	1,744,876	<i>308,348</i>
TOTAL CURRENT ASSETS		29,832,150		31,042,447	
ASSETS HELD FOR SALE		-		-	
TOTAL ASSETS		1,889,832,347		1,893,146,844	

6.2 GEMINA S.P.A. BALANCE SHEET AS AT DECEMBER 31, 2009

SHAREHOLDERS' EQUITY AND LIABILITIES

<i>(in euro)</i>	Note	12/31/2009	<i>of which due to related parties</i>	12/31/2008	<i>of which due to related parties</i>
SHAREHOLDERS' EQUITY					
Share capital		1,472,960,320		1,472,960,320	
Capital reserves		200,056,535		200,056,535	
Hedging reserve		(648,220)		(93,503)	
Other reserves		82,756,364		82,063,602	
Profit (loss) from previous years		78,348,625		65,374,283	
Profit (loss) for the year		(14,069,524)		13,855,243	
Total Shareholders' Equity	18	1,819,404,100		1,834,216,480	
NON-CURRENT LIABILITIES					
Employee benefits	19	193,240		162,343	
Provisions for risks and charges	20	9,100,000	<i>3,100,000</i>	6,000,000	
Financial indebtedness net of current share	21	46,964,031	<i>46,964,031</i>	46,687,953	<i>46,687,953</i>
Total non-current liabilities		56,257,271		52,850,296	
CURRENT LIABILITIES					
Trade payables	22	478,115	<i>127,792</i>	560,679	<i>65,634</i>
Current financial liabilities	23	89,043	<i>89,043</i>	3,846,094	<i>2,146,094</i>
Provisions for risks and charges	20	1,902,715		175,861	
Financial instruments - derivatives	24	926,026	<i>926,026</i>	128,970	<i>128,970</i>
Other current liabilities	25	10,775,077	<i>11,884</i>	1,368,464	<i>12,938</i>
Total current liabilities		14,170,976		6,080,068	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,889,832,347		1,893,146,844	

6.3 GEMINA S.P.A. STATEMENT OF CASH FLOWS AS AT DECEMBER 31, 2009

<i>(in thousands of euro)</i>	12/31/2009	12/31/2008
PROFIT (LOSS) FOR THE YEAR	(14,070)	13,855
Amortization and depreciation of tangible and intangible fixed assets	29	33
Increase (decrease) of employee benefits and other funds (net of risks provision for transfer of Elilario)	4,858	(28)
(Increase) decrease in deferred tax assets	601	854
Capital (gains) losses on transfer of equity investments	-	(21,506)
(Revaluation) write-down of equity investments	2,100	683
OPERATING PROFIT (LOSS) BEFORE CHANGES IN WORKING CAPITAL	(6,482)	(6,109)
(Increase) decrease in trade receivables	4,022	(171)
(Increase) decrease in other current assets	10,157	(1,766)
Increase (decrease) in trade payables	(83)	(799)
Increase (decrease) in other current liabilities and tax payables	9,407	(397)
CHANGES IN WORKING CAPITAL	23,503	(3,133)
TOTAL CASH AND CASH EQUIVALENTS GENERATED (ABSORBED) BY OPERATIONS	17,021	(9,242)
STATEMENT OF CASH FLOWS FROM INVESTMENT ACTIVITIES		
Sale of equity investments in Elilario and 3 Italia	-	63,800
Additional charges for disposal of the equity investment which directly reduce the capital gains from disposal of the equity investment in Elilario	-	(1,963)
(Increase) decrease in invested receivables	(325)	(4,267)
Other changes in equity investments	(301)	-
(Increase) decrease in tangible and intangible fixed assets	-	(13)
TOTAL CASH AND CASH EQUIVALENTS GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	(626)	57,557
STATEMENT OF CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(188)	(188)
(Increase) decrease in trade receivables	(1,279)	10,364
Increase (decrease) in financial payables	(2,684)	(105,132)
Raising of medium/long-term bank payables	-	46,688
Other changes in shareholders' equity	(555)	115
TOTAL CASH AND CASH EQUIVALENTS GENERATED (ABSORBED) BY FINANCING ACTIVITIES	(4,706)	(48,153)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,689	162
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,745	1,583
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13,434	1,745

6.4 GEMINA S.P.A. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2009

<i>(in thousands of euro)</i>	Share capital	Capital reserves	Hedging reserve	Other reserves	Profit (loss) pertaining to previous years	Profit (loss) for the year	Shareholders' equity
Balances as at 01/01/2008	1,472,960	199,849	-	81,394	52,850	13,381	1,820,434
Allocation of proceeds year 2007					13,381	(13,381)	
Distribution of dividends to holders of savings shares				670	(858)		(188)
Other changes		208					208
Total profit (loss) for the year			(93)			13,855	13,762
Balances as at 12/31/2008	1,472,960	200,057	(93)	82,064	65,373	13,855	1,834,216
Allocation of results year 2008				692	13,163	(13,855)	
Distribution of dividends to holders of savings shares					(188)		(188)
Total profit (loss) for the year			(555)			(14,070)	(14,625)
Balances as at 12/31/2009	1,472,960	200,057	(648)	82,756	78,349	(14,070)	1,819,404

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING STANDARDS

Pursuant to European Regulation no. 1606 of July 19, 2002 and in connection with the provisions of Italian Legislative Decree no. 38/2005, starting with the year ending December 31, 2006 companies issuing financial instruments traded in regulated markets must draw up their financial statements according to the International Accounting Standards (IAS or International Financial Reporting Standards (IFRS)) and according to their “interpretations” as provided in documents issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) approved by the European Commission, with date of transition January 1, 2005.

Therefore, Gemina adopted the above principles from January 1, 2006.

The last financial statements of Gemina drawn up according to the Italian accounting principles regards the year that ended on December 31, 2005.

The financial statements and information contained herein were drawn up in conformity with the international standard IAS 1, as provided for by CONSOB communication no. 15519 and CONSOB communication no. 6064293 issued on July 28, 2006.

ADOPTION OF NEW STANDARDS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2009

The following accounting standards, amendments and interpretations, revised also as a result of the annual 2008 Improvement process conducted by the IASB, were applied for the first time by the Company starting from January 1, 2009.

IAS 1 REVISED - PRESENTATION OF FINANCIAL STATEMENTS

The presentation of income components such as income and charges (defined as “non-owner changes in equity”) in the Statement of Changes in Shareholders’ Equity is not permitted, and these changes deriving from transactions with non-owners must be indicated separately.

All non-owner changes in equity are highlighted in a single separate statement which shows the trend in comprehensive

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

income for the period or in two separate statements, entitled income statement and statement of comprehensive income.

The changes must be shown separately also in the Statement of changes in Shareholders' equity.

The Company applied the revised version of the standard from January 1, 2009 retrospectively, choosing to indicate all changes due to transactions with non-shareholders in two separate tables which show the trend for the period called respectively "Income statement" and "Statement of comprehensive income".

The Company subsequently amended the presentation of the Statement of changes in Shareholders' equity.

IAS 28 — INVESTMENTS IN ASSOCIATES

The Standard requires that additional information be provided for equity investments in associated companies and joint ventures valued at fair value according to IAS 39.

Its adoption, from January 1, 2009, did not entail the recognition of any effect in these financial statements.

IAS 7 – FINANCIAL INSTRUMENTS: DISCLOSURES

This requires greater disclosure in the event of valuation at fair value and strengthens the existing principles regarding disclosure of liquidity risks of financial instruments. Specifically, disclosure is provided regarding the levels of fair value measurement hierarchy for financial instruments. The adoption of this standard, adopted from January 1, 2009, did not entail an effect in terms of the valuation and recognition of the balance sheet items, but only on the type of disclosure provided.

Finally, it is worth noting that a set of amendments and interpretations have been released which regulate categories and cases not pertaining to the Company as at the date of these financial statements: IAS 23 – Borrowing Costs; IFRS 2 – Share-Based Payments: Vesting Conditions and Cancellations; IAS 16 – Property, Plant and Machinery; IAS 19 – Employee Benefits; IAS 20 – Government Grants; IAS 38 – Intangible Assets; IAS 32 – Financial Instruments: Presentation; IAS 1 – Presentation of the Financial Statements – Puttable financial instruments and obligations arising on liquidation; IAS 29 – Financial Reporting in Hyperinflationary Economies; IAS 39 – Financial Instruments: Recognition and Measurement; IAS 40 – Investment Property; IFRIC 13 – Customer Loyalty Programmes; IFRIC 15 – Agreements for the Construction of Real Estate; IFRIC 16 – Hedges of a Net Investment in a Foreign Operation.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT ADOPTED IN ADVANCE BY THE COMPANY.

A series of amendments and interpretations have been issued which are applicable following December 31, 2009: updated version of IFRS 3 – Business Combinations; IFRS 5 – Non-Current Assets Held for Sales and Discontinued Operations; IAS 39 – Financial Instruments: Recognition and Measurement; IFRIC 17 – Distribution of Non-Cash Assets to Owners; IFRIC 18 – Transfers of Assets from Customers; IFRS 2 – Share-Based Payments; IAS 32 – Financial Instruments: Presentation and Classification of Rights Issues; IAS 24 – Related Party Disclosures; IFRS 9 – Financial Instruments; IFRIC 14 – Advance Payments in Relation to Minimum Funding Requirements; IFRIC 19 – Extinguishing Financial Liabilities With Equity Instruments.

On April 16, 2009 the IASB issued a set of modifications to the IFRS (“Improvements”) that will entail changes in the statement, recognition and valuation of the balance sheet items and modifications that will primarily bring about changes in terminology or publishing, with slight effects from the accounting viewpoint.

These standards have not been adopted in advance by the company, as they regulate cases which were not applicable to the company as at December 31, 2009.

For further information, also see point 5.6 of the Consolidated Financial Statements, “Accounting Standards”.

VALUATION CRITERIA

CURRENCY OF REFERENCE

The financial statements of Gemina are drawn up in euro.

USE OF ESTIMATES

Drawing up the financial statements in application of the IFRS requires estimates and assumptions to be made, which affect the book asset and liability values on the date of reference.

The estimates and assumptions are based on data that reflect the current state of knowledge available, so the final results of the year might differ from these estimates.

The estimates and underlying assumptions are periodically reviewed, and the effects of each change are reflected in the income statement or in Shareholders’ equity, in connection with the classification of the item of reference.

DIVIDENDS

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

The dividends are recorded at the time the right of the shareholders to receive payment arises, which normally corresponds to the date of the annual Shareholders' Meeting that resolves on the distribution of the dividends.

The dividends payable to minority shareholders are shown as a change of the Shareholders' Equity as at the date when the Shareholders' Meeting approves them.

FINANCIAL INCOME AND EXPENSE

Financial income and expense are recorded in the income statement on an accrual basis, based on the interest accrued on the value of the respective financial assets and liabilities using the actual interest rate.

COSTS

Costs are valued at the fair value of the amount paid or to be paid, and are recognised in the income statement on an accrual basis.

Costs connected with share capital increase are charged directly as a decrease in Shareholders' equity.

REVENUES

Revenues from sales and services are respectively posted when the actual transfer of risks and benefits coming from the sale of the property or the supply of the service has occurred.

INCOME TAXES

The income tax on the income of the year is calculated based on current legislation.

Any deferred or prepaid income taxes are calculated on the temporary differences between the equity values entered in the financial statements and the corresponding values recognised for tax purposes, applying the tax rate that is expected to be in effect on the date when the temporary difference will be paid.

The prepaid taxes are recognised to the extent in which it is probable that future income will become available, against which they can be recovered.

Deferred taxes are recorded in the income statement, with the exception of those relating to items that are directly recorded in shareholders' equity. In that case, also deferred taxes are charged to shareholders' equity.

In its capacity of consolidating company, Gemina adopted the national consolidated financial statements, and the following companies participate in it: ADR, ADR Engineering, ADR Tel and ADR Sviluppo S.r.l..

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

EQUITY INVESTMENTS IN SUBSIDIARY COMPANIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Equity investments in subsidiary companies, associated companies and joint ventures are recorded at their purchase cost including additional charges, which is adjusted when there are losses of value pursuant to IAS 36.

The term subsidiary companies means all companies over which Gemina has the power to determine, either directly or indirectly, the financial and operating policies in order to obtain benefits from their activities.

The term joint ventures means all those companies in which Gemina exercises control together with other entities based on agreements that attribute joint powers to govern said Company.

Equity investments in associated companies are those in which Gemina is capable of exercising a significant influence, but not control or joint control, by contributing to the financial and operating decision-making policies of the investees.

The positive difference between acquisition cost and the share of shareholders' equity at current values of the Company's interest arising from the act of purchase is therefore included in the book value of the equity investment. When there is proof that these equity investments have sustained impairment, the latter is recorded in the income statement as a write-down of the book value.

If no impairment occurs or impairment is reduced afterwards, the revaluation that reinstates the book value up to the new estimation, within the limits of the cost, is entered in the income statement.

In the event the portion of losses of the investee company, which is pertaining to the Company, exceeds the book value of the equity investment, the value of the equity investment is zeroed and the portion of additional losses is disclosed as a provision under liabilities.

FINANCIAL ASSETS HELD FOR SALE (OTHER EQUITY INVESTMENTS) AND FINANCIAL ASSETS HELD FOR TRADING

These are made up of instruments representing the shareholders' equity, and are valued at fair value, if it can be determined.

When the fair value cannot be reliably determined, they are entered at cost – written down for impairment losses, if necessary – whose effect is recognised in the income statement.

In the case financial assets are classified as “held for sale” (“other equity investments”), the adjustment to fair value as at the date of reference is recorded under a specific item of

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

shareholders' equity. When they are sold or suffer an impairment loss, the profits or losses previously recorded under shareholders' equity are charged to the income statement for the year.

If financial assets are classified as "held for trading", the profits and losses resulting from the changes in fair value are recorded in the income statement for the year.

The financial assets are deleted from the balance sheet assets if and only if the risks and benefits correlated with their ownership have been substantially transferred.

OTHER FINANCIAL ASSETS

The other financial assets are recorded and reversed on the financial statements based on the trading date, and are initially valued at cost, including charges directly attributable to their acquisition.

TANGIBLE ASSETS

The tangible assets are recorded at historical cost.

Tangible fixed assets are depreciated on a straight-line basis in each year in relation to the estimated useful life and, in the case of disposal, until the end of use.

Depreciation is recorded from the time the fixed asset is available for use, or is potentially capable of providing the economic benefits associated therewith.

The estimated useful life of tangible assets is such that depreciation rates used are the following:

- Equipment from 15% to 25%;
- Other assets from 12% to 20%

In the case that there is an impairment loss, aside from the depreciation already recorded, the asset is written down accordingly.

If in subsequent years the conditions for the write-down cease to exist, the original value will be reinstated within the limits of the write-downs previously made.

Profits and losses deriving from the transfer or disposal of tangible fixed assets are calculated as the difference between the revenues from the sale of the assets and their book value, and are recorded in the income statement for the year.

Any maintenance costs are charged to the income statement.

INTANGIBLE FIXED ASSETS

The intangible assets, all having a defined useful life, are recorded at purchase cost and disclosed net of their related amortisation.

Amortisation is calculated on a straight-line basis depending on the estimated useful life.

Amortisation therefore begins when the intangible asset

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

becomes available for use.

RECEIVABLES

Receivables are stated at the fair value in the financial statements corresponding to their par value, and are adjusted to their estimated realisable value.

In the case of receivables whose collection is expected to be long-term, their current value is recorded.

Trade receivables whose expiration falls within the normal commercial terms are not discounted.

CASH AND CASH EQUIVALENTS

The item includes cash, bank current accounts and deposits reimbursable upon request and other short-term financial investments with high liquidity, which can be easily converted into cash and are subject to an insignificant risk of change in value.

TRADE PAYABLES

Trade payables are stated at the fair value corresponding to their par value.

FINANCIAL LIABILITIES

The financial liabilities are initially recognised at fair value corresponding to cost, net of directly attributable transaction costs.

Subsequently they are valued at the amortised cost. The amortised costs is the amount of the liability recorded at the time of its initial recognition net of capital repayments and additional charges amortised applying the effective interest rate method.

FINANCIAL DERIVATIVES

The Company uses derivatives for hedging interest rate fluctuation risks.

Interest rate risks derive from variable rate bank loans. To hedge these risks, the Company converted a portion of its variable rate debts into fixed rate debts and designated them as cash flow hedges.

Derivative instruments are initially recognised at fair value and adjusted to their fair value at year-end.

Any changes in the fair value of derivatives, which are so designated, and considered to be effective in hedging against future cash flows of the Company's contractual commitments and expected transactions, are directly recorded in shareholders' equity net of their tax effect, while their ineffective portion is immediately recognised in the income statement.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

EMPLOYEE BENEFITS

Post employment benefits – ascribable to employee severance indemnities – have been valued according to Italian accounting standards and to current legislation regarding collective payroll agreements and company pension schemes.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges include the allocations arising from current obligations of a legal or implicit nature, deriving from past events, and the fulfilment of which will probably require the employment of resources, of which the amount cannot be reliably estimated.

Provisions are allocated based on a best estimate of the costs required for fulfilling the obligation at the year-end date of the financial statements.

ASSETS/(LIABILITIES) HELD FOR SALE

Assets and liabilities held for sale include non-current assets and the associated liabilities which have been selected for disposal.

Assets held for sale are valued at the lower of their book value and their fair value net of sale costs.

The amounts are expressed in thousands of euro.

NOTES TO THE INCOME STATEMENT

NOTE 1 INCOME (CHARGES) ON EQUITY INVESTMENTS

DIVIDENDS

	2009	2008	Change
FROM ASSOCIATED COMPANIES	240	204	36
SITTI	240	204	36
TOTAL	240	204	36

OTHER INCOME/(CHARGES) ON EQUITY INVESTMENTS

	2009	2008	Change
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6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

CAPITAL GAINS ON DISPOSAL OF EQUITY INVESTMENTS	-	21,509	(21,509)
ELILARIO	-	21,509	(21,509)
CAPITAL LOSSES ON DISPOSAL OF EQUITY INVESTMENTS	-	(3)	3
3 ITALIA	-	(3)	3
WRITE-DOWNS OF EQUITY INVESTMENTS	(2,100)	(683)	(1,417)
PENTAR	(1,100)	(291)	(809)
SITTI	(1,000)	(392)	(608)
LOSS SETTLEMENTS	(1,193)	-	(1,193)
FIUMICINO ENERGIA	(1,189)	-	(1,189)
DOMINO	(4)	-	(4)
OTHER EXPENSES	(660)	-	(660)
TOTAL	(3,953)	20,823	(24,776)

The equity investment in Pentar was prudently written down to line up its book value with the quota of the Company's shareholder's equity, as is seen in the best information available.

For financial year 2009 a loss is expected on the income statement, also as a result of the investee companies that recorded a decrease in turnover and profitability as a result of the unfavourable economic trend.

The book value of the equity investment in SITTI was aligned with the likely salvage value.

Fiumicino Energia recorded a loss in 2009, mainly due to the subsidiary Leonardo Energia's inability to pay the lease rental as set forth in the contract, which reflects the clauses and conditions established in previous consortium agreements.

During the year Gemina made payments of 1,189 thousand euro to cover said loss, as well as covering the loss of 4 thousand euro accrued by Domino S.r.l. as at December 31, 2009.

The other expenses, equal to 660 thousand euro, regard the compensation paid to Edison, as per the agreements for the company reorganisation of SdE.

The company reorganisation of SdE, the itemised list of equity investments, the changes in terms of quantity and value that took place during the year, the portion held of each

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

one, the name, registered office, share capital, shareholders' equity and book value are shown in Note 10.

NOTE 2 NET FINANCIAL INCOME (EXPENSES)

INTEREST INCOME			
	2009	2008	Change
FROM RECEIVABLES ENTERED AS NON-CURRENT ASSETS	546	616	(70)
FROM ASSOCIATED COMPANIES	49	112	(63)
<i>SITI - interest on bond issue</i>	49	112	(63)
FROM OTHERS	497	504	(7)
<i>IDOMENEO S.A. (INAER Group)</i>	497	504	(7)
FROM RECEIVABLES ENTERED AS CURRENT ASSETS	3	80	(77)
FROM SUBSIDIARY COMPANIES	3	80	(77)
<i>Fiumicino Energia - Interest income on reciprocal c/a</i>	3	-	3
<i>Elilario - interest income on reciprocal c/a and loan</i>	-	80	(80)
INCOME OTHER THAN THE ABOVE	288	615	(327)
INTEREST INCOME ON C/A AND BANK DEPOSITS	95	228	(133)
<i>of which from related parties:</i>			
<i>Mediobanca</i>	1	101	(100)
INTEREST INCOME ON TAX CREDITS	157	383	(226)
<i>of which from related parties:</i>			
<i>ADR</i>	106	-	106
<i>ADR Engineering</i>	8	-	8
<i>ADR Tel</i>	6	-	6
IRS DIFFERENTIALS	36	4	32
<i>of which from related parties:</i>			
<i>Mediobanca</i>	18	2	16
<i>Unicredit MedioCredito Centrale</i>	18	2	16
TOTAL	837	1.311	(474)

The interest income accrued from the INAER Group concerns remuneration of the 4 million euro credit coming from the disposal of Elilario Italia S.p.A., described in Note 11.

INTEREST EXPENSE

	2009	2008	Change
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6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

INTEREST PAYABLE ON BANK LOANS	2,983	3,768	(785)
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	1,451	1,411	40
<i>Unicredit Corporate Banking</i>	-	602	(602)
<i>Unicredit MedioCredito Centrale</i>	1,451	808	643
EXPENSES ON DERIVATIVES	335	-	335
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	167	-	167
<i>Unicredit MedioCredito Centrale</i>	167	-	167
OTHER INTEREST PAYABLE	160	646	(486)
TOTAL	3,478	4,414	(936)

The interest payable on bank loans refer entirely to the loan stipulated on December 11, 2008, described in Note 21. Expenses on derivatives comprise 302 thousand euro of the negative differential paid in relation to the interest rate swap contract in force, described in Note 24 and 33 thousand euro of accrued liabilities as at December 31, 2009.

OTHER EXPENSES

	2009	2008	Change
COMMISSIONS AND CHARGES ON LOANS	323	807	(484)
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	176	381	(205)
<i>Unicredit MedioCredito Centrale</i>	140	378	(238)
COMMISSION EXPENSE ON THE ASSIGNMENT OF TAX CREDITS	77	154	(77)
COMMISSIONS ON NON-USE	205	59	146
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	102	25	77
<i>Unicredit Corporate Banking</i>	-	8	(8)
<i>Unicredit MedioCredito Centrale</i>	102	16	86
TOTAL	605	1.020	(415)

COMMISSIONS AND CHARGES ON LOANS

This item regards the share of accessory charges for financial year 2009 for the Loan granted on December 11, 2008.

COMMISSION EXPENSE ON THE ASSIGNMENT OF TAX CREDITS

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

The item refers to the commissions calculated on the amount of the tax credits transferred to Unicredit Factoring S.p.A. until April 9, 2009, the date when these credits were settled by the Revenue Office, as described also in Note 14 and Note 15.

NOTE 3 STAFF COSTS

	2009	2008	Change
SALARIES AND WAGES	1,037	931	106
SOCIAL SECURITY CHARGES	293	237	56
POST-EMPLOYMENT BENEFITS	49	46	3
OTHER COSTS	31	22	9
TOTAL	1,410	1,236	174

The increase is attributable to the hiring of 3 employees during the year.

Below is the average number of employees and the breakdown by category:

	12/31/2008	Recruits	Leavers	12/31/2009	Average
EXECUTIVES	1	2	-	3	2
MANAGERS	3	2	(1)	4	3
EMPLOYEES	4	1	(1)	4	4
TOTAL	8	5	(2)	11	9

The increase of three people during the year is due to:

- the hiring of an executive for a subsidiary company, to which the related cost was charged back;
- the direct hiring of 2 employees for positions previously held by personnel seconded from the subsidiary company ADR.

NOTE 4 OTHER OPERATING COSTS

	2009	2008	Change
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6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

SERVICE CHARGES	2,282	2,406	(124)
<i>of which due to related parties:</i>			
<i>Unicredit MedioCredito Centrale</i>	<i>2</i>	<i>3</i>	<i>(1)</i>
<i>SdE(*)</i>	<i>10</i>	<i>15</i>	<i>(5)</i>
<i>ADR Tel</i>	<i>7</i>	<i>10</i>	<i>(3)</i>
<i>ADR</i>	<i>61</i>	<i>54</i>	<i>7</i>
RENTALS	405	429	(24)
ALLOCATION TO PROVISIONS FOR RISKS AND CHARGES	-	15	(15)
OTHER OPERATING EXPENSES	476	494	(18)
TOTAL	3,163	3,344	(181)

(*) until August 30, 2009

SERVICE CHARGES

The decrease is mainly attributable to cost savings on professional services from third parties.

OTHER OPERATING EXPENSES

These include company costs totalling 202 thousand euro borne for publishing mandatory company notices and for organising the Shareholders' Meeting for approval of the financial statements, fiscal charges for non-deductible VAT and other taxes amounting to 166 thousand euro, and 60 thousand euro in costs for contributions paid to trade associations.

NOTE 5 AMORTISATION, DEPRECIATION AND WRITE-DOWNS

These refer to the provision, equal to 3.1 million euro, made in order to cover the risk of indemnifying ADR as a result of the guarantee issued to the subsidiary company in December 2002, against any capital losses the company may have had to incur due to tax claims relating to years prior to 2000.

The provisions were allocated in the event of a partial negative outcome for ADR in the litigation with the Customs Agency, as described in Note 29 "Litigation".

NOTE 6 REVENUES AND OTHER OPERATING INCOME

Revenues refer to the supply of company and administrative services, contractually defined, in favour of the Group companies equal to 301 thousand euro, while the other operating income basically comes from the recovery of remuneration for corporate offices filled by executive staff in Group companies (455 thousand euro) and from the re-debiting of costs incurred due to service supply agreements (87 thousand euro).

All revenues were attained in Italy.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 INCOME TAXES

This item includes:

- positive income taxes for fiscal losses generated during the year totalling 1,822 thousand euro;
- the partial levy of pre-paid taxes on the company share capital increase charges borne in 2007 amounting to 873 thousand euro;
- the allocation of 1.669 thousand euro made in relation to a tax audit by the Milan Revenue Office regarding the year 2006.

The findings issued regard the non-deductibility of interest payable and the failure, in tax filing, to align the statutory values of equity investments sold during the financial year to the tax values.

IRES – RECONCILIATION BETWEEN THEORETICAL AND REAL FISCAL CHARGES

	2009		2008	
	Taxable income	Tax	Taxable income	Tax
PRE-TAX PROFIT (LOSS)	(13,714)		12,797	
THEORETICAL IRES	27.5%	3,771	27.5%	(3,519)
EFFECT OF INCREASES (DECREASES) COMPARED TO THE ORDINARY TAX RATE				
DIVIDENDS	(228)	63	(194)	53
CAPITAL GAINS FROM DISPOSALS			(27,998)	7,699
ADDITIONAL CHARGES RELATED TO CAPITAL INCREASE	(3,176)	873 (a)	(3,234)	889 (a)
PROVISIONS	3,100	(853)	-	-
CAPITAL LOSSES ON EQUITY INVESTMENTS	3,953	(1,087)	-	-
FINANCIAL EXPENSES	2,996	(824)	4,123	(1,134)
FISCAL CHARGES:	59	(16)	-	-
OTHER PERMANENT DIFFERENCES	385	(105)	8,488	(2,334)
TAXABLE INCOME/(LOSS)	(6,625)	1,822	(6,017)	1,655
TOTAL TAX LOSSES	(6,625)		(6,017)	
REVENUES FROM TAX CONSOLIDATION		1,822		1,655
EFFECT ON THE INCOME STATEMENT OF COSTS/REVENUES DIRECTLY RECORDED IN SHAREHOLDERS' EQUITY (a)		(873)		(889)
IRES INCOME ON REDUCTION IN WORKING HOURS (ROL) TRANSFERRED TO ADR		303		-

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

REAL IRES	1,252	766
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NOTES TO THE BALANCE SHEET

NOTE 8 INTANGIBLE FIXED ASSETS

	12/31/2008	Increases	Amortisation	12/31/2009
SOFTWARE AND SYSTEMS COSTS	16	-	(13)	3
TOTAL	16	-	(13)	3

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 TANGIBLE ASSETS

	12/31/2008				Changes in the year				12/31/2009			
	COST	REVAL. (W.-D.)	ACCR. DEP.	BOOK VALUE	PURCHASES	DISPOSALS COST	ACCR. DEPR.	SHARE OF DEPR.	COST	REVAL. (W.-D.)	ACCR. DEP.	BOOK VALUE
FIXTURES AND FITTINGS, TOOLS AND OTHER EQUIPMENT												
MISCELLANEOUS FITTINGS	37	-	(23)	14	1	-	-	(5)	38	-	(28)	10
OTHER TANGIBLE ASSETS												
FURNITURE AND FURNISHINGS	226	-	(185)	41	-	(1)	-	(9)	225	-	(194)	31
OFFICE MACHINES	59	-	(51)	8	-	-	-	(1)	59	-	(52)	7
OTHER ASSETS	15	-	(15)	-	-	-	-	-	15	-	(15)	-
	300	-	(251)	49	-	(1)	-	(10)	299	-	(261)	38
TOTAL	337	-	(274)	63	1	(1)	-	(15)	337	-	(289)	48

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 EQUITY INVESTMENTS

EQUITY INVESTMENTS IN SUBSIDIARY COMPANIES,
ASSOCIATED COMPANIES, JOINT VENTURES AND OTHER
EQUITY INVESTMENTS

The breakdown and change of this item are shown in the
following table:

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Name	Stock as at 12/31/2008				Increases		Decreases		Value adjustments	Stock as at 12/31/2008			
	Shares or Quotas	Unit Value	Value	% Equity Inv.	Shares or Quotas	Value	Shares or Quotas	Value		Shares or Quotas	Unit Value	Value	% Equity Inv.
EQUITY INVESTMENTS IN SUBSIDIARY COMPANIES													
AEROPORTI DI ROMA S.P.A.	59,668,765	30.76	1,835,536,345	95.76	-	-	-	-	-	59,668,765	30.76	1,835,536,345	95.76
FIUMICINO ENERGIA S.R.L. (*)	-	-	-	-	1	7,665,103	-	-	-	1	-	7,665,103	86.12
DOMINO S.R.L.	1	-	10,000	100.00	-	-	-	-	-	1	-	10,000	100.00
TOTAL			1,835,546,345		-	7,665,103	-	-	-	-		1,843,211,448	
EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURES													
PENTAR S.P.A.	5,000,000	0.94	4,709,065	20.35	-	-	-	-	(1,100,000)	5,000,000	0.72	3,609,065	20.35
SISTEMI DI ENERGIA S.P.A. (*)	4,771,243	1.54	7,363,676	45.55	-	-	4,771,243	7,363,676	-	-	-	-	-
SITTI S.P.A.	1,200,000	5.00	6,000,000	40.00	-	-	-	-	(1,000,000)	1,200,000	4.17	5,000,000	40.00
TOTAL			18,072,741		-	-	-	7,363,676	(2,100,000)			8,609,065	
OTHER EQUITY INVESTMENTS													
DIRECTIONAL CAPITAL HOLD. NV	1	-	-	5.00	-	-	-	-	-	1	-	-	5.00
KIWI 1 VENTURA SERVICOS S.A. (**)	34	-	28,255	0.92	-	-	-	-	-	34	-	28,255	0.92
GEMINA FIDUCIARY SERVICES S.A.	17,646	-	-	99.99	-	-	-	-	-	17,646	-	-	99.99
TELEFIN S.P.A IN LIQUIDATION (FORMERLY TEMPO LIBERO S.P.A.)	85,000	-	-	42.50	-	-	-	-	-	85,000	-	-	42.50
TOTAL			28,255									28,255	
GRAND TOTAL			1,853,647,341			7,665,103		7,363,676	(2,100,000)			1,851,848,768	

(*) Changes occurred following the partial proportional spin-off of SdE and the exchange of shares with Edison described below.

(**) The company has been in liquidation since January 2009, as per the Shareholders' Agreement.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

LIST OF EQUITY INVESTMENTS PURSUANT TO ART. 2427 OF THE ITALIAN CIVIL CODE

(in thousands of euro)

NAME	REGISTERED OFFICE	ACTIVITY	SHARE CAPITAL VALUE IN EURO	SHAREHOLDERS' EQUITY INCLUDING PROFIT (LOSS) AS AT 12/31/2009	PROFIT (LOSS) FOR THE YEAR 2009	PORTION OF SHAREHOLDER S' EQUITY HELD	% OF DIRECT OWNERSHIP	BOOK VALUE
Aeroporti di Roma S.p.A.	Fiumicino	Airport services	euro 62,309,801	764,438	5,094	732,026	95.76	1,835,536
Fiumicino Energia S.r.l. (1)	Milan	Production and sale of energy	euro 391,795	743	(1,188)	640	86.12	7,665
Domino S.r.l. (2)	Milan	IT services	euro 10,000	6	(4)	6	100.00	10
Gemina Fiduciary Services S.A.	Luxembourg	Trust company	euro 150,000	(21)	(13)	(21)	99.99	-
Pentar S.p.A.(3)	Naples	Holding company	euro 24,571,000	22,926	(344)	4,665	20.35	3,609
SITTI S.p.A.	Milan	Air navigation instruments	euro 1,560,000	11,003	1,389	4,401	40.00	5,000
Telefin S.p.A in liquidation (formerly Tempo Libero S.p.A.) (4)	Milan	Financial services	Lire 20,000,000,000	-	-	-	42.50	-

(1) Established on June 30, 2009 as the beneficiary of the partial proportional spin-off of Sistemi Energia S.p.A.. On November 9, 2009 the Shareholders' Meeting resolved a share capital increase of 350,000 euro to be carried out by March 15, 2010.

(2) On February 18, 2010 the loss was covered through payment by the shareholder Gemina.

(3) Figures refer to the financial statements as at December 31, 2008.

(4) On April 29, 1999 the Court of Milan declared its bankruptcy.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Due to the partial proportional spin-off of SdE, which took effect on June 30, 2009, the co-generation power plant at Fiumicino and the holding in Leonardo Energia were transferred to the new company Fiumicino Energia.

In accordance with the agreements made, Gemina exchanged its shares in SdE with Edison, without adjustments, for the shares held by Edison in Fiumicino Energia, by deed of exchange on July 1, 2009.

Therefore, from July 1, 2009 Gemina holds 86.12% of Fiumicino Energia, Finlombarda S.p.A. holds 11.25% and minor shareholders hold the remaining part.

The equity investments in ADR and SITI were recorded in the financial statements at a higher book value compared to the corresponding share of shareholders' equity. These values refer to the price paid for their acquisition, calculated on the basis of both the company's equity consistency and the expected profitability.

The recorded values of ADR and Fiumicino Energia have been subject to impairment tests in order to verify that the book values state the economic values of the investee companies.

The book value of the equity investment in SITI is aligned with the likely salvage value.

The book value of the equity investment in Pentar was prudently aligned to the quota of the Company's shareholders' equity, as is seen in the best information available.

NOTE 11 INVESTED RECEIVABLES

This item, equal to 4,591 thousand euro, includes the receivable of par value of 4.0 million euro from the INAER Group, due by 2017, following the transfer of the equity investment in Elilario Italia S.p.A. occurred in February 2008.

This is an interest-bearing loan: a 7.5% share of the receivable has been capitalised and will be recognised at the expiry date (591 thousand euro), and a share equal to the Euribor + 2% is collected annually.

NOTE 12 DEFERRED TAX ASSETS

These substantially regard:

- the amount of 1,838 thousand euro, which is the remaining value of the pre-paid taxes calculated on the additional charges to the share capital increase of 2007 recorded as a direct decrease of the shareholders' equity, deductible in 5 years. The amount delivered during the year is equal to 873 thousand euro;
- the amount of 210 thousand euro, which is the tax effect

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

regarding the fair value of the derivatives recorded under shareholders' equity.

NOTE 13 OTHER NON-CURRENT FINANCIAL ASSETS

	12/31/2009	12/31/2008	Change
SITTI	1,400	1,400	-
TOTAL	1,400	1,400	-

The amount due from SITTI refers to a bond issue of SITTI itself for a total of 3,500 thousand euro with a four-year term (June 30, 2006 – June 30, 2010), consisting of 3500 bonds having a par value of 1,000 euro each.

Gemina underwrote 1,400 thousand euro, corresponding proportionately to its equity share.

The yield of the bonds is equivalent to the marginal refinancing rate of the European Central Bank plus spread. The average spread in 2009 was 1.4%.

NOTE 14 TRADE RECEIVABLES

	12/31/2009	12/31/2008	Change
DUE FROM CUSTOMERS	5	4,001	(3,996)
DUE FROM CUSTOMERS	270	271	(1)
<i>of which due to related parties (Shareholders' Agreement):</i>	5	5	-
DUE FROM FACTORING COMPANIES	-	3,995	(3,995)
BAD DEBT PROVISION	(265)	(265)	-
RECEIVABLES DUE FROM SUBSIDIARY COMPANIES	209	10	199
ADR	146	10	136
DOMINO S.R.L.	3	-	3
ADR TEL.	6	-	6
FIUMICINO ENERGIA	43	-	43
LEONARDO ENERGIA	11	-	11
EQUITY INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES	184	409	(225)
C.E.B	1	34	(33)
LEONARDO ENERGIA	-	2	(2)
SDE	56	251	(195)
PENTAR	6	9	(3)
SITTI	121	113	8
TOTAL	398	4,420	(4,022)

Receivables due from factoring companies decreased to zero following the settlement of the aforementioned receivables by the Revenue Office on April 9, 2009.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

It is noted that the amount of 3,995 thousand euro as at December 31, 2008 regarded:

- 820 thousand euro of the residual amount to be collected for 12,819 thousand euro in tax credit for the year 1997 factored without recourse;
- 3,175 thousand euro in interest income accrued as at April 30, 2004, factored with recourse as per the agreement made on May 7, 2004.

Receivables due from subsidiary and associated companies refer to services rendered and to chargebacks of costs.

NOTE 15 OTHER RECEIVABLES

	12/31/2009	12/31/2008	Change
TAX RECEIVABLES	258	1,157	(899)
TAX CREDITS	258	1,157	(899)
OTHER RECEIVABLES DUE FROM SUBSIDIARY COMPANIES	13,423	21,230	(7,807)
DUE FROM ADR GROUP FOR CONSOLIDATED IRES	13,423	21,230	(7,807)
DUE FROM OTHERS	542	293	249
DUE FROM THE TAX AUTHORITY	474	224	250
OTHER RECEIVABLES	68	69	(1)
ACCRUED INCOME	90	1,732	(1,642)
INTEREST INCOME ON TAX CREDITS	90	1,732	(1,642)
PREPAYMENTS	122	179	(57)
SERVICE CHARGES	5	15	(10)
USE OF THIRD PARTY ASSETS	22	24	(2)
OPERATING EXPENSES	62	29	33
FINANCIAL EXPENSES	33	111	(78)
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	33	35	(2)
	14,435	24,591	(10,156)

Receivables due from subsidiary companies refer to the taxes of ADR Group companies that adhered to the tax consolidation, and for 12,832 thousand euro regard the estimated 2009 tax burden, net of the paid-in advances.

The decrease is due to the collection of receivables relating to the balance of 2007 and 2008 taxes from the ADR Group companies.

The decrease in accrued income concerns the collection of

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

the interest accrued on the tax credit arising from the 1997 income tax return, as illustrated in Note 14.

Prepayments refer to ordinary expenses pertaining to the subsequent years.

NOTE 16 OTHER CURRENT FINANCIAL ASSETS

	12/31/2009	12/31/2008	Change
RECEIVABLES DUE FROM SUBSIDIARY COMPANIES:	1,545	6	1,539
- FOR OPERATING C/A	1,545	6	1,539
<i>FIUMICINO ENERGIA</i>	<i>1,545</i>	-	<i>1,545</i>
<i>DOMINO</i>	-	6	<i>(6)</i>
DUE FROM ASSOCIATED COMPANIES			
SITTI	21	39	(18)
ACCRUED INCOME FOR INTEREST ON RECEIVABLES DUE FROM OTHERS:			
IDOMENEO	-	238	(238)
ACCRUED INCOME FOR IRS	-	4	(4)
<i>of which from related parties:</i>			
<i>Mediobanca</i>	-	2	<i>(2)</i>
<i>Unicredit MedioCredito Centrale</i>	-	2	<i>(2)</i>
TOTAL	1,566	287	1,279

The amounts due from Fiumicino Energia regard a loan granted at market conditions in order to optimise treasury management, with a 3-month Euribor rate plus a margin of 200 bps.

NOTE 17 CASH AND CASH EQUIVALENTS

	12/31/2009	12/31/2008	Change
BANK AND POST OFFICE DEPOSITS	13,432	1,744	11,688
<i>of which due from/to related parties:</i>			
<i>Mediobanca</i>	<i>376</i>	<i>217</i>	<i>159</i>
<i>Unicredit Corporate Banking</i>	<i>36</i>	-	<i>36</i>
CASH ON HAND	2	1	1
TOTAL	13,434	1,745	11,689

The increase derives from the collection of receivables due from companies which take part in the tax consolidation agreement and the collection of tax receivables for 1997.

Cash and cash equivalents include the balance of the fixed-term deposit at Mediobanca securing the 376 thousand euro Loan granted on December 11, 2008.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

NOTE 18 SHAREHOLDERS' EQUITY

Shareholders' equity decreased by 14,813 thousand euro compared to December 31, 2008 due to the joint effect of:

	PROFIT (LOSS) FOR THE YEAR	14,070
	DISTRIBUTION OF DIVIDENDS TO HOLDERS OF SAVINGS SHARES ON THE 2008 PROFIT	188
	NEGATIVE CHANGE IN FAIR VALUE OF DERIVATIVES	555
		14,813

The share capital is equal to 1,472,960,320 euro, broken down into 1,469,197,552 ordinary shares of the par value of 1 euro and 3,762,768 non convertible, savings shares of the par value of 1 euro each.

Changes occurred over 2008 and in the year in question are highlighted in the special statement in point 6.4.

In compliance with Art. 2427 of the Italian Civil Code and the requirements of IAS 1, subsection 76, the detailed information concerning the possible use of the shareholders' equity items, together with the uses made in previous years, is summarised below.

TYPE/DESCRIPTION	TOTAL	AMOUNT	POSSIBLE USE	SUMMARY OF USES MADE IN THE PAST THREE YEARS	
				TO HEDGE LOSSES	FOR OTHER REASONS
SHARE CAPITAL	1,472,960				
CAPITAL RESERVES	200,057				
<i>Share premium reserve net of share capital increase costs</i>		149,707	A-B		
<i>Reserve for purchase of own shares</i>		50,000			
<i>Sale of unexercised rights</i>		350	A-B-C		
HEDGING RESERVE	(648)				
OTHER RESERVES	82,756				
<i>Merge surplus reserve and sale of own shares</i>		7,747	A-B-C		
<i>Legal reserve</i>		75,009	B		
PROFIT (LOSS) FROM PREVIOUS YEARS	78,349		A-B-C		
NON-DISTRIBUTABLE PORTION		274,067			
RESIDUAL DISTRIBUTABLE PORTION		86,446			

Key: A: to increase capital

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

B: to cover losses

C: for distribution to shareholders

NOTE 19 EMPLOYEE BENEFITS

The amount entered relates to the benefits accrued by 11 employees as at December 31, 2009, according to the regulations and collective bargaining agreements.

12/31/2008	Allocations	Use	12/31/2009
162	49	(18)	193

NOTE 20 PROVISIONS FOR RISKS AND CHARGES

	12/31/2009	12/31/2008	Change
OTHER PROVISIONS BEYOND 12 MONTHS	9,100	6,000	3,100
OTHER PROVISIONS WITHIN 12 MONTHS	1,903	176	1,727
TOTAL	11,003	6,176	4,827

The increase compared to the previous year refers to the Assessment Report issued by the Revenue Office for a tax audit on the year 2006, described in Note 7, and the provisions allocated for the guarantee granted to ADR in 2002, in the event of a partial negative outcome for the subsidiary company of the litigation with the Customs Agency, illustrated in Note 5 “Amortisation, depreciation and write-downs” and Note 29 “Litigation”.

NOTE 21 FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE

	12/31/2009	12/31/2008	Change
DUE TO BANKS	47,500	47,500	-
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	23,750	23,750	-
<i>Unicredit MedioCredito Centrale</i>	23,750	23,750	-
EFFECT OF “AMORTISED COST METHOD”	(536)	(812)	276
TOTAL	46,964	46,688	276

This refers to the cash loan for a maximum amount of 70 million euro, with a maximum term of 3 years, which was subscribed on December 11, 2008 (“Loan”).

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Financiers	Name/D escription	Amount of loan granted	Amount used	Book value recorded in financial statement	Interest	Repay.	Duration	Maturity term
MEDIOBANCA AND UNICREDIT MEDIOCREDITO	Tranche A	50,000	47,500(**)	46,964	(*)	at maturity	3 years	Dec. 2011
	Tranche B	15,000	- (***)	-	(*)	at maturity	3 years	Dec. 2011
CENTRALE IN POOL	Tranche C	5,000	-	-	(*)	revolving	3 years	Dec. 2011
TOTAL		70,000	47,500	46,964				

(*) Variable indexed to the Euribor + margin.

(**) The unused portion of this tranche was contractually written-off.

(***) This tranche was contractually written-off on January 22, 2010

The Loan was taken out with the following aims:

- Tranche A: full redemption of the remaining amount of the Bridge loan taken out in 2007 for the purchase of 44.68% of ADR by Macquarie (“Bridge Loan”), payment of the interest due for the Bridge Loan, coverage of charges related to the Loan and payment of the substitute tax for Tranches A and C;
- Tranche B: payment of the interest due on the Loan, payment of what is due as interest to the hedging counterparts pursuant to the hedging contracts, and payment of the substitute tax for Tranche B;
- Tranche C: financing of the cash needs related to ordinary activities.

The economic terms of the Loan envisage an interest rate equal to the Euribor plus a margin proportionate to the rating ADR has been given by the rating agencies: from a minimum of 225 bps to a maximum of 350 bps for Tranche A, and from a minimum of 250 bps to a maximum of 375 bps for Tranches B and C. With regard to ADR’s rating, the margin applied as at December 31, 2009 is equal to 350 bps for Tranche A and 375 bps for Tranches B and C.

The unused portion of Tranche A, equal to 2,500 thousand euro, was contractually written-off.

Tranche B was fully written-off following:

- the voluntary advance repayment for 1,654 thousand euro on December 16, 2009;
- the request, on January 22, 2010 that the remaining

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

amount, equal to 13,346 thousand euro, be written off, as a result of the increase in cash and cash equivalents.

Tranche C will be disbursed, upon Gemina's request, even at various times during the time period elapsing between December 11, 2008 and the last day falling at the end of the six-month period prior to the expiration date of the Loan for amounts no less than 500 thousand euro.

The loan agreement includes the possibility of making voluntary partial advance repayment for a minimum amount of 1 million euro, without added costs, if made coinciding with an interest payment date.

Repayment is envisaged as a sole payment at the expiration date of the loan agreement, without prejudice to those cases of voluntary and mandatory advance repayment and the events that cancel the benefits upon termination, resolution and/or withdrawal.

The Loan agreement envisages that if detrimental changes of the financiers or major national banks of reference occur, a reference rate other than Euribor will be applied (arithmetic means of the rates offered by the banks taken as reference to primary banks of the European interbank market for deposits in euro or cost of the financiers' provision, as the circumstances may be).

The estimated fair value of the 47.5 million euro Loan, recorded in the financial statements for 47 million euro, was approximately 50.7 million euro as at December 31, 2009.

Please see Note 28 for the guarantees backing the Loan.

NOTE 22 TRADE PAYABLES

	12/31/2009	12/31/2008	Change
DUE TO SUPPLIERS	351	495	(144)
DEFERRED TRADE INCOME	36	-	36
PAYABLES DUE TO SUBSIDIARY COMPANIES	91	48	43
ADR	11	46	(35)
ADR TEL	6	2	4
LEONARDO ENERGIA	74	-	74
PAYABLES DUE TO ASSOCIATED COMPANIES	-	18	(18)
SDE	-	18	(18)
TOTAL	478	561	(83)

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 CURRENT FINANCIAL LIABILITIES

	12/31/2009	12/31/2008	Change
DUE TO BANKS	-	3,700	(3,700)
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	-	1,000	(1,000)
<i>Unicredit MedioCredito Centrale</i>	-	1,000	(1,000)
ACCRUED LIABILITIES FOR INTEREST ON AMOUNTS DUE TO BANKS	89	146	(57)
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	44	73	(29)
<i>Unicredit MedioCredito Centrale</i>	45	73	(28)
TOTAL	89	3,846	(3,757)

The amounts due to banks as at December 31, 2008 included:

- use of 2,000 thousand euro of Tranche C;
- use of 1,700 thousand euro of bank credit lines.

This item dropped to zero due to the repayments made as a result of the cash availability occurred during the year.

NOTE 24 FINANCIAL INSTRUMENTS - DERIVATIVES

	12/31/2009	12/31/2008	Change
DERIVATIVES HEDGING INTEREST RATE RISKS	926	129	797
TOTAL	926	129	797

With regard to the commitment undertaken concerning the Loan agreement (see Note 21), on December 22, 2008 Gemina entered into two interest rate swap agreements with Mediobanca and Unicredit MedioCredito Centrale for a total amount of 35,625 thousand euro, equal to 75% of the Tranche A disbursed.

TABLE SUMMARISING THE OUTSTANDING DERIVATIVE CONTRACTS

	MEDIOBANCA	UNICREDIT MEDIOCREDITO CENTRALE
INSTRUMENT	IRS	IRS
TYPE	<i>Cash Flow Hedge</i>	<i>Cash Flow Hedge</i>
HEDGED RISK	Interest rate	Interest rate
SUBSCRIPTION DATE	Dec. 2008	Dec. 2008
EXPIRATION	Dec. 2011	Dec. 2011
HEDGED NOTIONAL VALUE	17,812.5	17,812.5
APPLIED RATE	Gemina pays a 3.15% fixed rate and receives	Gemina pays a 3.15% fixed rate and receives

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

	6-month Euribor	6-month Euribor	
FAIR VALUE OF DERIVATIVE AS AT:			
12/31/2009	(463)	(463)	(926)
12/31/2008	(63)	(66)	(129)
CHANGE IN FAIR VALUE:	(400)	(397)	(797)
TO INCOME STATEMENT	-	-	-
TO SHAREHOLDERS' EQUITY	(400)	(397)	(797)
TAX EFFECT	110	109	219
TOTAL NET CHANGE	(290)	(288)	(578)

NOTE 25 OTHER CURRENT LIABILITIES

	12/31/2009	12/31/2008	Change
TAX LIABILITIES	9,254	-	9,254
PAYABLES DUE TO SOCIAL SECURITY	95	65	30
PAYABLES DUE TO BOARD OF STATUTORY AUDITORS	153	151	2
PAYABLES DUE TO DIRECTORS	233	230	3
PAYABLES DUE TO PERSONNEL	292	131	161
WITHHOLDING TAXES	68	41	27
OTHER TAX PAYABLES	103	-	103
ACCRUED LIABILITIES FOR COMMISSIONS	12	13	(1)
<i>of which due to related parties:</i>			
<i>Mediobanca</i>	6	6	-
<i>Unicredit MedioCredito Centrale</i>	6	6	-
MONTE TITOLI AMOUNTS DEBITED TO BE RECEIVED	52	153	(101)
OTHER PAYABLES	513	584	(71)
TOTAL	10,775	1,368	9,407

The item tax liabilities refers to the payable for taxes to be settled for 2009, net of the related advances.

NOTE 26 CATEGORIES OF ASSETS/LIABILITIES IAS 39

	12/31/2009			
	Receivables and loans	Fin. instr. available for sale	Payables at amortised cost	Derivatives
12/31/2009				
OTHER EQUITY INVESTMENTS		28		
INVESTED RECEIVABLES	4,591			
OTHER NON-CURRENT FINANCIAL ASSETS	1,400			
TRADE RECEIVABLES	398			

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

OTHER CURRENT FINANCIAL ASSETS	1,566		
CASH AND CASH EQUIVALENTS	13,434		
TOTAL ASSETS IAS 39	21,389	28	
<hr/>			
FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE		46,964	
TRADE PAYABLES		478	
CURRENT FINANCIAL LIABILITIES		89	
FINANCIAL INSTRUMENTS - DERIVATIVES		-	926
TOTAL LIABILITIES IAS 39		47,531	926
<hr/>			
INCOME (CHARGES) RECORDED ON THE INCOME STATEMENT:			
INTEREST INCOME	801		36
INTEREST EXPENSE		(3,143)	(335)
OTHER EXPENSES		(605)	-
	801	(3,748)	(299)
SHAREHOLDERS' EQUITY			(555)
<hr/>			
	12/31/2008		
	Receivables and loans	Fin. instr. available for sale	Payables at amortised cost
			Derivatives
12/31/2008			
OTHER EQUITY INVESTMENTS		28	
INVESTED RECEIVABLES	4,266		
OTHER NON-CURRENT FINANCIAL ASSETS	1,400		
TRADE RECEIVABLES	4,420		
OTHER CURRENT FINANCIAL ASSETS	287		
CASH AND CASH EQUIVALENTS	1,745		
TOTAL ASSETS IAS 39	12,118	28	
<hr/>			
FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE			46,688
TRADE PAYABLES			561
CURRENT FINANCIAL LIABILITIES			3,846
FINANCIAL INSTRUMENTS - DERIVATIVES			129
TOTAL LIABILITIES IAS 39			51,095
<hr/>			
INCOME (CHARGES) RECORDED ON THE INCOME STATEMENT:			
INTEREST INCOME	1,308		3
INTEREST EXPENSE		(4,414)	
OTHER EXPENSES		(1,019)	

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

	1,308	(5,433)	3
SHAREHOLDERS' EQUITY	-	-	(93)

The financial derivatives described in Note 24 are included in "Level 2" of the "Fair Value Hierarchy" defined by IFRS 7, meaning the fair value is measured based on valuation techniques which take as reference parameters that are observable on the market, different from the prices of the financial instrument.

NOTE 27 FINANCIAL RISK MANAGEMENT

Credit risk

The Company's higher exposure to credit risk concerns the "Other Receivables", and in particular the amounts due from the ADR Group for consolidated taxation, which amounted to 13,900 thousand euro as at December 31, 2009.

The analysis of trade receivables and other receivables broken down by expiration term is shown below.

		Receivables coming due	Receivables expired not written down				Total receivables
			before 60 days	from 61 to 120 days	from 121 to 180 days	after 181 days	
<i>(in millions of euro)</i>							
TRADE RECEIVABLES	Dec. 31, 09	0.2	-	-	0.2	-	0.4
	Dec. 31, 08	0.3	-	0.1	-	4.0	4.4
OTHER RECEIVABLES	Dec. 31, 09	14	-	-	-	0.4	14.4
	Dec. 31, 08	24.6	-	-	-	-	24.6

Liquidity risk

The two main factors composing the Company's liquidity position are, on the one hand, the resources generated or absorbed by the holding activity and, on the other, the characteristics of expiry and renewal of payables and market terms.

Breakdown of payables by expiry terms is shown hereunder.

	12/31/2009				12/31/2008			
	within the following year	between 1 and 3 years	after 3 years	Total	within the following year	between 1 and 3 years	after 3 years	Total
<i>(in millions of euro)</i>								
FINANCIAL INDEBTEDNESS NET OF CURRENT SHARE	-	47.0	-	47.0	-	46.7	-	46.7
TRADE PAYABLES	0.5	-	-	0.5	0.6	-	-	0.6

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

CURRENT FINANCIAL LIABILITIES	0.1	-	-	0.1	3.8	-	-	3.8
FINANCIAL INSTRUMENTS - DERIVATIVES	-	0.9	-	0.9	-	0.1	-	0.1
OTHER CURRENT LIABILITIES	10.7	0.1	-	10.8	0.9	0.5	-	1.4

To meet its short-term commitments, the Company has liquidity of 13,434 thousand euro, in addition to bank credit lines of 6 million euro, and a 5 million euro revolving facility (Tranche C) for paying expenses.

The Loan provides for cases of obligatory early repayment by shareholders, described in Note 28 “Guarantees and Commitments”.

The remaining amount must be repaid upon expiry.

Interest rate risk

The Company uses interest rate swaps to hedge these risks.

The hedging policy, which is an integral part of the Loan Agreement entered into on December 11, 2008, requires that at least 75% of outstanding Tranche A be protected from the risk of interest rate fluctuations.

With regard to this contractual provision, on December 22, 2008 the Company entered into two interest rate swap agreements with Mediobanca and Unicredit MedioCredito Centrale for a notional total amount of 35.6 million euro.

On the basis of these contracts, Gemina pays a 3.15% fixed rate and receives a variable 6-month Euribor rate.

With the setting up of this hedging relationship, Gemina has set for itself goal of achieving stabilized financial flows associated with the liabilities hedged.

The effectiveness of the hedging is checked retrospectively and with a view to the future every quarter.

The effectiveness of the hedging is calculated estimating the changes of the financial flows of the hedged item (hedged debt) and of the hedging derivative, and by analysing their regression relationship.

With regard to the particular sensitivity of the Company's results to the interest rate trend, it has been decided to go forward with a sensitivity analysis with a range of +/- 50 bps on the interest rate. The potential effects are shown gross of the tax effect.

A change of +50 bps in the interest rates creates a 0.1 million euro increase in financial expenses a 0.3 million euro positive change of the cash flow hedge reserve.

A change of -50 bps in the interest rates creates a 0.1 million euro decrease in financial expenses a 0.3 million euro negative change of the cash flow hedge reserve.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

It is also pointed out that the interest rate applied to the outstanding Loan is equal to the Euribor rate plus a margin proportionate to the rating given ADR. The financial expenses Gemina pays to its Financers therefore depend on not only the fluctuation of the interest rates, but on ADR's rating as well.

Exchange Risk

The Company is not exposed to an exchange rate fluctuation risk.

NOTE 28 GUARANTEES AND COMMITMENTS

As at December 31, 2009, the Company has the following guarantees and commitments relating to the Loan agreement entered into on December 11, 2008:

- a senior pledge on the ordinary shares of ADR representing at least 35% of the share capital of the company and to be supplements if the guarantee margin drops to below 4.5x.

Gemina commits to ensure a guarantee margin of at least 4.5x, to be calculated on a monthly basis as the relationship between the simple average of the unit value of ADR shares owned by Gemina in the previous month (calculated by applying the formula included in the contract documents) and the residual loan amount.

As at December 31, 2009, 21,808,430 ADR shares – corresponding to 35% of the company's share capital – were pledged to Mediobanca and Unicredit MedioCredito Centrale for a value, determined based on the book value of the equity investment, of 670,873 thousand euro. This number was the same as at February 28, 2010;

- pledge of the current account Gemina holds at Mediobanca into which the income derived from the disposal of equity investments, collection of dividends and other compensation will go.

The Loan agreement obliges Gemina to allocate 100% of the net income deriving, inter alia, from ADR deeds of transfer or provision or of other assets of Gemina, capital transactions, subordinate and deferred shareholder loans, distribution of dividends or other distributions, issue of financial instruments or debt instruments, financial contracts and all transactions that depict a form of loan, shares of any kind, diversified financial instruments and bonds to the early repayment of the Loan, according to the procedures and within the limits stated in the Loan agreement.

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

The Loan also requires that Gemina provides declarations and guarantees, obligations, proscriptions and commitments, and provides for events that cancel the benefits upon termination, resolution or withdrawal which are typical for loans with similar characteristics.

It is reported that the financiers have the right of withdrawal should Standard & Poor's Rating Group and Moody's Investors Service Inc., or at least one of the two, assign ADR a rating lower than BB-/Ba3.

Gemina has also issued:

- guarantees of 4.0 million euro in the interest of subsidiary Fiumicino Energia to guarantee the fulfilment of obligations deriving from the lease contract entered into with UniCredit Leasing S.p.A.;
- guarantees for a maximum of 2 million euro in the interest of subsidiary Fiumicino Energia to guarantee the fulfilment of obligations deriving from the loan agreement entered into with UniCredit MedioCredito Centrale S.p.A.;
- subscription of a joint deed of pledge on the entire share, equal to 86.12% of the share capital, held in Fiumicino Energia S.r.l. as guarantee of all receivables deriving from the lease agreement entered into with UniCredit Leasing S.p.A..
- commitment with respect to the UniCredit Group of maintaining the ratio of Net financial indebtedness/Shareholders' equity at fair value at 3 or less in the Fiumicino Energia financial statements;

NOTE 29 LITIGATION

The Court of Milan had dismissed, in first instance, on the grounds that they were inadmissible, the appeals filed by the shareholder Renato Serafini against the resolutions passed by the Shareholders' Meeting of Gemina on May 10, 2002 (approval of the financial statements as at December 31, 2001 and adjustment of the financial statements as at June 30, 1991 and as at June 30, 1992) and on May 13, 2003 (approval of the financial statements as at December 31, 2002).

Last December, the parties filed their legal briefs and reply briefs in the appeals proceedings instigated by the shareholder, Mr. Serafini, against the first instance judgments of the Court of Milan.

On December 12, 2002, having received the consent of IRI to sell 44.74% of ADR to the Macquarie Group, Gemina,

6.5 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

Impregilo S.p.A. and Falck S.p.A. took the place of IRI, directly assuming the commitment to indemnify ADR, with a share of 50%, 13.0% and 36.90%, respectively. This commitment was issued by IRI upon the privatisation of ADR for the purpose of covering 51.166% of capital losses the company may incur due to tax claims for deeds and declarations relating to periods prior to the privatisation, which took place in July 2000.

The ongoing dispute between ADR and the Customs Agency regards the period 1993-1998, and is covered by the aforementioned guarantee, which will be enforceable following the final judgment ruling against ADR in relation to the Tax Authorities.

Impregilo S.p.A. and Falck S.p.A. do not recognise the guarantee as valid. ADR has instituted action against these companies for the purpose of sentencing them to pay the amounts owed, on condition that the final judgment ruling against ADR is passed.

In the consolidated financial statements, provisions have been allocated against the risk relating to the litigation with the Customs Agency.

In Gemina's financial statements, provisions were allocated in the event of a partial negative outcome for ADR and ADR's activation of the guarantee.

These provisions were reversed in the consolidated financial statements, which reflect the amount allocated by ADR.

Mr. Angelo Rizzoli brought legal proceedings against RCS MediaGroup S.p.A., Intesa Sanpaolo S.p.A., Mittel S.p.A., Edison S.p.A. and Giovanni Arvedi, formulating a series of claims aimed at compensating for the economic damages he incurred as a result of the sale of Rizzoli Editore S.p.A., which owns *Corriere della Sera*, to group of entrepreneurs.

The events date back to 1974-1986.

RCS MediaGroup S.p.A., appearing in court, fully rejected the plaintiff's claims, stating they were completely without grounds and considerably subject to the statute of limitations and, as a final alternative, requested that Gemina be summoned to court, as the party from which the current RCS MediaGroup S.p.A. derives, due to the known spin-off stipulated in 1997. The writ of summons for a third party was served to Gemina on March 3, 2010.

Provisionally, and on the basis of the elements it is currently aware of, Gemina deems Mr. Rizzoli's claims to be completely groundless, and shall appear in court within the terms provided.

6.6 INFORMATION ON RELATED PARTIES

a) EFFECTS OF THE TRANSACTIONS OR POSITIONS WITH RELATED PARTIES ON THE BALANCE SHEET ITEMS

ITEM	TOTAL	RELATED PARTIES	
		Absolute value	%
Other non-current financial assets	1,400	1,400	100
Trade receivables	398	336	84
Other receivables	14,435	13,456	93
Other current financial assets	1,566	1,566	100
Cash and cash equivalents	13,434	411	3
Financial indebtedness net of current share	46,964	46,964	100
Trade payables	478	128	27
Current financial liabilities	89	89	100
Financial instruments - derivatives	926	926	100
Other current liabilities	10,775	12	-

b) EFFECTS OF THE TRANSACTIONS OR POSITIONS WITH RELATED PARTIES ON THE INCOME STATEMENT ITEMS

ITEM	TOTAL	RELATED PARTIES	
		Absolute value	%
Financial income	837	209	25
Financial expenses	(4,082)	(3,236)	79
Other operating costs	(3,163)	(80)	3
Revenues and other operating income	946	714	75

c) EFFECTS OF THE TRANSACTIONS OR POSITIONS WITH RELATED PARTIES ON THE CASH FLOWS

DESCRIPTION	TOTAL	RELATED PARTIES	
		Absolute value	%
Cash flows from changes in the Net Working Capital	23,503	8,005	34
Cash flows from investing activities	(626)	(301)	48
Cash flows from financing activities	(4,705)	(3,056)	65

6.7 OTHER INFORMATION

REMUNERATION OF
DIRECTORS, STATUTORY
AUDITORS, GENERAL
MANAGERS AND EXECUTIVES
WITH STRATEGIC
RESPONSIBILITIES

PERSON	APPOINTMENT	REMUNERATION (in euro)					
		Duration of office	Remun. for position	Non-monetary benefits	Bonuses and other incentives	Comp.	Positions held in subsidiary companies (11)
Name and Surname	Position held						
Guido Angiolini	Chairman	(1)	350,000				250,000
	Director	(1)	15,000				13,000 (9)
	Chairman of Executive Committee		-				
Giuseppe Angiolini	Director	(1)	15,000				
	Internal Control Committee member		9,000				
	Supervisory Body member	(5)	671				
Giuseppe Bencini	Director	(1)	15,000				
	Remuneration Committee member		8,000				
Stefano Cao	Director	(1)(8)(9)	11,918				8,110 (9)
	Director	(1)	15,000				
Giovanni Fontana	Internal Control Committee member		9,000				
	Remuneration Committee member		8,000				
Alessandro Grimaldi	Director	(1) (3) (10)	15,000				10,000 (10)
Aldo Minucci	Director	(1)	15,000				10,000
Michele Mogavero	Director	(1)(9)	15,000				
	Director	(1)	15,000				
Andrea Novarese	Remuneration Committee member		8,000				
	Director	(1)	15,000				
Eugenio Pinto	Internal Control Committee member		9,000				
	Director	(1)(9)	15,000				10,000 (9)
Paolo Roverato	Director	(1) (9) (4)	3,082		-		10,000 (9)

6.7 OTHER INFORMATION

REMUNERATION OF DIRECTORS, AUDITORS, MANAGERS AND EXECUTIVES WITH RESPONSIBILITIES OF STATUTORY GENERAL EXECUTIVES STRATEGIC

PERSON	APPOINTMENT	REMUNERATION (in euro)				
		Duration of office	Remun. for position	Non-monetary benefits	Bonuses and other incentives	Comp.
Name and Surname	Position held					
Paolo Roverato	Director	(1) (9) (4)	3,082	-	-	10,000 (9)
Executives with strategic responsibilities			-	2,850 (12)	350,102	4,104 (9)
Luca Aurelio Guarna	Chairman of the Board of Statutory Auditors	(2) (6)	42,693	-	-	-
Maurizio Dattilo	Statutory Auditor	(2)	41,316	-	-	-
Giorgio Oldoini	Statutory Auditor	(2) (6)	28,462	-	-	-
Guido Zanin	Chairman of the Board of Statutory Auditors	(7)	20,314	-	-	-
Vittorio Amadio	Statutory Auditor	(7)	13,542	-	-	9,500

(1) Until the shareholders' meeting for approval of the financial statements as at 12/31/2009

(2) Until the shareholders' meeting for approval of the financial statements as at 12/31/2011

(3) In office until 02/26/ 2010

(4) In office until 03/16/2009

(5) Appointed as a member of the Supervisory Body on 11/13/2009

(6) Appointed on 04/28/2009

(7) In office until 04/28/2009

(8) Appointed on 03/16/2009

(9) Remuneration repaid to the company he belongs to

(10) Remuneration repaid to the company he belongs to for 2/3 of amounts paid

(11) Remuneration for the offices held in subsidiary companies, for the period actually in office

(12) Contributions paid to a Complementary Integrative Pension Plan

No loans and guarantees were granted in their favour.

for the Board of Directors
The Chairman
(Guido Angiolini)

6.8 INFORMATION PURSUANT TO ART. 149-DUODECIES OF CONSOB ISSUERS' REGULATION

The following statement, drawn up pursuant to Art. 149-*duodecies* of the Consob Issuers' Regulation, highlights the remunerations pertaining to the 2009 financial year for audit services and other services rendered by the same Independent Auditors.

<i>(in thousands of euro)</i>	Company that rendered the service	Remunerations pertaining to the year 2009
AUDIT	DELOITTE & TOUCHE S.P.A.	168
CERTIFICATION	DELOITTE & TOUCHE S.P.A. <i>(1)</i>	3

(1) Subscription of Income Tax Return and 770 forms.

6.9 CERTIFICATION OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 81-TER OF CONSOB REGULATION NO. 11971 OF MAY 14, 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

We, the undersigned, Guido Angiolini, in my position of Chairman of the Board of Directors, and Alessandra Bruni, in my position of Manager in charge of preparing corporate accounting documents of Gemina S.p.A., taking also account of provisions set forth by Art. 154 bis, subsections 3 and 4 of Italian Legislative Decree no. 58 of February 24, 1998, hereby declare:

- the consistency with regard to the characteristics of the company and
- the actual application of the administration and accounting procedures for the drafting of the financial statements over 2009.

It is also stated that:

- the financial statements as at December 31, 2009:
 - were drawn up pursuant to the applicable International Accounting Standards adopted by the European Union pursuant to regulation (EC) no. 1606/2002 of the European Parliament and Council of July 19, 2002;
 - correspond to figures disclosed in the accounting books and records;
 - supply a true and fair disclosure of the economic, financial and equity situation of the issuer;
- the Report on Operations includes a reliable analysis of the performance and management result, as well as the situation of the issuer, together with the description of the major risks and uncertainties to which they are exposed.

March 15, 2010

The Chairman of the
Board of Directors
(Guido Angiolini)

The Manager in charge of preparing
corporate accounting documents
(Alessandra Bruni)

6.10

INDEPENDENT AUDITORS' REPORT



Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

**AUDITORS' REPORT PURSUANT TO ART. 156
OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

**To the Shareholders of
Gemina – GENERALE MOBILIARE
INTERESSENZE AZIONARIE S.p.A.**

1. We have audited the financial statements of Gemina S.p.A., which comprise the balance sheet as of December 31, 2009, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on March 31, 2009.

3. In our opinion, the financial statements give a true and fair view of the financial position of the Gemina Group as of December 31, 2009, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

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

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

Member of Deloitte Touche Tohmatsu

4. The Directors of Gemina S.p.A. are responsible for the preparation of the Report on operations and the annual report on corporate governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the financial statements of the Gemina Group as of December 31, 2009.

DELOITTE & TOUCHE S.p.A.

Signed by
Vincenzo Mignone
Partner

Milan, Italy
March 31, 2010

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

7

**REPORT OF THE BOARD OF STATUTORY
AUDITORS**

Report of the Board of Statutory Auditors to the Shareholders' Meeting of Gemina S.p.A.

(pursuant to Art. 153 of Italian Legislative Decree no. 58/98)

Dear Shareholders,

During the year ended as at December 31, 2009, we carried out the supervisory activity according to the Law (Italian Legislative Decree no. 58 of 2/24/1998 – “Testo Unico delle Disposizioni in Materia di Intermediazione Finanziaria”), aligning our work to the rules of conduct for Boards of Statutory Auditors of corporations with shares listed in regulated markets recommended by the National Council of Professional Accountants and Qualified Accountants, and CONSOB notices on the matter of corporate audits and activities of the Board of Statutory Auditors.

As regards the duties of auditing the accounts, it is noted that, pursuant to Italian Legislative Decree 58/1998, these are assigned to the independent auditors Deloitte & Touche S.p.A., and reference is made to their report.

The Board of Statutory Auditors currently in office was appointed by the shareholders' meeting of April 28, 2009, based on the provisions of the Articles of Association.

Also in compliance with the indications provided by CONSOB in Notice DEM/125564 of April 6, 2001 and subsequent updates, we note and report on the following:

- We have supervised compliance with the Law and the Articles of Association.
- We have attended the meetings of the Board of Directors and the specific preparatory meetings on matters relating to the items on the agenda of the Board of Directors' meeting, as well as the meetings of the Internal Control Committee and the Executive Committee. We received periodic information on the general performance of operations, on the business outlook, as well as on the most significant economic, financial and equity transactions the Company carried out from the directors, ensuring that the resolutions passed and executed complied with the Law and the Articles of Association and were not manifestly imprudent, risky, in potential conflict of interest or in conflict with the resolutions passed by the shareholders' meeting or capable of compromising the integrity of company equity.
- In the section “*Information on Related Parties*” included in Explanatory Notes to the Financial Statements, and in the section “*Intercompany relations and transactions with related parties*” included in the Report on Operations, the directors highlight the main transactions carried out with related parties, identified based on the international accounting standards and the provisions issued on the matter by CONSOB. We make reference to these sections for the identification of the type of transactions and the related economic, equity and financial effects.
- The Company has drawn up the Financial Statements 2009 according to the international accounting standards (IAS/IFRS), as done in the previous year 2008.

The Explanatory Notes set forth the accounting standards and valuation criteria used. The 2008 Financial Statements of Gemina S.p.A. were submitted to the opinion of the Independent Auditors Deloitte & Touche S.p.A., which issued their audit report on March 31, 2010 without any comments or remarks on information provisions. Among the major events occurred during 2009, mainly referring to the subsidiary company Aeroporti di Roma S.p.A. (hereinafter, for brevity, “ADR”) the following are noted, referring to the Report on Operations for a more detailed illustration thereof:

- Article 2 of Law no. 191 of 12/23/2009 (“Finance Law 2010”), authorised the early introduction by airport operators, starting from 2010, and while awaiting the signing of the planning agreements, of passenger boarding fees, within the maximum limit of 3 euro per passenger, on condition that the new urgent infrastructural investments be executed by way of self-financing. The subsidiary company ADR submitted to ENAC its application for admission to the procedure for early introduction of fees on January 15, 2010;
- The Conversion Law no. 102 of August 3, 2009 “Corrective measures of the Anti-Crisis Decree-Law no. 78 of 2009” authorises ENAC to enter into planning agreements in derogation of current regulations for airports with traffic exceeding ten million passengers per year, introducing long-term tariff systems that are oriented towards costs of infrastructures and services, efficiency objectives and the criteria of adequate remuneration of investments and capital, with valid updating methods for the entire duration of the agreements. On March 9, 2009 ADR requested that ENAC issue a formal notice for the purpose of launching the process for signing the planning agreement in derogation.
- In the month of July 2009, ADR and Alitalia S.p.A. signed an important agreement for a series of structural interventions aimed at improving operations at Fiumicino airport in Rome, and the allocation of a Terminal for the use of Alitalia and its partners.
- Though formally referring to subsequent events following the end of the year, during the month of March 2010 the agreements were finalised for the substitution of AMBAC Financial Services as the swap counterpart for hedging the exchange rate and interest rate risk of the bond tranche issued in 2003 by the vehicle company Romulus Finance S.r.l., maturing in 2023. This transaction removed the risk of the potential financial impacts linked to the possible early extinction of the, without charges or costs for ADR.

- The Company drew up the 2009 Consolidated Financial Statements of the Gemina Group applying the international accounting standards (IFRS/IAS), as per the previous year. The Consolidated Financial Statements of the Gemina Group were submitted to the opinion of the Independent Auditors Deloitte & Touche S.p.A., which issued their audit report on March 31, 2010 without any comments or remarks on information provisions. The Independent Auditors also audited the financial statements of the subsidiary company ADR without any comments or remarks on information provisions.
- In the Report on Operations the directors correctly fulfilled the disclosure obligations provided by Art. 154 of Italian Legislative Decree 58/98, introduced by Italian Legislative Decree 195/2007 (“*Transparency Decree*”) pointing out the main risks and uncertainties the Company and the Group are exposed to.
- We examined and supervised, as far as regards our responsibility, the adequacy of the Company’s organisational structure, compliance with the principles of proper administration and the adequacy of instructions given by the Company to the subsidiary companies pursuant to Art. 114, subsection 2 of Italian Legislative Decree 58/98, by acquiring information from the heads of the competent company functions, meeting with the independent auditors and meeting with the control bodies of the subsidiary companies, for the reciprocal exchange of important data and information.
- We assessed and supervised the adequacy of the administration-accounting system and its reliability in properly representing the operational items by obtaining information from the officers in charge of the function, examining the company documents and analysing the results of the work carried out by the Independent Auditors Deloitte & Touche S.p.A. The Board of Directors appointed the Manager in charge of “preparing corporate accounting documents”, verifying that said Manager possesses the suitable professional competence required. The Managing Director and the Manager in charge of preparing corporate accounting documents have certified, by issuing a specific Report (attached to the 2009 Financial Statements of the Company): a) the adequacy and the actual application of the administration and accounting procedures; b) compliance of the contents of the accounting documents with the international accounting standards IFRS/IAS approved by the European Commission, as well as the provisions issued by CONSOB to implement Italian Legislative Decree no. 38/2005; c) the correspondence of the documents to figures disclosed in the accounting books and records, and their suitability in properly representing the Company’s equity, economic and financial situation. A similar Report of certification is attached to the Consolidated Financial Statements of the Gemina Group.

- We assessed and supervised the adequacy of the internal control system by: a) examining the report of the Internal Control Officer on Gemina's internal control system; b) examining the report of the Internal Audit department, as well as the information on the outcome of monitoring activities; c) obtaining information from the officers in charge of the Internal Audit department of the subsidiary company ADR; d) conducting relationships with the supervisory bodies of the subsidiary companies pursuant to subsections 1 and 2 of Art. 151 of Italian Legislative Decree 58/98; e) participating in all the meetings of the Internal Control Committee and acquiring the related documentation. The work carried out resulted in a valuation of substantial adequacy of the Internal Control System as a whole.
- We held periodic meetings with representatives from the Independent Auditors Deloitte & Touche S.p.A., pursuant to Art. 150, subsection 3, Italian Legislative Decree 58/98 and no significant data or information emerged which deserves to be illustrated in this report.
- We supervised the methods of concrete implementation of the Code of Conduct of Gemina S.p.A., adopted by the Board of Directors without any critical issues arising. Moreover, with reference to the recommendations regarding responsibilities of the Board of Statutory Auditors set forth in the Code of Conduct, we note that:
 - we verified the criteria and procedures adopted by the Board of Directors for assessing independence were correctly applied, and had no comments in this regard;
 - as regards the "self-assessment" of the requirement of independence of its own members, the Board of Statutory Auditors verified compliance with this requirement in its meeting of February 5, 2010;
 - we complied with the provisions of the regulation for managing and treating reserved and confidential company information;
 - we supervised the independence of the Independent Auditors Deloitte & Touche S.p.A. and the compatibility of the assignments granted thereto with reference to the provisions of Art. 160 of Italian Legislative Decree no. 58 of February 24, 1998.

Lastly, it is noted that the Independent Auditors issued their opinion on the consistency of the information pursuant to subsection 1, letters c), d), f), l) and m) and subsection 2, letter b) of Art. 123-bis of Italian Legislative Decree 58/98 as provided by the amendments introduced by Art. 5, subsection 4 of Italian Legislative Decree 173/2008.

- with regard to Italian Legislative Decree 231/2001, the Company adopted an organisational and management model that contains contents in line with international best practice. In this sense, it is noted

that the Board of Directors meeting of November 13, 2009 resolved to transform the Supervisory Body from a monocratic body to a collegial body. Moreover, we met with the Supervisory Body for the reciprocal exchange of information.

- We have received evidence of the entry made by the Company of the subsidiary companies of the following remunerations paid to the Independent Auditors Deloitte & Touche S.p.A. concerning the appointments specified hereunder:

Description of remuneration in favour of the Company	Total (in thousands of euro)
Audit	168
Certification of Income Tax Return and 770 tax forms	3
Total	171
Description of remuneration in favour of the Subsidiary Companies	Total (in thousands of euro)
Audit	246
Certification services (*)	79
Total	325

(*) 74 thousand euro regarding audits agreed on the separate annual accounts (“unbundling”) of ADR

- During the year, no claims pursuant to Art. 2408 of the Italian Civil Code were received.
- We are aware of no other facts or information to be mention to the Shareholders’ Meeting.
- We verified compliance with legal regulations regarding the formation of the draft Financial Statements and the draft Consolidated Financial Statements of the Group, the respective Explanatory Notes and Report on Operations attached thereto, both directly and with the assistance of the officers in charge of the functions and by obtaining information from the Independent Auditors, and we have no comments to express in this regard.
- We have issued, according to law, an opinion pursuant to Art. 158 of Italian Legislative Decree no. 58 of February 24, 1998. The previous Board of Statutory Auditors issued 1 opinion pursuant to Art. 2386, subsection 1.
- In carrying out the supervisory activities described above, during 2009, the Board (also considering the activity performed by the Board in office until April 28, 2009) met 5 times, participated in the 8 meetings of the Board of Directors and participated in the 3 meetings of the Internal Control Committee and the 2 meetings of the Executive Committee.

During this activity, as well as on the basis of the information exchanged periodically with the Independent Auditors Deloitte & Touche S.p.A. there were no omissions and/or objectionable facts and/or irregularities or, in any event, significant facts that would require reporting to the control bodies or mention in this report.

Following the supervisory activity performed, the Board of Statutory Auditors invites you to approve the Financial Statements as at December 31, 2009 in compliance with the proposals of the Board of Directors.

Milan, April 1, 2010

The Board of Statutory Auditors

Signed by

Luca A. Guarna

Signed by

Giorgio Oldoini

Signed by

Maurizio Dattilo

Below is a list of offices of administration and control held by members of the Board of Statutory Auditors in other companies (Annex pursuant to Art. 144-quinquiesdecies of the Issuers Regulation)

Luca Aurelio GUARNA

Number of offices held in issuers: 2

Total number of offices held: 25

Company Name	Office held	Expiration*
A2A Logistica S.r.l.	Chairman of the Board of Statutory Auditors	12.31.2011
A2A Produzione S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2010
Ambi S.p.A.	Statutory Auditor	12.31.2010
Bieffe Medital S.p.A.	Statutory Auditor	12.31.2009
Capitoloquattro S.p.A.	Sole Director	Until revocation
Capitoloquattro S.p.A.	Chairman of the Board of Directors	12.31.2009
Capitololette S.r.l.	Chairman of the Board of Directors	12.31.2009
Delmi S.p.A.	Statutory Auditor	12.31.2010
Duec S.r.l.	Statutory Auditor	12.31.2011
Eagle Pictures S.p.A.	Statutory Auditor	12.31.2009
Electro Power Systems S.p.A.	Chairman of the Board of Directors	12.31.2011
Ge Capital Services S.r.l.	Statutory Auditor	12.31.2009
Gemina S.p.A.	Chairman of the Board of Directors	12.31.2011
Hamworthy Combustion Engineering S.r.l.	Chairman of the Board of Directors	03.31.2010
Immucor Italia S.p.A.	Statutory Auditor	05.31.2009
Michel Rettili S.r.l.	Statutory Auditor	12.31.2011
Sirti S.p.A.	Statutory Auditor	12.03.2009
Tech Data Italia S.r.l.	Statutory Auditor	01.31.2011
Terna S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2010
Top Art S.r.l.	Statutory Auditor	12.31.2010
Trident Immobiliare S.p.A.	Statutory Auditor	12.31.2010
Tridente RE S.p.A.	Statutory Auditor	12.31.2010
Venice S.r.l.	Statutory Auditor	12.31.2011
Windows on Europe S.p.A.	Statutory Auditor	12.31.2010
Zed Italia S.r.l.	Chairman of the Board of Statutory Auditors	12.31.2010

Giorgio Oldoini

Number of offices held in issuers: 2

Total number of offices held: 7

Company Name	Office held	Expiration*
Sogeli – Società di Gestione di liquidazioni S.p.A.	Chairman of the Board of Directors	12.31.2012
Iride Energia S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2009
CAE – Consorzio Amga Energia S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2010
Carige Asset Management SGR S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2011
Gemina S.p.A.	Statutory Auditor	12.31.2011
Impregilo S.p.A.	Statutory Auditor	12.31.2010
Seastema S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2011

Maurizio Dattilo

Number of offices held in issuers: 1

Total number of offices held: 38

Company Name	Office held	Expiration*
Airis S.r.l.	Sole Director	12.31.2009
Augusta Assicurazioni S.p.A.	Statutory Auditor	04.03.2012
Augusta Vita S.p.A.	Statutory Auditor	04.03.2012
BG SGR S.p.A.	Statutory Auditor	12.31.2010
Amundi Real Estate Italia SGR S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2009
Cantieri di Pisa S.p.A.	Statutory Auditor	12.31.2009
Cantieri Navali Baglietto S.p.A.	Statutory Auditor	12.31.2009
Cento 2/5 S.r.l.	Sole Director	Until revocation
Centodieci 2/5 S.r.l.	Sole Director	Until revocation
Centosessanta 6/7 S.r.l.	Sole Director	Until revocation
Centoventi 2/5 S.r.l.	Sole Director	Until revocation
Chateau S.r.l.	Sole Director	Until revocation
Consel S.p.A.	Statutory Auditor	12.31.2011
Delfina S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2009
Edilizia Sociale S.r.l.	Sole Director	Until revocation
Editrice Skipper	Director	12.31.2011
Gemina S.p.A.	Statutory Auditor	12.31.2011
Giglio S.r.l.	Sole Director	Until revocation
G1 & Partners S.r.l.	Sole Director	Until revocation
Global System Milano S.r.l.	Sole Director	Until revocation
Gruppo Baglietto S.p.A.	Statutory Auditor	12.31.2009
H7 + S.r.l.	Director	Until revocation
Immobiliare Commerciale XXVI S.r.l.	Statutory Auditor	04.30.2010
Immobiliare La.Co. S.r.l.	Chairman of the Board of Directors	12.31.2010
Immobiliare Quest S.r.l.	Sole Director	Until revocation
immobiliare Tibertina S.r.l.	Sole Director	Until revocation
Iniziative Sviluppo Immobiliare - Isim S.p.A.	Statutory Auditor	04.30.2011
Inv.A.G. S.r.l.	Statutory Auditor	12.31.2009
Iris S.r.l.	Sole Director	Until revocation
Jetcom S.p.A.	Chairman of the Board of Statutory Auditors	12.31.2011
Landro S.p.A.	Statutory Auditor	12.31.2009
Novanta S.r.l.	Sole Director	Until revocation
Nuova Palmontan S.p.A.	Statutory Auditor	12.31.2010
Rcs Produzioni S.p.A.	Statutory Auditor	12.31.2010
S. Alessandro Fiduciaria S.p.A.	Statutory Auditor	12.31.2011
S.P.V. Holding S.r.l.	Sole Director	Until revocation
Seven 2000 S.r.l.	Statutory Auditor	12.31.2009
Speziayachting S.r.l.	Statutory Auditor	31.12.2011
Torino 2012 HDP S.r.l.	Sole Director	31.12.2011

SECOND ITEM ON THE AGENDA

REPORT OF THE BOARD OF DIRECTORS

**REPORT OF THE BOARD OF DIRECTORS ON THE SECOND ITEM OF THE AGENDA OF THE
ORDINARY SHAREHOLDERS' MEETING OF GEMINA S.p.A.**

**Appointment of directors, by determining the number of members of the Board;
determination of remuneration of the directors.**

Shareholders,

With the approval of the financial statements as at December 31, 2009 the mandate granted to the Board of Directors by the Shareholders' Meeting of May 7, 2007 comes to an end. Therefore, the shareholders' meeting must appoint the directors who will remain in office for the three-year period 2010-2012, and, therefore, until the date of the Shareholders' Meeting called to approve the financial statements as at December 31, 2012, after setting the number of members of the Board of Directors, which may be composed of from three to fourteen members.

The Board of Directors shall be appointed, in compliance with Article 11 of the Articles of Association, on the basis of lists submitted by shareholders, in which the candidates must be listed, each with a progressive number.

Shareholders who, alone or together with others, hold voting rights that represent at least 2.5% of the voting capital for the ordinary shareholders' meeting may submit said list.

Each shareholder, shareholders who are party to a significant shareholders' agreement within the meaning of article 122 of Italian Legislative Decree 58/1998, the parent company, the subsidiaries and jointly controlled companies within the meaning of Article 93 of Italian Legislative Decree 58/1998, may present or contribute to the presentation of only one list, and are not allowed to vote a different list. Each candidate may be put forward in one list only on pain of non-eligibility. Any support or votes expressed in breach of this prohibition will be assigned to no list.

The lists must be deposited at the company's registered office at least 15 days prior to the date of the shareholders' meeting in first call.

Together with each list, the following must be deposited: (i) the specific certification issued by an authorised broker pursuant to law, proving the ownership of the number of shares necessary for presenting lists; (ii) the declarations by which the individual candidates accept their candidacy and certify, on their own responsibility, that there are no causes of non-eligibility and incompatibility, and that the requirements demanded for the respective offices are met; and (ii) a *curriculum vitae* setting forth the personal and professional profile of each candidate and whether the same qualifies as independent.

Lists submitted that do not fulfil the above provisions will not be considered as submitted.

Attention is also drawn to the contents of Consob Notice DEM 9017893 of February 26, 2009 on the “Appointment of members of the administration and control bodies”, available on the website www.consob.it.

The appointment of the Board of Directors will take place according to the following procedure:

- a) the Directors to be elected except one shall be taken from the list that obtained the highest number of votes cast by the shareholders, in the progressive order with which they are listed;
- b) the remaining Director will be taken from the minority list that is not in any way – not even indirectly – associated with the shareholders that presented or voted for the list discussed in letter a) above, and who obtained the second highest number of votes cast by the shareholders. To this end, the lists that do not achieve a percentage of votes at least equal to half of that required for presentation of the lists as per this article shall not be taken into account.

If the appointment of the candidates – appointed under the aforementioned terms – should not satisfy the requirement consisting in the number of Directors who should possess the requisites of independence of statutory auditors as set forth in Article 148, subsection 3 of Italian Legislative Decree 58/1998, equal to the minimum number established by law vis-à-vis the overall number of Directors (at least one of the members of the Board of Directors, or two if the Board of Directors is composed of more than seven members). The non-independent candidate appointed as last in progressive order in the list obtaining the highest number of votes, will be replaced by the first non-elected independent candidate of the same list, in progressive order, or, failing that, by the first non-elected independent candidate, in progressive order, of the other lists, on the basis of the number of votes obtained by each. This replacement procedure will be used until the Board of Directors is composed of a number of members satisfying the requirements set forth in Article 148, subsection 3 of Italian Legislative Decree 58\1998 equal to at least the minimum number required by law.

If only one list is presented, or if no list is presented, the shareholders' meeting shall resolve with the majority of votes set forth by law.

The proposals of candidates shall also indicate whether the candidates may be qualified as independent pursuant to the Gemina Code, drawn up based on the Code of Conduct drawn up by the Corporate Governance Committee of Borsa Italiana S.p.A., available on the website www.gemina.it.

Milan, March 15, 2010

for the Board of Directors
The Chairman

THIRD ITEM ON THE AGENDA

REPORT OF THE BOARD OF DIRECTORS

**REPORT OF THE BOARD OF DIRECTORS ON THE THIRD ITEM OF THE AGENDA OF THE
ORDINARY SHAREHOLDERS' MEETING**

Authorisation of the purchase and sale of own shares pursuant to Arts. 2357 and 2357-ter of the Italian Civil Code, Art. 132 of Italian Legislative Decree 58/1998 and Art. 144-bis of the Regulations approved by Consob with resolution 11971/1999 and subsequent amendments and supplements, subject to repeal of the shareholders' meeting resolution of April 28, 2009 concerning the purchase and sale of own shares; related and consequent resolutions.

Shareholders,

We propose that you authorise the purchase and disposal of own shares pursuant to Articles 2357 and 2357-ter of the Italian Civil Code, Art. 132 of Italian Legislative Decree no. 58 of February 24, 1998 and Art. 144-bis of the Regulation approved by Consob with its resolution 11971/1999 and subsequent amendments and supplements.

This report, drawn up in conformity with Art. 73 and of appendix 3A of the Regulations approved by Consob by resolution 11971/1999 and subsequent amendments and additions, is to illustrate the contents, the grounds and the terms of the proposal for said authorisation.

The grounds for the proposal are found in the assessments made by the Board of Directors that deems it useful to be authorised to intervene, even though brokers, on Gemina stock in the event of fluctuations that go beyond the normal variations linked to the trends of the stock market. All this in compliance with regulations in force, prior obtainment of the required financial resources.

We therefore propose to you to resolve on the authorisation to purchase own non convertible and fully paid ordinary and savings shares of the par value of 1 euro each, up to a maximum of 80,000,000 shares, after repealing the shareholders' meeting resolution of April 28, 2009 regarding the purchase and sale of own shares. Said purchase would however be within the

limit provided by Art. 2357, subsection 3 of the Italian Civil Code, of 20% of the share capital regarding own shares held directly and indirectly through subsidiary companies, and considering the available reserves and the distributable profits – at a price not below 20% minimum and not exceeding 20% maximum of the reference price established for shares on the Screen-Traded Stock Market during the last trading session prior to each transaction.

Currently Gemina does not hold any own shares, and as of today Gemina's subsidiary companies do not hold any shares of Gemina.

Purchases may be made on one or more occasion and for a period of 18 months from the date of the resolution of the shareholders' meeting.

Purchase transactions will be made on regulated markets in observance of the procedures established by the regulations for the organisation and management of the markets in question, which do not allow the direct matching of purchase proposals with pre-arranged selling proposals, in accordance with Art. 144-bis, subsection 1, letter b) of the Regulations approved by Consob by resolution 11971/1999 and subsequent amendments and additions.

We also propose that you approve the sale, in accordance with the provisions of Art. 2357-ter of the Italian Civil Code, of the own shares purchased under this proposal at any time and without any time limit, in whole or in part, also on one or more occasion, even before completing all purchases made on the basis of this proposal.

As regards the price for the sale of own shares, the Board of Directors will establish the criteria to determine such, based on the trend of prices in the period preceding the transaction and in the best interests of the Company.

If you agree with our proposal, we invite you to adopt the following resolution:

"The ordinary meeting of the Shareholders of Gemina S.p.A.

- taking note of the Report of the Board of Directors;
- considering the provisions contained in articles 2357, 2357-ter of the Italian Civil Code, 132 of Italian Legislative Decree no. 58 of 24 February 1998 and 144-bis of the Regulations

approved by Consob with resolution 11971/1999 and subsequent amendments and supplements,

resolves

1. to authorise, according to and consequent to Art. 2357 of the Italian Civil Code, after repealing the resolution regarding the purchase and sale of own shares passed by the shareholders' meeting of April 28, 2009, the purchase, on one or more occasions and for a period of eighteen months from the date of this resolution, on the basis permitted by the applicable legislation, of a maximum of 80,000,000 ordinary and savings shares of Gemina S.p.A., therefore within the limit of 20% of share capital, at a price not exceeding 20% and not below 20% of the reference price established for shares on the Screen-Traded Stock Market during the last trading session prior to each transaction. Purchases may be made using the available reserves, as shown in the last financial statements approved at the time the transaction is performed.

Purchase transactions will be made on regulated markets in observance of the procedures established by the regulations for the organisation and management of the markets in question, which do not allow the direct matching of purchase proposals with pre-arranged selling proposals, in accordance with Art. 144-bis, subsection 1, letter b) of the Regulations approved by Consob by resolution 11971/1999 and subsequent amendments and additions.

2. To authorise the Board of Directors, and on its behalf the Chairman in office, separately, pursuant to Art. 2357-ter of the Italian Civil Code, to sell, pursuant to regulations in force, the own shares purchased on the basis of this resolution, at any time, in whole or in part, on one or more occasion, even before all authorised purchases of own shares have been made.

The sale price shall be established by the Board of Directors, based on the trend of prices in the period preceding the transaction and in the best interests of the Company;

3. to award the Board of Directors, and on its behalf the Chairman in office, all the necessary powers to implement this resolution, even through appointed representatives."

Milan, March 15, 2010

for the Board of Directors

The Chairman