SAVE GROUP CONSOLIDATED FINANCIAL STATEMENTS AND SAVE SPA FINANCIAL STATEMENTS AT 31 DECEMBER 2005

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Aeroporto di Venezia Marco Polo SAVE S.p.A. -SAVE
Share capital Euro 17,985,500 fully paid-up
Registered office: Marco Polo Airport – Viale G. Galilei No. 30/1 – Venice Tessera
Venice Company Register, Tax Code and VAT No. 02193960271

Shareholders *:	%
Marco Polo Holding	38,978
Municipality of Venice	14,098
Province of Venice	13,933
SanPaolo IMI S.p.A.	2,168
CCIAA of Venice	1,446
Province of Treviso	0,829
Municipality of Treviso	0,731
APVHolding	0,097
Market	27,720

Board of Directors :

Enrico Marchi	*Chairman*
Luca Bonaiti	*Independent Director*
Amerigo Borrini	*Director*
Giorgio Calzavara	*Director*
Laura Fincato	*Director*
Maurizio Olivetti	*Director*
Oliviero Edoardo Pessi	*Independent Director*
Roberto Sacchi	*Director*
Amalia Sartori	*Director*
Loris Tosi	*Director*
Luca Zaia	*Director*

Board of Statutory Auditors :

Giuseppe Diana	*Chairman*
Luca Arnaboldi	*Regular auditor*
Antonio D’Ancona	*Regular auditor*
Lino De Luca	*Regular auditor*
Guido Penso	*Regular auditor*
Valerio Limonato	*Alternate auditor*
Ruggero Go	*Alternate auditor*

Independent Auditor : Reconta Ernst & Young S.p.A.

* at 31 December 2005

SAVE Group consolidated financial statements and Save S.p.A. financial statements
at 31 December 2005

Letter from the Chairman Directors' Report

Aeroporto di Venezia Marco Polo S.p.A. -SAVE
Share capital Euro 17,985,500 fully paid-up
Registered office: Marco Polo Airport – Venice Tessera
Viale G. Galilei No. 30/1
Venice Administrative Economic Index No. 201102
Venice Company Register No. 29081, Tax Code and VAT No. 02193960271

LETTER FROM THE CHAIRMAN

Dear Shareholders,

In 2005, SAVE achieved the prestigious milestone of being listed on the stock exchange, which took place through an increase in the share capital excluding the right of option by shareholders and involved the finding of financial resources for a total of 160 million euros, excluding charges for the listing.
This achievement was a source of great satisfaction for the company, its employees and partners. It is the result of a development strategy pursued in the last few years and a perseverant organisational effort which was successful in executing it.

The Group closed 2005 with better results compared to the budget. This was made possible by continuous and constant development of the activities and efficiency improvements.

The Group operates in three main business areas: Airport management, transport infrastructure (railway stations) and services for travellers with the management of commercial and food service activities. Each business area grew in terms of sales and profitability in 2005.

For the airport management, 2005 was a year of growth not only in terms of sales but also regarding operating results. This was in spite of a number of negative events such as the strong and continual increase of fuel costs and the recession in the airline company sector and in particular, Volare Group's admission into extraordinary administration, which took place in the last quarter of 2004. At that time they were the number one carrier in terms of traffic and passengers at the Venice airport.
The economic trend of the airport management business unit is also affected by the absence of rate adjustments that have been pending for several years and for which the company is developing special initiatives concerning relationships with the supervisory bodies and judicial authorities in Italy and Europe.

In keeping with the strategies presented during the listing, which provided for the development of three business areas, also for external lines, a shareholding of more than 10% of Gemina S.p.a. – a company listed on the Milan stock exchange – was purchased in the financial period for a total amount of 94.5 million euro. Gemina S.p.a. is a controlling shareholder of Aeroporti di Roma S.p.a. and is an important investment opportunity on the Italian airport market. SAVE is currently open to all possibilities for optimising the shareholding in Gemina S.p.a.: maintaining its current investment, the sale of part and/or the entire shareholding, and/or increasing the shareholding aimed at developing a synergetic strategy between the airports in Rome and Venice via a market operation.

In 2005, the traffic infrastructure business unit continued its commitment in restructuring and developing the train stations through the holding in Centostazioni S.p.a. Over 50,000 square meters were leased at 31 December, compared to 44,000 for the previous year. Commercial restructuring works were completed in 15 stations during the year, and there are currently construction sites open in 35 stations. The Milan Porta Garibaldi train station is expected to be officially opened by March 2006.

The retail and food service business unit for travellers also registered growth in 2005. Currently, 43 sales outlets are managed in 5 airports, 4 train stations and 1 port terminal.
After the year-end, subsidiary company Airport Elite purchased 100% of Airest, an Austrian company managing food and beverage activities in the Austrian airports of Vienna, Salzburg, Graz, Linz and Kalgenfurt and the Ljubijana airport in Slovenia. Airest also provides airline catering services to Austrian airports and the Bratislava airport in Slovakia.
With this acquisition, Airport Elite more than doubled its own proceeds, becoming one of the main operators in the sector.

There are many more growth opportunities for the Group and that is why SAVE S.p.a. plays a strategic role both in the market and for its shareholders and will continue to create value also in future years.

Finally, I am happy to confirm that, as was announced at the time of the listing on the stock exchange, a dividend payment equivalent to 100% of the net distributable profit will be effected. This amount comes after allocations to the legal reserve, as proposed by the Board of the Directors at the Shareholders' Meeting.

Yours sincerely,

Enrico Marchi

DIRECTORS' MANAGEMENT REPORT

Dear Shareholders,
In reporting to you on the performance of the Group, we are also indirectly reporting on the dynamics of the activities of SAVE S.p.A. (the parent company). As a consequence, we would like to inform you of significant events relating to SAVE S.p.A. in accordance with article 2428 of the Italian Civil Code.

TRAFFIC ANALYSIS

In the period, 7.126 million passengers travelled through the airport system, an increase of 5.3% compared to the previous period. In particular, the slight reduction of passengers to Venice (-0.8%) is the positive result of the company's ability to rapidly replace almost all the passengers previously served by the Volare Group, equal to 24% of the total volume in 2004.
In just a few months, the Venice airport managed to provide replacement routes, destinations and traffic. Passengers at the Treviso airport grew by 45.4%.
Passengers travelling through Venice numbered 5.825 million; in Treviso, 1.300 million
Specifically, in the second half of the year over 3 million passengers travelled through Venice, a slight increase (+0.6) compared to the same period of 2004

RESULTS OF THE GROUP

For the Save Group, 2005 was a year of growth for the group's production value (+6.9) and the production value for each business unit.
The consolidated operating income (EBIT) grew by 32.1% compared to 2004. In the period, the proceeds attested to 166 million euro with an increase of 6.9% (equal to 10.7 million euro) compared to 2004.
Gross operating income amounted to 47.5 million euro, an increase of 0.5 million euro compared to the previous year (+1%).
After depreciation, write-offs of receivables and provisions for risks amounting to 23.2 million euro, the operating income grew by 5.9 million euro (+32.1%) to 24.3 million euro compared to the previous year. The gross operating income and the operating income were 28.6% and 14.6%, respectively, as a percentage of the proceeds.
The profit before income taxes amounted to 22.4 million euro (13.5% as a percentage of the proceeds) and recorded an increase equivalent to 9.2 million euro (+70.4%) compared to 13.1 million euro for 2004.
The Group's net income was equivalent to 11 million euro with an increase of 6.1 million euro (+123%) compared to 4.9 million euro in 2004.
The Group's tax liabilities for the period amounted to 11.6 million euro. The tax rate on pre-tax profits was 51.9% in 2005, a significant improvement on the same period in 2004. The actual tax burden was greater that the theoretical rate mainly because the Group, with labour costs of 38.3 million euro, is subject to a significant negative effect coming from IRAP (regional tax on productive activities).
The Group's net financial position was negative at year-end, amounting to 87.4 million euro as opposed to net financial debt equivalent to 135.8 million euro at the end of the previous year. The available funds at year-end amounted to 26.6 million euro.
The data are not comparable due to the liquidity generated by the stock market listing, which totalled 149.2 million euro (before taxes) net of fees and other costs.

NET FINANCIAL POSITION (Thousands of Euro)		31/12/2005	31/12/2004	Change
	Cash and cash equivalents	26,563	7,726	18,838
	Financial assets		28	-28
	Short-term assets	26,563	7,754	18,810
**	Bank debts	16,092	37,077	-20,985
*	Current portion of other financial liabilities	3,854	3,893	-39
	Short-term liabilities	19,946	40,970	-21,024
**	Bank loans net of the current portion	89,194	96,043	-6,850
	Accounts payable to others net of the current portion	4,811	6,591	-1,780
	Long-term liabilities	94,005	102,634	-8,630
Net financial position		87,387	135,850	-48,463

*	of which *fair value* valuation of derivative contracts	2,073	2,130	-57
**	of which gross bank loans	105,286	133,120	-27,834

In 2005, operating management generated liquidity of 44.2 million euro, of which 29.8 million euro came from self-financing for economic operations. Furthermore, dividends were distributed for 5.5 million euro in the period.

Gross investments amounted to 148.5 million euro, which included:

- 94.5 million euro relating to the financial expenditure for purchase of a 12.03% shareholding in Gemina S.p.A., a company listed on the Milan stock exchange that controls the company which manages the Rome Airports. The fair value of the shareholding amounted to 88.1 million euro. The lower value, net of deferred taxes, was directly attributed as a decrease in net assets without passing through the profit and loss statement in accordance with IAS provisions. After the close of the financial year, the stock exchange value of the holding strongly increased over the book value.
- 19.2 million euro related to fixed assets for obtaining the ownership of land adjacent to the airport site for future development,
- 29.2 million euro (net of contributions for 5.0 million euro) for tangible assets, 8.1 million euro of which was invested by Centostazioni S.p.A. for improving infrastructures aimed at the commercial development of the stations, 4.1 million euro for the construction of the new Treviso air terminal, and finally, mainly with reference to the Parent Company, 4.3 million euro for expanding the multi-level parking lot, 2.3 million euro for redevelopment of the aircraft parking areas, and 1.8 million euro for the redevelopment of the runway safety belt, the ground level parking and new dock. The total investments for developing the Food & Beverage and Retail business unit were 1.6 million euro

In 2005, the Group was busy improving services to make the passenger's transit and waiting periods as pleasant as possible in order to increase customer satisfaction whilst creating value for shareholders. This was achieved with the completion of the rationalisation operations, which saw the creation of procedures aimed at continual improvement of the quality standards of the services offered, implementation of new integrated IT systems and development of the individual business units.

The Group's profit before income taxes benefited from a capital gain of 0.7 million euro, which was achieved with the sale of First Financial S.A., a company already consolidated in 2004 (formerly known as Save International S.A.). This company indirectly owned an insignificant amount of shares in a European airport in ex-Yugoslavia. Furthermore, the settling of a contract with a sub-dealer saw SAVE S.p.A, as a consequence of the original contractual clauses, take over a property valued at 1.75 million euro by a special appraisal made by an outside company, which corresponds to a contingent asset. The net effect of the operation on "put and call" derivatives for financial purposes is equivalent to 0.4 million euro.

LISTING ON THE STOCK EXCHANGE

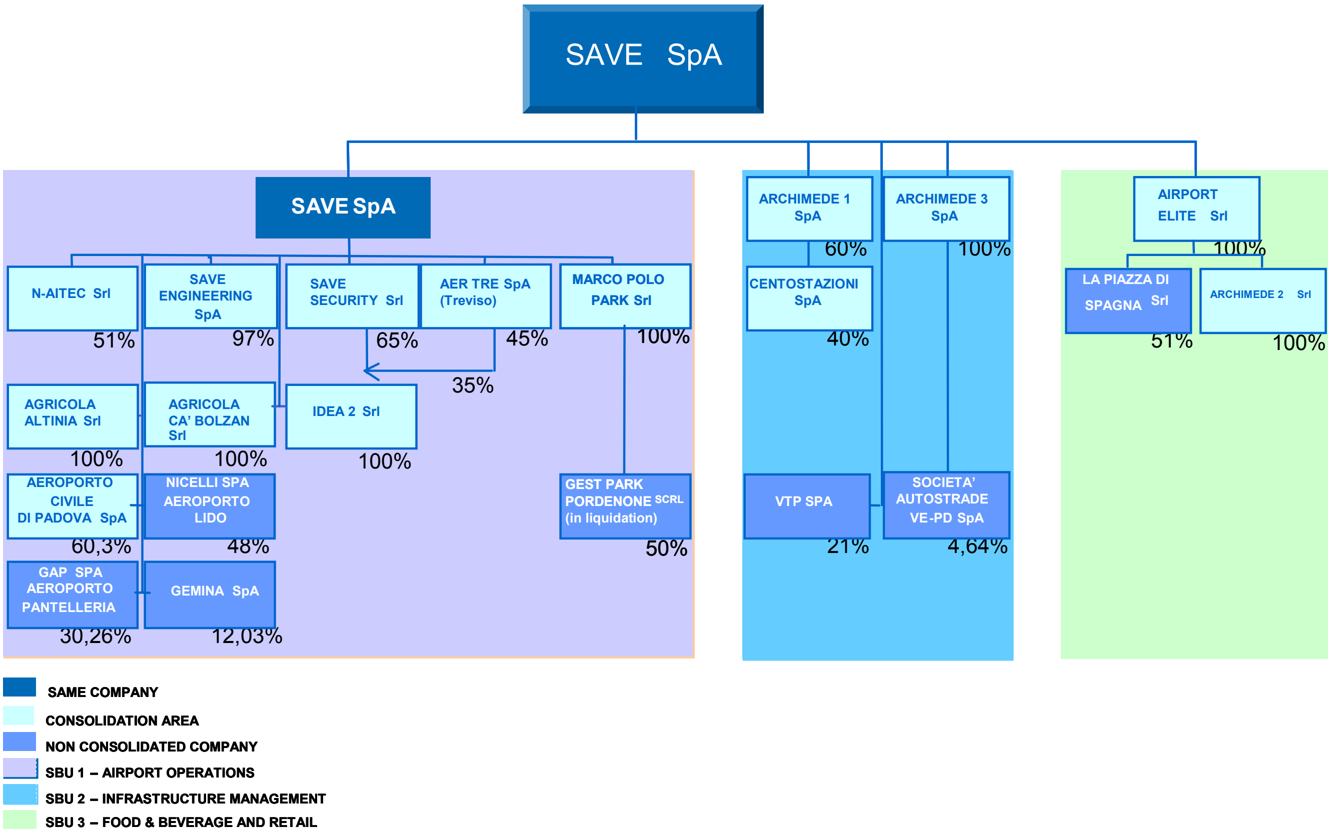
On 25 May 2005, the shares of SAVE S.p.A. were listed on the Mercato Telematic Azionario (Electronic Securities Market) of the Milan Stock Exchange.
The listing occurred via an increase in the share capital with the Global Offer for 7.67 million shares, 1 million of which came from "Greenshoe." The Public Offering was open to the general public, employees with a share set aside for them and residents of the Veneto Region. These two last categories benefited from a discount of 3% on the Offer Price. The Offer also provided for a quota set aside for Institutional Investors.
Shares for over six times higher than the offer were requested: 41.2 million requests for shares came from 36,937 applicants as opposed to a share offering of 6.67 million before the "Greenshoe" operation. Demand was significant both from the indistinct public with 13.15 million shares requested and institutional investors with 28.121 million shares subscribed.
This milestone achievement was a source of great satisfaction for the company, its employees and partners. It was the result of a remarkable concept of strategic development and growth and a perseverant organisational effort which was successful in executing it.

RESULTS OF THE GROUP

The parent company recorded a production value of 78.6 million euro (78.5 million euro for 2004); an operating profit of 12.8 million euro (16.3% of the production value) increasing by 0.8 million euro (6.3%) compared to the previous year.
The result before extraordinary items equalled 12.9 million euro, an increase of 3.1 million euro compared to 2004 (+31.9%).
The net profit of 9.1 million euro increased by 2 million euro (28.2%) with respect to the previous year.
Despite the difficult market situation, which saw the suspension of flights by Volare, and the significant increase in fuel costs, the result for the last quarter of 2004 was positive.
On 1 January 2005, the parent company and subsidiary companies Airport Elite and Archimede 2 switched to the new management and administrative computer system, "SAP".

SAVE GROUP BY BUSINESS AREA

The following organisation chart illustrates the structure of the SAVE Group at 31 December 2005. It is divided into business areas and indicates the scope of consolidation.



Aeroporto di Venezia Marco Polo Spa – SAVE ("SAVE" or "Parent Company") is the company that manages the Marco Polo Airport in Venice, and is the holding company of an integrated group operating in the passenger-services sector, mainly in retail management. SAVE has shareholdings in:

- companies operating in the airport management sector;
- companies operating in the sector of transport infrastructure management and relative services;
- companies operating in the sector of public food services and the management of stores for travellers such as travel retail shops, newsstands, tobacconists, bookstores, food shops and souvenir shops inside transport infrastructures (airports, railway stations, and ports).

The parent company controls the following fully consolidated companies:

- Marco Polo Park S.r.l., 100% controlled, manages the parking lots in the airport in sub-franchising from SAVE and has the objective of carrying out their business even in outside markets. During the year, investments aimed at extending the parking areas were made in the main parking area managed; with a further 606 parking spaces soon to become available due to the extension of the multi-level parking complex, the company will manage 5,265 spaces.
- SAVE Engineering S.p.A., 97% controlled, plans and coordinates works connected with airport development projects developed by parent company SAVE under the airport Master Plan; it also targets external markets thanks to the expertise acquired in implementing and managing infrastructure development projects connected to passenger mobility such as airports and train stations.

- Aer Tre S.p.A., 45% owned, it is a concessionary company on behalf of the Ministry of Transport of the Treviso airport. The company is partially responsible for management of the Sant'Angelo airport in Treviso until 2012 and is entitled to "advance occupation of the goods in use." To extend the duration of the concession, thus enabling a better planning of the investments, an application was submitted and is currently under evaluation to grant Aer Tre total management of the Sant'Angelo Airport of Treviso. In 2004, Aer Tre started works for the building of a new air terminal to handle increased passenger traffic. The works are expected to be completed in 2006. The administrative and technical procedure for obtaining the forty-year concession is still under way.
  The Company is listed as a subsidiary company due to the fact that SAVE S.p.A. has sufficient votes to exercise a dominating influence in the ordinary shareholder's meeting and shareholder agreements give SAVE the right to determine the strategies, with consequent inclusion in the scope of the consolidation.
- Airport Elite S.r.l., 100% controlled, was established for managing the retail and food service activities in favour of the Group companies and other parties in the transport infrastructure. The company is implementing a strong development plan for the internal and external lines.
  The plan to open new retail stores is continuing in 2005. At 31 December 2005, Airport Elite is present in five airports, four train stations and a port with 49 points of sale.,
- Archimede 2 S.r.l., 100% owned by Airport Elite. This company was established in November 2005 with the 30% purchase of the shares previously owned by another shareholder. It manages food service activities, bars and newsstands at the Fontanarossa Airport of Catania. "The Bottega dei Sapori" store was opened a "Hub" was created in 2004 and, which gave satisfactory results during 2005 due to the improvements in the products offered. The new and more attractive image will serve to boost business in the new Catania air terminal, currently in phase of completion.
- Nord Est Airport I.T. S. r. l. (N-AITEC): 51% owned by the group, it creates IT projects for airports. In this context, it develops and sells software products for operations and administrative management. In January 2005, SAVE S.p.A. allocated a payment of 20 thousand euro to restore the net assets to a positive balance.
- SAVE Security S.r.l: the Company was established in March 2001. The parent company and Aer Tre Spa have 65& and 35% holdings, respectively. It provides airport security services according to the Italian Ministerial Decree No. 85 of 29 January 1999. More specifically, since 2001 Save Security has been carrying out its activities inside the Marco Polo Airport of Venice, and at the Sant'Angelo Airport of Treviso since 2004.
- Archimede 1 S.p.A.: 60% owned by the parent company, the company was established at the end of 2001 for the sole purpose of taking part in the Italian National Railways tender to find one or more partners for the "Medie Stazioni" project (now called Centostazioni). It was awarded a 40% holding in Centostazioni S.p.A. The company acts exclusively as s sub-holding company of the holding in Centostazioni S.p.A..
- Centostazioni S.p.A.: 40% owned by Archimede 1 S.p.A., it manages the assets owned by Rete Ferroviaria Italiana S.p.A (RFI), consisting of medium-sized building complexes belonging to 103 Italian railway stations. This concession is based on a forty-year contract granting Centostazioni the right to use and generate income from the assets and the responsibility for the integrated management, re-development and enhancement of these properties. The company was consolidated according to the proportionate method as a result of the partnership agreements granting joint control of Centostazioni to Archimede 1 S.p.A. and the Italian National Railways. The company is continuing the process of commercial restructuring and generating income from the 103 train stations under their management by increasing the quota of proceeds and margins from leases and by turning the stations into a "stopping" area and not only a "transit" area.

- Archimede 3 S.p.A.: 100% owned by the parent company, the company was purchased in 2004. In order to rationalise the structure of the Group, and also in light of possible growth of the transport infrastructures in concession, SAVE sold a 4.64% shareholding in the Autostrade di Venezia e Padova S.p.A. to Archimede 3 S.r.l. in 2004.
- Agricola Ca' Bolzan S.r.l.: 100% owned by the parent company, the company was purchased in May 2005. The assets mainly comprise land adjacent to the preliminary airport grounds for guaranteeing the creation of the works necessary to develop the airport and its infrastructures in the medium term.
- Agricola Altinia S.r.l.: 100% owned by the parent company, the company was purchased in May 2005. The assets mainly comprise land adjacent to the preliminary airport grounds also for guaranteeing the creation of the works necessary to develop the airport and its infrastructures in the medium term.
- Idea 2 S.r.l.: 100% owned by the parent company, it was purchased in July 2005 within the sphere of the potential investment projects.
- Aeroporto Civile Padova S.p.A., is a 60.32% owned concessionary company dedicated to running the Padua airport on behalf of the Ministry of Transport

The parent company also controls:

- Gest Park Pordenone, 50% owned through Marco Polo Park Srl as a consortium company for the potential management of a parking lot in Pordenone, currently in the phase of liquidation.
- La Piazza di Spagna S.r.l., 51% owned through Airport Elite Srl, was established in December 2003 and is not operative.

The aforementioned companies are not consolidated with the net assets method.

The subsidiary companies consolidated according to the "equity" method are Nicelli S.p.a. (48%) for managing the Lido of Venice Airport, G.A.P. S.p.a. (30.26%) for managing the Pantelleria Airport and V.T.P. S.p.A. (Venezia Terminal Passeggeri) (21%) for managing the retail facilities at the Port of Venice.

Gemina S.p.A. is entered into the net assets as a subsidiary company. It was valued at the purchase cost plus additional charges since the SAVE Group has a holding below 20%, and therefore does not have a significant or dominating influence on the management policies of the held company.

Save International S.A.: the company is 99.8% owned by the parent company and 0.2% by Airport Elite S.r.l. It was sold in December 2005 after being renamed First Financial S.A., and exited from the scope of consolidation.

The other holdings owned by the group are described in the supplementary note under the section on holdings.

PERFORMANCE OF THE GROUP

The financial results

The reclassified consolidated profit and loss statement of the SAVE Group (in thousands of euro) is shown below.

SAVE GROUP						
Euro /1000	Balance 2005		Balance 2004		SAVE GROUP DELTA 2005 vs 2004	
Operating revenues and other incomes	166,004	100%	155,347	100%	10,657	6,9%
For raw materials and goods	25,655	15.5%	23,934	15.4%	1,722	7.2%
For services	39,360	23.7%	34,367	22.1%	4,992	14.5%
For leases and rentals	12,867	7.8%	11,609	7.5%	1,258	10.8%
Labour costs	38,316	23.1%	35,467	22.8%	2,849	8.0%
Other operating expenses	2,315	1.4%	2,960	1.9%	-645	-21.8%
Total operating costs	118,514	*71.4%*	108,337	*69.7%*	10,176	*9.4%*
EBITDA	*47,491*	*28.6%*	*47,010*	*30.3%*	*481*	*1.0%*
Amortization of intangible assets	3,841	*2.3%*	3,516	*2.3%*	325	*9.3%*
Depreciation of tangible assets	14,648	*8.8%*	15,096	*9.7%*	-448	*-3.0%*
Losses and risks on amounts due	2,990	*1.8%*	7,251	*4.7%*	-4,261	*-58.8%*
Appropriation for risks	1,717	*1.0%*	2,749	*1.8%*	-1,031	*-37.5%*
Total amortization and provisions	23,197	*14.0%*	28,612	*18.4%*	-5,416	*-18.9%*
EBIT	*24,294*	*14.6%*	*18,398*	*11.8%*	*5,897*	*32.1%*
Financial income(-) and expense (+)	1,917	*1.2%*	5,269	*3.4%*	-3,352	*-63.6%*
PRE-TAX	*22,378*	*13.5%*	*13,129*	*8.5%*	*9,248*	*70.4%*
Taxes	11,608	*7.0%*	8,532	*5.5%*	3,076	*36.1%*
Profit (Loss)	10,770	*6.5%*	4,597	*3.0%*	6,173	*134%*
Minorities (- = income)	-196	*-0.1%*	-311	*-0.2%*	114	*-36.8%*
Group net income	10,966	*6.6%*	4,908	*3.2%*	6,058	*123%*

For information about the profitability, refer to the comments at the beginning of the report, and for an analysis of the results for each business area, refer to the part further down.

The Group's reclassified Balance Sheet
Euro/1000

SAVE GROUP RECLASSIFIED CONSOLIDATED BALANCE SHEET	*31.12.05*	*31.12.04*	*Delta vs 12/2004*	*Delta %*
Owned tangible fixed assets	49,690	26,285	23,405	89.0%
Freely transferable fixed assets	127,024	116,092	10,932	9.4%
Intangible fixed assets	75,722	78,514	(2,792)	-3.6%
Financial fixed assets	93,492	6,559	86,933	1325.3%
TOTAL FIXED ASSETS	345,928	227,450	118,478	52.1%
Employee Termination Benefit	(7,075)	(7,028)	(48)	0.7%
Funds for risks, renewal of freely transferable goods and deferred tax	(13,500)	(12,479)	(1,021)	8.2%
FIXED OPERATING CAPITAL	325,353	207,943	117,410	56.5%
Inventories	4,687	5,271	(584)	-11.1%
Trade receivables	29,051	28,359	692	2.4%
Tax credits and deferred taxes	15,650	9,678	5,972	61.7%
Other payables and other short-term assets and accrued income	19,020	34,091	(15,071)	-44.2%
Trade payables and payments on account	(39,709)	(30,550)	(9,159)	30.0%
Tax liabilities	(10,870)	(5,174)	(5,695)	110.1%
Due to social security institutions	(2,550)	(2,198)	(352)	16.0%
Other debts and accrued expenses and deferred income	(9,396)	(20,876)	11,481	-55.0%
TOTAL NET WORKING CAPITAL	5,884	18,600	(12,716)	-68.4%
TOT. INVESTED CAPITAL	331,236	226,543	104,693	46.2%
				0.0%
Group shareholders' equity	219,377	66,281	153,096	231.0%
Minority interests	24,472	24,412	60	0.2%
SHAREHOLDERS' EQUITY	243,849	90,693	153,156	168.9%
Cash and short-term assets	(26,563)	(7,754)	(18,810)	242.6%
Bank borrowings	16,092	37,077	(20,985)	-56.6%
Long-term bank borrowings	89,194	96,043	(6,850)	-7.1%
Due to other providers of funds	8,665	10,484	(1,819)	-17.4%
TOTAL NET FIN. POSITION	87,387	135,850	(48,463)	-35.7%
TOT. SOURCES OF FINANCE	331,236	226,543	104,693	46.2%

The Group's net financial position was negative at the end of the year at 87.4 million euro as opposed to net financial debt equal to 135.9 million euro at the end of the previous year. Available cash on hand amounted to 26.5 million euro. The debts valued at "fair value" for covering the risks associated with fluctuations in the interest rates equalled 2.1 euro, in line with the previous year, and are included in the amounts payable to other financiers.

During the year, medium-term financing was reimbursed for 11.7 million euro; the amounts falling due in 2006 are 9.8 million euro. The value of financing with reimbursement after five years was 46.8 million euro.
Medium to long-term financing was the object of non-speculative coverage (IRS) against the risk of an interest rate increase for about 73% of the total value.

During 2005, the group distributed dividends totalling 5.5 million euro.

Management of the net working capital showed a significant reduction in spite of the difficulties in the sector of air carriers and handlers and was also made possible by the management of supplier relationships. The variation in trade payables was mainly due to the effects of the investments existing in airport companies and in Centostazioni S.p.A., as well as the growth in turnover and relative variable costs in the Food & Beverage and Retail business unit.
In particular, the significant reduction of other receivables and payables relates to the liquidation of entries between Centostazioni S.p.A. and the Italian National Railways.
The limited working capital used and its further reduction for an amount of 13 million euro demonstrated balanced management with substantial compensation between short-term assets and

liabilities.

Personnel Analysis:

PERSONNEL	31/12/2005		31/12/2004		Change	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Executives	24		27		-3	
Middle managers	70		70			
White collars	578	42	524	43	54	-1
Blue collars	305	84	298	58	7	26
Trainees	1	1	5	2	-4	-1
TOTAL	978	127	924	103	54	24
TOTAL PERSONNEL	1,105		1,027		78	
AVERAGE EQUIVALENT FULL TIME	991		949		42	

The personnel also include the hiring of sales people for the retail sector.

The cost of labour of 38.3 million euro increased by 2.8 million, mostly due to the development of the operating structures coming from an increase in business. In particular, Airport Elite S.r.l. grew by 1.2 million euro (opening of new retail stores), Save Security S.r.l. by 0.7 million and Aer Tre S.p.A. by 0.5 million euro.

PARENT COMPANY'S BALANCE SHEET
Aeroporto di Venezia Marco Polo SAVE S.p.A.

In discussing the performance of the Group, we are also indirectly discussing the dynamics of the activities directly carried out by SAVE S.p.A. (the parent company). As a consequence, we would like to inform you of significant events relating to SAVE S.p.A. in accordance with article 2428 of the Italian Civil Code

Additional specific information about the Parent Company is provided below.

SAVE S.p.A: RECLASSIFIED INCOME STATEMENT

(amounts thousands Euro)

	2005		*2004*		*Difference*	
	Value	*%*	*Value*	*%*	*Value*	*%*
PRODUCTION VALUE	78,568	100%	78,530	100%	37	0.0%
Purchases	-1,260	-1.6%	-1,131	-1.4%	-129	11.4%
Service costs	-25,908	-33.0%	-22,983	-29.3%	-2,925	12.7%
Leases and rentals	-3,640	-4.6%	-3,442	-4.4%	-198	5.8%
Personnel costs	-16,269	-20.7%	-15,839	-20.2%	-430	2.7%
Other operating expenses	-687	-0.9%	-969	-1.2%	283	-29.1%
CHARACTERISTIC COSTS	-47,764	-60.8%	-44,364	-56.5%	-3,399	7.7%
GROSS OPERATING INCOME	30,804	39.2%	34,166	43.5%	-3,362	-9.8%
Depreciation and amortization	-13,694	-17.4%	-12,573	-16.0%	-1,121	8.9%
Provisions for doubtful debts	-2,680	-3.4%	-6,875	-8.8%	4,195	-61.0%
Provisions for liabilities and charges	-1,597	-2.0%	-2,644	-3.4%	1,047	-39.6%
OPERATING INCOME	12,833	16.3%	12,074	15.4%	759	6.3%
Net financial income	314	0.4%	-1,687	-2.1%	2,001	-118.6%
Financial activities value adjustment	-227	-0.3%	-593	-0.8%	366	-61.7%
RESULT BEF. EXTRAORD. MGMT.	12,920	16.4%	9,794	12.5%	3,126	31.9%
Extraordinary income (expenses)	2,283	2.9%	2,105	2.7%	178	8.5%
PRE-TAX RESULT	15,203	19.4%	11,899	15.2%	3,304	27.8%
Income taxes for the year	-6,055	-7.7%	-4,764	-6.1%	-1,292	27.1%
NET RESULT	9,148	11.6%	7,135	9.1%	2,013	28.2%

2005 was characterised by air traffic that brought 5.83 million passengers to Venice, a slight reduction (-0.8%) compared to the same period last year, which benefited from traffic generated by Volare. The second half of 2005 recorded a traffic increase of 0.6%.
The parent company recorded a production value of 78.6 million euro (78.5 million euro in 2004) and an operating profit of 12.8 million euro (16.3% of the production value), with an increase of 0.8 million (6.3%) compared to the previous year.
The result before extraordinary items equalled 12.9 million euro, an increase of 3.1 million euro compared to 2004 (+31.9%).

The net profit was 9.1 million euro, 11.6% of the production value, and increased by 2 million euro (28.2%) with respect to the previous year.
The company reconfirmed its strong ability to overcome negative external factors, basically by managing to maintain the traffic level despite the collapse of Volare in November 2004, which at that time was the No. 1 carrier in Venice.

EURO/1000

SAVE SPA: RECLASSIFIED BALANCE SHEET	31/12/2005	31/12/2004	Delta
Owned tangible fixed assets	13,369	17,865	(4,495)
Freely transferable fixed assets	109,633	100,155	9,478
Intangible fixed assets	12,468	4,242	8,226
Financial fixed assets	140,891	40,679	100,211
TOTAL FIXED ASSETS	276,361	162,940	113,420
Provision for Empoyee Termination Benefit	(4,817)	(5,043)	226
Funds for risks, renewal of freely transferable goods and deferred tax.	(10,842)	(10,651)	(191)
FIXED OPERATING CAPITAL	260,702	147,246	113,456
Inventories	725	703	22
Trade receivables *	20,092	21,638	(1,546)
Amounts due from subsidiary companies	6,167	7,410	(1,243)
Amounts due from associated companies	125	15	110
Tax credits	1,847	1,185	662
Prepaid tax credits	3,854	2,660	1,194
Other receivables and short-term assets	21,532	8,154	13,378
Accrued income and prepaid expenses	231	229	2
Debits for payments on account	0	(3)	3
Trade payables	(18,237)	(14,514)	(3,723)
Amounts due to subsidiary companies	(7,192)	(6,174)	(1,019)
Amounts due to associated companies	0	(11)	11
Tax liabilities	(8,869)	(3,333)	(5,536)
Due to social security institutions	(1,082)	(967)	(115)
Other payables	(3,854)	(3,483)	(372)
Accrued expenses and deferred income	(256)	(332)	75
TOTAL NET WORKING CAPITAL	15,084	13,178	1,905
TOT. INVESTED CAPITAL	275,786	160,425	115,361
SHAREHOLDERS’ EQUITY	229,915	65,957	163,958
Cash on hand	(19,792)	(26)	(19,767)
Bank borrowings	65,664	94,493	(28,830)
TOTAL NET FIN. POSITION	45,871	94,468	(48,596)
TOT. SOURCES OF FINANCE	275,786	160,425	115,361
* Net of provision for bad and doubtful debts	9,533	7,698	1,835

The company’s net financial position recorded financial requirements of 45.9 million euro. The data are not comparable to those of the previous year’s due to the liquidity generated by the increase in

capital (for a net value of 160 million euro) following the stock market listing.
Amounts owed to banks equal 65.7 million euro, with a reduction compared to the previous year of 28.8 million euro. During the year, medium-term financing was reimbursed for 9.6 million euro, and the amounts falling due in 2006 are 9.6 million euro. The value of financing with reimbursement after five years was 14.4 million euro.
Medium to long-term financing was the object of non-speculative coverage (IRS) against the risk of an interest rate increase for about 62% of the total value.
During the 2005 financial period, the group distributed dividends totalling 5.5 million euro.
Investments of 18.4 million euro were made during the period, net of public contributions of 1.9 million euro. Intangible assets increased by 10.3 million euro, mainly due to the capitalisation of the costs relating to the stock exchange listing.
The reserve for bad debts, which amounted to 9.5 million euro at the end of the 2005 financial year, is to cover the entire net receivables from customers in bankruptcy and receivership and to cover the overall remaining risk on receivables The congruity of the reserve for bad debts was valued taking into account the analysis of the specific positions and the age of the receivables.
The "other receivables and other short-term assets" item includes holdings in subsidiary companies sold after the closing of the financial year amounting to 12.9 million euro.

Analysis of personnel

PERSONNEL	31/12/2005		31/12/2004		Change	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Executives	8		11		-3	
Middle managers	31		31			
White collars	153	14	149	13	4	1
Blue collars	127		132		-5	
Trainees						
TOTAL	319	14	323	13	-4	1
TOTAL PERSONNEL	333		336		-3	
AVERAGE EQUIVALENT FULL TIME	331		332		-2	

The results achieved by each subsidiary company is reported below.

SUBSIDIARY COMPANIES

Aeroporto di Treviso AERTRE S.p.A.
Size of shareholding: 45%
The company closed the 2005 financial year with a pre-tax profit of 2.4 million euro.
The value of production was 14.5 million euro, an increase of 24% compared to 11.7 million euro for 2004.
The increased turnover with respect to the previous financial year is mainly due to the improvement of air traffic data: in 2005, passenger traffic increased by around 45% with respect to the previous year, reaching 1.3 million passengers. Aircraft movements increased by 8.1%.

Marco Polo Park S.r.l.
Size of shareholding: 100%
Marco Polo Park S.r.l. manages the property and other areas of the airport complex used for parking on behalf of SAVE.
The value of production in 2005 was equivalent to 8.7 million euro, down by 5.6% compared to 2004. The 2005 result showed a pre-tax profit of 1.7 million euro (-20% compared to 2004).

Save Engineering S.p.A.

Size of shareholding: 97%

In this last year, SAVE Engineering S.p.A. has been focusing on completing works in the airport complex of Venice with particular reference to works extending the dockyard and the Marco Polo Park car park area, as well as redevelopment of the runway's safety belt and the ground-level parking area in front of the Air Terminal. There were also significant contributions coming from de-icing the area, the progress of works associated with completion of the new air terminal at Treviso, and the continuation of activities associated with restructuring some stations on behalf of Centostazioni S.p.A. Works on behalf of other companies outside the Group continued, also for the purpose of operating outside European boundaries.

The value of production in 2005 was equal to 3.3 million euro, an increase of 694,000 euro (26.4% compared to the previous year). Net profits amounted to 94,000 euro, a decrease of 0.1 million euro compared to 2004.

Airport Elite S.r.l.

Size of shareholding: 100%

Airport Elite S.r.l. directly manages the foodservice and retail travel businesses in the airports of Venice, Olbia, Treviso and, through the subsidiary Archimede 2, also in train stations and a port in Catania. In 2004, the development activity continued with the opening of new retail stores at airports (Bari) and train stations. At the end of 2005, Airport Elite is present in five airports, four train stations and a port.

The company closed the 2005 financial year with a pre-tax profit of 2.3 million euro, an increase of 22% with respect to 1.9 million euro for the previous year. The value of production in 2005 was 39.7 million euro, an increase of 14% compared to the previous year.

Archimede 2 S.r.l.

Size of shareholding: 100%

Archimede 2 S.r.l. directly manages the foodservice and retail businesses inside the airport of Catania.

It closed the 2005 financial year with a value of production equivalent to 9.2 million euro, a slight increase over 2004, and a pre-tax profit of 0.14 million euro, which was the same as the previous year.

Save Security S.r.l.

Size of shareholding: 80.75%

SAVE Security S.r.l. is specifically dedicated to providing airport security services according to Italian Ministerial Decree No. 85 of 29 January 1999. The company was established in March 2001 and today 65% is owned by the parent company and 35% by Aer Tre SpA. It carries out its activity inside the Marco Polo Airport of Venice and at the Sant'Angelo Airport of Treviso. It closed the 2005 financial year with a value of production equivalent to 6.2 million euro, an increase of 11.8% compared to 2004, and a pre-tax profit of 0.3 million euro.

N-AITEC S.p.A.

Size of shareholding: 51%

The company creates IT projects focusing on the operational and administrative management of airports. It closed the 2005 financial year with a value of production equal to 0.8 million euro, in line with the previous year, and a net result of 0.1 million euro. In March 2005, Save Spa made a payment to restore the net assets to a positive balance of 20,000 euro.

Archimede 1 S.p.A.

Size of shareholding: 60%

Archimede 1 S.p.A. is the vehicle established with other industrial partners for purchasing 40% of Centostazioni S.p.A. (the remaining 60% is held by FS Holding Spa), which manages the property belonging to 103 medium-sized Italian railway stations distributed throughout the country based on a forty-year contract expiring in 2042. Archimede 1's financial position at 31 December 2005 relates to a period of six months due to the modification of the Articles of Association, in the part relating to the closing of the financial year, via an extraordinary shareholders' meeting held in October 2005. In the six months of activity, the company recorded a loss of 0.9 million euro, mainly coming from interest payables. In December, the remaining amount of the loan opened in 2002 was repaid and, at the same time, a new loan for 36 million euro was opened with a leading bank; the repayment period expires in 2016.

Centostazioni S.p.A.

Size of shareholding: 40% owned by Archimede 1 S.p.A.

Through a forty-year contract expiring in 2042, the company has the exclusive right to use and generate income from the integrated management of assets included in 103 medium-sized Italian railway stations distributed throughout the country. More precisely, Centostazioni carries out activities aimed at commercial improvement, management of integrated services and administrative management of the properties belonging to 103 medium-sized train stations – around 500,000 square meters of passenger buildings and 900,000 square meters of outside area – under the terms of the contract entered into on 27 June 2001 with the Rete Ferroviaria Italiana Spa (RFI) of the Italian Railway Group, with the objective of upgrading the train stations. The improvement and upgrading of these properties occurs via extraordinary maintenance financed by RFI funds totalling 129.1 million euro. It closed the 2005 financial year with a value of production equivalent to 60.5 million euro, an increase of 13% compared to 2004, and a pre-tax profit of 6.2 million euro. The consolidated financial statements show only 40% of this amount, since the company is consolidated according to the proportional method.

Archimede 3 S.r.l.

Size of shareholding: 100%

This company does not have any significant costs or revenues.

SAVE International S.A.

The company was sold in 2005 after being renamed "First Financial S.A."

Agricola Ca' Bolzan S.r.l.

Size of shareholding: 100%

The company was purchased in May 2005 to implement the preliminary investment projects, also in order to guarantee the creation of works necessary for developing the airport and its infrastructures in the medium term. The assets mainly consist of land. This company does not have significant costs or revenues.

Agricola Altinia S.r.l.

Size of shareholding: 100%

The company was purchased in May 2005 to implement the preliminary investment projects, also in order to guarantee the creation of the works necessary for developing the airport and its infrastructures in the medium term. The assets mainly consist of land. This company does not have significant costs or revenues.

Idea 2 S.r.l.
Size of shareholding: 100%
The company was purchased in May 2005 to implement the preliminary investment projects, also in order to guarantee the creation of the works necessary for developing the airport and its infrastructures in the medium term. This company does not have any significant costs or revenues.

La Piazza di Spagna S.r.l. (via Airport Elite)
Size of shareholding: 51%
This company does not have any significant costs or revenues, since it is not operational.

Aeroporto Civile di Padova S.p.a
Size of shareholding: 60.32%
The company has limited operations with a value of production of 0.5 million euro and a net loss of 0.1 million euro. The holding is valued taking into account the decrease in the value of the quota of net assets owned.

ASSOCIATED COMPANIES

Gemina S.p.A.
Size of shareholding: 12.03%
In the second half of 2005, following a decision of the Board of Directors, the company purchased more stakes in the capital of Gemina S.p.A., a company listed on the Milan Stock Exchange that owns holdings in ADR Airports of Rome. The percentage owned at 31 December equalled 12.03% of the capital.

Nicelli S.p.A.
Size of shareholding: 48%
In 2005, the company's activities were limited due to the temporary interruptions of extraordinary maintenance and works related to the air terminal caused by some important decisions coming from the Soprintendenza ai Beni Archittonici (Commission for Environmental and Architectural Heritage) of Venice in 2004. Subsequent to the aforesaid, contributions of 1.5 million euro from ENAC are waiting to be defined. It closed the 2005 financial year with a value of production equivalent to 49 thousand euro, an increase of 49.2% compared to 2004, and a loss of 167,000 euro compared to 171,000 euro for the previous year.

The companies of the group own further non-controlling holdings in Gest Park Pordenone (50%), a non-operational company; in Venezia Terminal Passeggeri S.p.A (21%) for managing the retail facilities at the port of Venice and GAP S.p.A. (30.26%) for managing the Pantelleria airport.

THE EVOLVING SCENARIO OF THE AIRPORT BUSINESS IN ITALY AND THE CONSEQUENCES FOR VENICE-TREVISO

The number of passengers in the Italian airport system increased by 5.5% compared to 2004, reaching a total of 113,804,800 passengers, while traffic movements increased by 2.2% to 1,527,632.

Among the first ten airports, another two airports exceeded the threshold of 4 million passengers thanks to consolidation of the operating bases of low cost carriers.

- Bergamo: with an increase of 31%, it reached a quota of 4.4 million passengers, moving from eight up to seventh place.
- Ciampino: with an increase of 66%, it recorded 4.2 million passengers and moved to eighth place. Turin exited from the top ten.

Domestic traffic remains relatively unchanged (-0.4%) although airports with a higher presence of Volare flights recorded larger decreases during 2004 (Malpensa -10%, Venice -12%). 2005 saw the entrance of Ryanair in the Italian market with connections from Rome to Alghero, Bergamo, Brescia and Treviso
International traffic increased by 11%, driven by the birth of new point-to-point connections operated by low cost carriers, and by a general recovery of long-distance passengers transiting in the various hubs of traditional carriers.

Venice
The Venice airport system closed the 2005 financial year with an increase of 5.3% for a total of 7,125,797 passengers and with a small increase of 104 movements compared to 2004 (+0.1%) totalling 96,370, consequently increasing the number of passengers per movement.
Venice closed 2005 with 5,825,499 passengers, a 0.8% decrease compared to 2004, and movements of 78,783, a 1.5% decrease compared to 2004 This is an extraordinary result if you take into consideration that Volare transported 24% of the passengers in 2004.
2005 saw the consolidation of carriers replacing Volare. The first was Alitalia, which opened an a base of operations in Venice (the first besides the hubs at Malpensa and Fiumicino). This confirms the importance of Marco Polo's catchment area.
Furthermore, Alitalia entered into a code-share agreement with Alpi Eagles, which involves rationalisation in the use of the aircraft and extension of the destination network used by both. My Way Airlines and Windjet began operating as new carriers in 2005, completing the coverage of destinations abandoned by Volare.
Some important new routes introduced in 2005 are the US Airways daily summer flight to Philadelphia (second flight for the United States) and the Finnair (a Finnish company) flight to Helsinki. The opening of a third intercontinental route for Atlanta was agreed upon, and it will begin to operate in the summer of 2006.
In addition, a connection to Shanghai operated for a brief period. Although the connection is no longer operative, the company intends to find a new carrier capable of penetrating the Chinese market, launching Venice as a European gateway. The Chinese market is still in the process of definition and has very strong potential.

Treviso
The Airport of Treviso recorded 1.3 million passengers for 2005, an increase of 45%. Movements were 17,587, an increase of 8.1%. These results were made possible by three new Ryanair routes: Paris-Beauvais, Rome Ciampino and Liverpool.

The strategy
SAVE S.p.A.'s strategy for the future focuses on strengthening the traffic development policies already underway:

1) increase of long-distance flights, also following the excellent response to the introduction of the flight to Philadelphia in the spring of 2005,

2) guarantee the consolidation of the operating bases: in addition to the Alpi Eagles base, the Alitalia base was also opened in 2005 with four aircraft. The code-share agreement between these two companies has allowed Alitalia to increase its destinations and Alpi Eagles to increase its sales,
3) increase in the number of passengers/seats on routes already served.

These strategic lines unite Marco Polo's vocation of becoming an "airport city" by connecting most of the flights/destinations to an inter-modal transportation junction for passengers, providing a wide range of complementary services.

TRAFFIC TREND

The following table shows the main traffic indices for 2005, compared with the 2004 data relating to the airport system and the Save S.p.A. and AerTre S.p.A. companies
As shown in the following table, Treviso's strong growth increases traffic in the Venetian system.

ANALYSIS OF TRAFFIC BY SITE

VENICE AIRPORT SYSTEM

	2005	Incr.% on the system	2004	Incr.% % on the system	V. % '05/'04
SAVE					
Movements	78,783	82%	79,994	83%	-1.50%
Passengers	5,825,499	82%	5,871,415	87%	-0.80%
Tonnage	4,155,310	82%	4,336,147	85%	-4.20%
Cargo (Tons)	22,719	56%	22,351	55%	1.60%
AERTRE					
Movements	17,587	18%	16,272	17%	8.10%
Passengers	1,300,298	18%	894,206	13%	45.40%
Tonnage	901,624	18%	745,428	15%	21.00%
Cargo (Tons)	17,905	44%	18,028	45%	-0.70%
SISTEMA					
Movements	96,370		96,266		0.10%
Passengers	7,125,797		6,765,621		5.30%
Tonnage	5,056,934		5,081,575		-0.50%
Cargo (Tons)	40,624		40,379		0.60%

In terms of passenger numbers on the system, The share of Treviso (AerTre Spa) increased from 13% to 18% of total traffic. The significant increase of passengers (+45.4%) should be noted.
The decrease in domestic passengers for the Marco Polo Airport of Venice was partly due to the reduction of seating capacity on routes served by Volare in 2004. The traffic between Venice and Rome dropped by over 90,000 passengers, which fell below the 600,000 mark for the first time since 1998. Domestic traffic accounted for 30% of the total airport traffic.

ANALYSIS OF TRAFFIC BY TYPE

VENICE AIRPORT SYSTEM			
	2005	2004	V.%
Scheduled			
Movements (num)	77,849	79,694	-2.30%
Passengers (num)	6,640,386	6,347,200	4.60%
Cargo (Tons)	37,243	37,131	0.30%
Mail (tons)	3,381	3,248	4.10%
Aircraft (tons)	4,589,581	4,643,248	-1.20%
Charter			
Movements (num)	6,819	4,389	55.40%
Passengers (num)	463,431	396,099	17.00%
Aircraft (tons)	343,961	329,077	4.50%
General aviation			
Movements (num)	11,702	12,183	-3.90%
Passengers (num)	21,980	22,322	-1.50%
Aircraft (tons)	123,392	109,250	12.90%
Overall traffic data			
Movements (num)	96,370	96,266	0.10%
Passengers (num)	7,125,797	6,765,621	5.30%
Cargo (Tons)	40,624	40,379	0.60%
Aircraft (tons)	5,056,934	5,081,575	-0.50%

Chartered flights recorded the following increases in passengers and movements:

- an increase in scheduled chartered flights to countries like Romania,
- an increase of chartered flights carrying passengers who board cruise ships at the Port of Venice,

MAIN DESTINATIONS

The main airlines operating in the Venice airport and the main destination/origin countries for 2005 are reported below.

	Passengers	V. '05/'04	Movements	V. '05/'04
ITALY	1,757,080	-12%	23,079	-11%
ENGLAND	833,637	1%	7,485	-2%
GERMANY	810,802	9%	10,287	10%
FRANCE	614,344	-8%	6,921	-12%
SPAIN	594,574	8%	6,231	-1%
NETHERLANDS	210,252	4%	2,152	-3%
U.S.A.	173,665	56%	1,007	59%
BELGIUM	99,955	-4%	1,810	-3%
ROMANIA	91,141	-1%	1,571	67%
AUSTRIA	87,021	-9%	2,528	-10%
Other	539,939	20%	9,734	11%
Total	5,812,410	-1%	72,805	-2%

The 56% increase of the US market was due to the new flight to Philadelphia.
The partnership between Alp Eagles and Alitalia enabled Alitalia to take over high-density markets served by Alpi Eagles, using their aircraft to serve new routes like Tirana, Reggio Calabria and Bucharest.

MAIN CARRIERS

	Passengers	V. '05/'04	Movements	V. '05/'04
ALITALIA	835,682	20%	8,952	11%
ALPI EAGLES	537,363	17%	9,620	19%
LUFTHANSA	518,204	4%	7,212	11%
AIR FRANCE	479,083	17%	5,597	10%
EASYJET	357,943	3%	2,888	0%
IBERIA	322,139	12%	3,602	-1%
MY WAY AIRLINES	294,658	N.S.	2,868	N.S.
HAPAG-LLOYD EXPRESS	286,903	84%	2,822	78%
WINDJET	244,420	N.S.	2,237	N.S.
AIRONE S.P.A.	239,755	-7%	3,839	2%
Other	1,696,260	-37%	23,168	-33%
Total	5,812,410	-1%	72,805	-2%

Twenty-four percent of passenger traffic in the Airport of Venice belonged to low cost carriers, a 32% decrease from 2004. This decrease was due to the fact that the Volare passengers were recovered in terms of destination and passengers by traditional carriers rather than low cost carriers.

ECONOMIC DATA

Below is an analysis of revenue and margin by market segment:

(Thousands of Euro)	Airport Management		Infrastructure Management		Food & Beverage and Retail		Overlapping between sectors		Total	
Year to date	12.2004	12.2005	12.2004	12.2005	12.2004	12.2004	12.2005	12.2004	12.2004	12.2005
Operating revenues and other incomes	95,356	98,231	21,451	24,794	43,964	48,956	-5,424	-5,976	155,347	166,004
Costs	54,215	58,105	19,179	21,844	40,367	44,540	-5,424	-5,976	108,337	118,514
Ebitda	41,141	40,125	2,272	2,949	3,597	4,416			47,010	47,491
Ebitda in % on revenues	43.1%	40.8%	10.6%	11.9%	8.2%	9.0%			30.3%	28.6%

(Thousands of Euro)	Airport Management		Infrastructure Management		Food & Beverage and Retail		Overlapping between sectors		Total	
	Var. 05-04		Var. 05-04		Var. 05-04		Var. 05-04		Var. 05-04	
	Amount	%	Amount	%	Amount	Amount	%	Amount	%	Amount
Var. op. revenues & other inc.(A)	2,875	3.0%	3,343	15.6%	4,992	11.4%	-552	10.2%	10,657	6.9%
Var. Ebitda (B)	-1,016	-2.5%	678	29.8%	819	22.8%		-	481	1.0%
(C) = (B)/(A)		-35.3%		20.3%		16.4%				4.5%
Percentage revenue per SBU	61.4%	59.2%	13.8%	14.9%	28.3%	29.5%	-3.5%	-3.6%	100.0%	100.0%
Percentage EBITDA generated per SBU	87.5%	84.5%	4.8%	6.2%	7.7%	9.3%			100.0%	100.0%

The table shows an increase of 10.7 million euro (+6.9%) in revenue and proceeds compared to 2004 and an increase of 0.5 million euro in EBITDA.

Comments by market segment

AIRPORT MANAGEMENT

Below is a detailed analysis of the revenues with an indication of the main phenomena:

SAVE	2004	INC. %	2005	INC.%	DELTA	DELTA%
Aeronautical	48,912	51.3%	48,314	49.2%	(599)	(1.2%)
Sales and Marketing	16,729	17.5%	17,385	17.7%	656	3.9%
Advertising	1,225	1.3%	1,550	1.6%	325	26.5%
Ticket office	810	0.8%	858	0.9%	48	6.0%
Cargo Movement Storage	3,659	3.8%	3,477	3.5%	(182)	(5.0%)
Handling	714	0.7%	502	0.5%	(212)	(29.6%)
Other revenues	6,481	6.8%	6,482	6.6%	1	0.0%
AER TRE						
Aeronautical	7,618	8.0%	10,432	10.6%	2,814	36.9%
Sales and Marketing	1,111	1.2%	1,286	1.3%	174	15.7%
Car parks:			1	0.0%	1	n.s.
Ticket office			1	0.0%	1	n.s.
Handling	2,944	3.1%	2,642	2.7%	(302)	(10.3%)
Other revenues	62	0.1%	109	0.1%	46	(74.6%
MARCO POLO PARK	9,196	9.6%	8,682	8.8%	(514)	(5.6%)
SAVE SECURITY	5,559	5.8%	6,214	6.3%	655	11.8%
SAVE ENGINEERING	2,631	2.8%	3,325	3.4%	694	26.4%
N-AITEC	753	0.8%	795	0.8%	42	5.6%
AGRICOLA ALTINIA AND CA' BOLZAN			145	0.1%	145	N.S.
PADUA CIVILIAN AIRPORT	562	0.6%	511	0.5%	(51)	(9.1%)
IAS adjustments	(1,514)	(1.6%)	(1,219)	(1.2%)	295	(19.5%)
Aggregated revenues	107,452	113%	111,491	113%	4,039	3.8%
Intra-SBU Accounts and Elisions	(12,096)	(12.7%)	(13,260)	(13.5%)	(1,164)	9.6%
REVENUE FROM AIRPORT MGMT.	95,356	100.0%	98,231	100.0%	2,874	3.0%
SAVE SPA SUBTOTAL	78,530		78,568		38	

The positive trend in passenger traffic and movements came from more than 45% growth in the Airport of Treviso and from a slight decrease in the Airport of Venice, and had a direct impact on aeronautic and non-aeronautic revenues.

In 2005, the operating income and other proceeds from BU Aviation increased by 3% compared to 2004; it is equivalent to 98.2 million euro with an increase of 2.9 million euro. The most important phenomena are:

- the increase of passengers which is reflected on the increase of strictly aeronautic revenue;
- higher revenues from royalties from third parties connected to the increase of the sell-out volumes of retail dealers. It should be taken into account that the number of passengers and the relative increase is one of the driving factors behind the retail sales; Venice recorded a growth despite the small drop in passengers, increasing its ability to attract and penetrate transit passengers;
- the investment plan currently under way in the parking areas of Marco Polo Park, which focus on higher segmentation of the offer, led to a temporary reduction of revenue;
- unrepeatable revenue coming from the taking over of a retail property under the contractual terms amounting to 1.75 million euro.

Gross operating margin (EBITDA) fell slightly to 40.1 million euro. Gross operating margin as a percentage of the operating revenue is equivalent to 40.8%. The slight reduction of this percentage is mainly due to an increase in the costs for commercial actions connected to the future development of traffic, which will bring large future benefits.

Profit and Loss Statement for the Airport Business Unit

AIRPORT MANAGEMENT

Euro /1000	Balance 2005		Balance 2004		Airport Management DELTA 2005 vs 2004	
Operating revenues and other incomes	98,231	*100%*	95,356	*100%*	2,875	3.0%
For raw materials and goods	1,870	*1.9%*	1,673	*1.8%*	198	11.8%
For services	24,299	*24.7%*	22,270	*23.4%*	2,029	9.1%
For leases and rentals	5,031	*5.1%*	4,048	*4.2%*	983	24.3%
Labour costs	25,389	*25.8%*	23,927	*25.1%*	1,462	6.1% --
Other operating expenses	1,516	*1.5%*	2,297	*2.4%*	-782	34.0%
Total operating costs	58,105	*59.2%*	54,215	*56.9%*	3,890	7.2%
EBITDA	40,125	*40.8%*	41,141	*43.1%*	-1,016	-2.5%
Amortization of intangible assets	753	*0.8%*	505	*0.5%*	248	49.0%
Depreciation of tangible assets	13,609	*13.9%*	14,275	*15.0%*	-666	-4.7%
Losses and risks on amounts due	2,792	*2.8%*	7,144	*7.5%*	-4,352	-60.9%
Appropriation for risks	1,579	*1.6%*	2,520	*2.6%*	-941	-37.3%
Total amortization and provisions	18,733	*19.1%*	24,444	*25.6%*	-5,711	-23.4%
EBIT	21,393	*21.8%*	16,697	*17.5%*	4,696	28.1%

INFRASTRUCTURE MANAGEMENT

The activities are mainly attributable to Centostazioni. Proceeds from the Save Group (equal to 40% of the same amount attributable to the Centostazioni company) equal 24.8 million euro, a 15.6% increase with respect to the previous year.

The gross operating result (EBITDA) increased by 29.8% with respect to the previous financial year (from 2.3 million euro in 2004 to 2.9 million in 2005); the increase was mainly due to the increase in revenue from third parties, and the continual coming into effect of new commercial agreements consistent with the restructuring and development program of the stations managed.

The gross operating result as a percentage of revenue was equivalent to 11.9% compared to 10.6% in 2004.

Profit and Loss Statement for the Infrastructure Business Unit

INFRASTRUCTURES

Euro /1000	Balance 2005		Balance 2004		Infrastructures DELTA 2005 vs 2004	
Operating revenues and other incomes	24,794	100%	21,451	100%	3,343	15.6%
For raw materials and goods	154	0.6%	696	3.2%	-542	-77.9%
For services	13,673	55.1%	11,418	53.2%	2,255	19.8%
For leases and rentals	4,330	17.5%	4,147	19.3%	183	4.4%
Labour costs	3,093	12.5%	2,809	13.1%	284	10.1%
Other operating expenses	594	2.4%	110	0.5%	484	441.2%
Total operating costs	21,844	88.1%	19,179	89.4%	2,665	13.9%
EBITDA	*2,949*	*11.9%*	*2,272*	*10.6%*	*678*	*29.8%*
Amortization of intangible assets	2,360	9.5%	2,385	11.1%	-25	-1.1%
Depreciation of tangible assets	142	0.6%	60	0.3%	82	136.7%
Losses and risks on amounts due	170	0.7%	66	0.3%	104	157.6%
Appropriation for risks	73	0.3%	149	0.7%	-76	-50.9%
Total amortization and provisions	2,745	11.1%	2,660	12.4%	85	3.2%
EBIT	*204*	*0.8%*	*-338*	*-1.8%*	*593*	*-153%*

FOOD & BEVERAGE AND RETAIL

There was a significant increase in revenues amounting to 5 million euro (11.4%) compared to the previous year, for a total of 49 million euro. The increase was mainly due to activities relating to the airports of Venice, Olbia, Treviso and Catania and the Pescara railway station and Port of Genoa, which recorded an increase of around 2.4 million euro.

Implementation of the development strategy for F&B and Retail businesses in other sites or infrastructure types where services can be provided to passengers led to the remaining growth of revenue for an additional 2.6 million euro thanks to the opening of new retail stores in airports (Bari in March 2005) and stations (Milan Rogoredo, Milan Lambrate and Cremona).

The gross operating margin (EBITDA) of 4.4 million euro increased by 0.8 million euro (+22.8%) compared to the previous year. The incremental revenue with respect to 2004 recorded a gross operating margin of 16.4%.
The gross operating margin as a percentage of revenue equalled 9% compared to 8.2% for the previous year.
The increase in profitability was due to the greater absorption of the costs of structures and actions aimed at increasing efficiency connected to the network management of the sales outlets.

Profit and Loss Statement for the Food & Beverage and Retail Business Unit

	F & B and RETAIL					
Euro /1000	Balance 2005		Balance 2004		F&B and Retail DELTA 2005 VS 2004	
Operating revenues and other incomes	48,956	*100%*	43,964	*100%*	4,992	*11.4%*
For raw materials and goods						
For services	23,648	48.3%	21,565	9.1%	2,083	9.7%
For leases and rentals	3,334	6.8%	3,104	7.1%	230	7.4%
Labour costs	7,501	15.3%	6,414	14.6%	1,087	16.9%
Other operating expenses	9,834	20.1%	8,731	19.9%	1,103	12.6%
	223	0.5%	553	1.3%	-330	-59.7%
Total operating costs	44,540	91.0%	40,367	91.8%	4,173	10.3%
EBITDA	4,416	9.0%	3,597	8.2%	819	22.8%
Amortization of intangible assets	729	1.5%	626	1.4%	103	16.5%
Depreciation of tangible assets	897	1.8%	761	1.7%	136	17.9%
Losses and risks on amounts due	28	0.1%	41	0.1%	-13	-31.7%
Appropriation for risks	65	0.1%	80	0.2%	-15	-18.8%
Total amortization and provisions	1,719	3.5%	1,508	3.4%	211	14.0%
EBIT	2,697	5.5%	2,089	4.8%	608	29.1%

INFORMATION RELATING TO MANAGEMENT OF THE FINANCIAL RISK

The Group holds derivative instruments for covering their risk exposure to interest rate changes relating to specific liabilities on the balance sheet (refer to cash flow hedge) for about 73% of their total value. In keeping with the chosen strategy, the Group does not implement operations on derivatives for speculative purposes.

The coverage relates to the distribution of two medium to long term loans:
• the first loan was taken out by SAVE and is for 77 million euro, disbursed in 2002 by Banca OPI. The loan involves a 2-year pre-amortisation period and six-monthly instalments starting from December 2004 until 2012. A six-month Euribor variable rate plus a spread of 0.49% (this spread was reduced to 0.47% on 11 March 2005) was determined. In 2003 the loan was the object of two interest rate swaps (IRS) for covering the risk amounting to 23.1 million euro (reproportioned according to the existing notional value at each repayment date) at an average rate of 3.9%; in July 2004 25 million euro were also covered with another IRS operation with the San Paolo IMI Bank at a rate of 3.6% Therefore, around 62% of the total amount of the interest cost for the loan is blocked;
• another loan taken out by Archimede 1 for an amount of 36 million euro from a pool of banks (with Unicredit the lead bank, with the task of organising and supervising the financing) for financing the purchase of the holdings in Centostazioni S.p.A.. Repayment was established at nine annual instalments with an increasing value to be paid on 30 June of each year and with a 2-year pre-amortisation period. The first instalment was paid on 30 June 2004. The loan provided for commitments on the relationship between the net financial debt and net assets and on the minimum value of the net assets. The loan is covered by sureties by the shareholders in proportion to the holding stake in Archimede 1 for the value of the capital and interest.
This loan was entirely repaid in 2005.
A new loan was taken out for an amount of 36 million euro with a two-year pre-amortisation period.

It expires in 2016 and has characteristics and conditions similar to the previous loan. The interest provides for a spread of 65 b.p. on the reference rate. This loan was also object of non-speculative coverage for an amount of 92% of its total value and has values decreasing in line with the remaining notional amount of a "Convertible Swap" type.
Based on this contract the Company pays, under a conversion level (6-month Euribor lower than 6.5%), a pre-determined fixed rate equivalent to 4.72% and, above a conversion level (6-month Euribor higher or equal to 6.5%), the reference Euribor rate. The Company receives a parameter rate called the "Constant Maturity Swap" (CMS) identified as 82% of the 30-year Euro SWAP rate with a minimum guarantee of 4%. Likewise, a coverage was put into place in April 2003 for 36 million euro which decrease based on the notional amount. Based on this coverage, which aims at optimising the cost of the loan, Archimede 1 pays the 6-month Euribor interest rate minus 15 b.p. and receives the reference Euribor rate at each expiry.

REGULATORY CHANGES AND SECTOR DEVELOPMENTS

Program Agreement and New Legislation

Program Agreement

In fulfilling the requirements contained in the CIPE resolution of 4 August 2000, containing a plan for reorganising the tariff structure of services that envision use of centralised infrastructures offered exclusively by airport managers, in 2003 SAVE was the first Italian airport management company to complete its definition of the draft Program Agreement for 2004-2008.
Afterwards, all the bureaucratic and administrative obligations necessary for involving all the bodies called upon to approve the aforesaid draft were completed. Up to now, the final procedure of the Program Agreement is still pending at the NARS/CIPE due to heavy bureaucratic slowdowns.

New legislation

One of the most important legal developments was the issuing of Italian Law Decree No. 211 of 17 October 2005 ("Urgent measures to meet public finance targets and regulations concerning airports"), which became effective on 19 October 2005. Through a maxi-amendment, these regulatory provisions were inserted into the text for the bill converting into law Italian Law Decree No. 203 of 30 September 2005 on "Measures to counteract tax evasion and urgent regulations on tax and financial matters." The Decree was converted with Italian Law No. 248/2005 of 2 December 2005.
These airport regulations introduce a series of concessions for air carriers operating on the national territory by providing for, among other things, the reduction of airport fees and suppression of the 50% night mark-up of these fees. These concessions, which could involve an increase in charges / reduction of revenue for airport management companies, seem to conflict with European Community regulations. These regulations, which for the most part also contradict the CIPE resolution of 2000 aimed at bringing Italian tariffs in line with the European tariffs, would weaken the Italian airport system. Therefore, a complaint was made to the European Commission, as well as the Autorità Garante della Concorrenza e del Mercato (Italian Monopolies and Mergers Commission), denouncing the aforementioned violations.

Amendment to the licence agreement – Airport of Venice

Following the signing of the Licence Agreement of 19 July 2001 extending the duration to 22 March 2027, the Company updated its general investment plan to include related financial and economic analyses for the 2026-2041 period.
After a difficult procedure, ENAC and SAVE drew up an Amendment to the Licence Agreement on 23 March 2005. On the basis of this amendment, the duration of the licence was extended to 21 March 2041.
The 2004 financial statements contain a prudent allocation to the provision for future liabilities and charges for a value equivalent to the net effect that would have been seen at December 2004 if the duration of the licence was only until 2027.
This provision for future risks and charges amounting to around 0.33 million euro was allocated to the Profit and Loss Statement of the period, in view of the confirmation of the licence extension to 2041 in favour of the Company.
Following the coming into effect of Italian Law Decree No. 96/2005, ENAC, on drawing attention to a ministerial act, unilaterally promoted the finalisation of a further amendment to the Agreement with SAVE. This amendment aims at clarifying and regulating the duties, functions and responsibilities of the actual airport manager, bringing it into line with the new regulations of the navigation code. The adjustment procedure is still pending.

Renewal of the agreement – Airport of Treviso

AERTRE S.p.A. is licensed to manage the Airport of Treviso; the current licence, partially effective since November 1999 pursuant to Article 17 of Italian Law Decree 67/1997 and converted into Italian Law No. 135/97, expires in 2012.
AERTRE filed an application to convert its partial management (art. 17) to full management for a period of forty years. In addition, AERTRE started proceedings in 2004 to define the Program Agreement relating to the reorganisation of tariffs for exclusive airport services offered based on the CIPE resolution of 4 August 2000, as well as the procedure for obtaining the Airport Certificate.

Relations with ENAV

On 26 July 2001, SAVE and ENAV (National Flight Assistance Agency) signed an important cooperation agreement concerning "apron management" and the construction of a new control tower at the Venice Airport.
The cooperation agreement establishes that SAVE and ENAV supply joint and coordinated apron management services for managing and coordinating air traffic and traffic within the apron, updating the safety procedures, assigning the aircraft parking areas, and informing airport operators of aircraft arrival and departure times.
Subsequent to the coming into effect of Italian Law No. 265/04, this part of the cooperation agreement is currently being integrated, since the parties are elaborating a common protocol for managing the automatic exchange of information between SAVE and ENAV.
Work on construction of the new control tower will begin as soon as approval is received from the Safety Commission and will last for approximately two years.

Airport Certificate

In July 2004, SAVE S.p.A., the third largest airport manager after ADR and SEA, obtained the so-called “Airport Certificate” from ENAC regarding airport safety, attesting to its conformity to the "Regulations for the Construction and Operation of Airports" adopted by ENAC in implementation of the sector regulations for assimilating the ICAO (International Aviation Organisation) standard of 21 October 2003.
The Airport Certificate obtained by SAVE is valid for three years from its issue and can be renewed upon expiration for equal periods based on the positive outcome of inspections carried out by ENAC.
In 2005, the upgrading activity of the infrastructures continued according to an operating plan stipulated during the issuing of the airport certificate. The periodic visits of ENAC’s inspection team established that the scheduled activities fully comply with the expiries granted to SAVE by ENAC.

In accordance with ICAO Regulation, Annex 14, Chapt. 1.3.6 and ENAC circular APT 19, the “Safety Management System” was prepared in November 2005. This system, via a system of inspections, reports and audits, guarantees that all the activities carried out in airside areas are conducted safely by all qualified airport workers. The company made use of internal resources for dimensioning, planning and preparing this document and relative operating procedures, without additional costs to the company.

INVESTMENTS

Net investments realised in 2005 amounted to 48.4 million euro for tangible assets – net of contributions for 5 million euro – and 1 million euro in intangible assets.
The parent company made investments of 18.4 million euro, net of public contributions of 1.9 million euro. The net increment of the parent company's intangible assets was 10.3 million euro, attributable mainly to the capitalisation of costs relating to the stock exchange listing process.

INVESTMENTS IN THE AIRPORT OF VENICE COMPLEX

In 2005, the company continued to plan the investments necessary for the completion and future development of the Venice airport system, and in keeping with the forecasts in the Master Plan, continued with realising functional works for developing and adapting the operations infrastructures and airport services. Some interventions were also completed during the year.

Data relating to the investments in progress at the end of 2005 is reported below.

Interventions completed

- Extension of the basin for works amounting to approximately 2.3 million euro (the work is also funded by public contributions). The investment allowed the surface of the basin to be increased to over 32,000 sq.m., creating the possibility for a large enhancement of the activities connected with water transport.
- Expansion of the Marco Polo Park car park area, works amounting to approximately 4.5 million euro invested to increase the capacity by another 430 indoor parking spaces and the upgrading of the building's fire safety systems.
- Reclamation works of ditches of the safety belt of the runway; works totalling about 1.9 million euro. Investment relating to the upgrading of the air infrastructures.
- Reconfiguration of the ground level parking area in front of the terminal. Works amounting to 2.5 million euro (approximately) for increasing the ground-level outdoor parking capacity by more than 630 car spaces.

Interventions under way at the end of 2005

- New de-icing area. Works amounting to approximately 3.5 million euro. Investment targeted at increasing the services offered to carriers.
- Six new boarding bridges and towers for the new air terminal. Works amounting to approximately 1.3 million euro. The intervention aims at a 40% increase in the availability of stands in contact to meet the requirements of US carriers.
- Construction of health control rooms inside the old terminal. This investment is connected to the development of flights coming from the Far East.

New projects completed and available for the start-up of tender procedures and assignment of works

- Assisted Pedestrian Moving Walkway
- 1st stage of works for the disposal of rain water and its treatment
- New R5 airport taxiway and apron AVL system
- Freight parking area and E2 cabin

The Group continues its study and design activities to make the airport and other infrastructures more functional in relation to new traffic requirements and technological evolution.

New projects being studied and developed

- Expansion of the passenger air terminal
- Venice Gateway Project (part of financing to be found)
- New building for canteen and training activities
- Further upgrading works in the runway's safety belt
- New buildings for the Fire Brigade and Finance Police (partially financed by State authorities)

- 2nd and 3rd stage of works for the disposal of rain water and its treatment (partially financed by the Water Authority)
- New fuel deposit.

New development plans
In consideration of a broader reorganisation of the transport infrastructures which over the next few years will involve the area currently occupied by the Marco Polo Airport, it was considered appropriate to continue with the planning of the vast area.
The administrative and legal tool envisaged is the creation of a Development Plan by the management company in accordance with the Ministry of Transport and the Ministry for the Environment.
The preliminary phases of this plan call for a conciliation round-table with all the local authorities involved, such as the neighbouring municipalities, Province of Venice, Region of Veneto, ANAS, RFI, electricity, gas and water supply authorities, toll motorway managers, etc.
The objective is to come to a mutual agreement on what will be the territorial urban layout over the next forty years.
Development of infrastructures specifically dedicated to air transport, including new aprons, passenger and freight terminals, runways and connections, and areas dedicated to car and bus parking are planned for the airport area.
Other infrastructures will stand on these areas, which will guarantee an optimal intermodal capacity of the transport junction, in particular, the new train station for high-speed trains and the new train station for regional trains. In addition, the presence of the dock guaranteeing sea connection with Venice and most likely the "sublagunare" (sub-lagoon railway) that could connect the airport with Venice and Murano.
All these nodes of different transport infrastructures require, in the immediate vicinity, complementary and support structures like technical areas, car and bus parking areas, as well as adequate roads for the traffic generated.
This area will most likely become one the most important intermodal exchange junctions in North Italy, which will guarantee the simultaneous availability of air, rail, road and sea transportation.
Therefore, an in-depth study on the best utilization of the territory and the mutual localisation of the various functions is necessary, bearing in mind that adequate spaces must be guaranteed to the various functions and that the distance travelled by passengers must be compatible with the inter-exchange functions expected. Furthermore, the planning must take into due consideration the minimisation of the environmental impact on the territory and any environmental restrictions.
The study must also provide forecasts on the various intermediary phases in a way coordinated with the actual needs, so that the infrastructures are created at the right time and in the right place, thus optimising the investment yield.
SAVE S.p.A. has also purchased 200 hectares of land surrounding the current site.

INVESTMENTS OUTSIDE THE TESSERA SITE

Airport of Treviso
Work on creating the structures for the new terminal at the Airport of Treviso S. Angela continued regularly and arrived at an advanced stage of completion; amounting to over 15 million euro and largely financed by public contributions and financing.
Works relating the elevator and escalator systems, baggage handling system and baggage security equipment to be installed in this Air Terminal were also contracted by the airport manager and in part already awarded. The estimated amount of these works is 4.6 million euro, partly financed by public funds or by ENAC.

Airport of Nicelli del Lido di Venezia (unconsolidated company)
The extraordinary maintenance work at the air terminal of the "G. Nicelli" Airport of Lido di Venezia continued regularly during the year, amounting to approximately 2.6 million euro, partly self-financed and partly financed with public contributions. A further project for building a Hangar was also started and for upgrading the aircraft parking areas.

University of Perugia (engineering activity)
As representative of a temporary association of companies including other professional studios, SAVE Engineering has the prestigious assignment of providing Project and Construction Management services to create the new faculty of medicine and surgery. These services continued in 2005 and amounted to over 1.8 million euro. The project previously drafted by the University was completely revised and the amount of works is expected to exceed 60 million euro with work commencing in 2006.

Foreign activities (engineering activities)
In December 2005, the company focused on the Chinese market laying the foundations for identifying some business opportunities in the air transport sector; in 2006 these preliminary activities will be extended to include India and the Middle East, especially in the field of airport engineering.
The international network of expertise in the sector will be harnessed for this purpose including such companies as ADPi, INECO and ADTI.

Centostazioni
During the year, the company continued its long-term investment program for commercial enhancement, regulatory/functional upgrading and extraordinary maintenance of the train stations having the highest commercial content of the entire network. It continued with the creation of the executive plans, public tenders and realisation of the works.
In 2005, 42 stations underwent restructuring.
Centostazioni S.p.A. operates with the Italian State Railway Group, not only in their field of restructuring the stations managed, indicated above, but also:

- in the development and realisation of contracts relating to regulatory/functional upgrading of the video-surveillance of stations or parts of them,
- in the creation of agreements relating to requalification activities in view of the income generated from properties owned by Sviluppo Real Estate S.p.A.

The activities for completing the IT infrastructure for guaranteeing that the company has the suitable tools for optimising the technical and administrative management of the stations also continued during the year, which also aimed at the management of the Global Service contract.

RESEARCH AND DEVELOPMENT

To guarantee and maximise future profitability and development, SAVE focuses on process innovation to achieve continuous increases in efficiency and to guarantee an increasingly effective use of the airport or railway infrastructures it manages, as well as higher satisfaction of the expectations of transiting passengers regarding the services offered. The company did not capitalise costs for research and development.
More specifically, the Group:

- developed and implemented an integrated ERP (SAP) system at the parent company and principal subsidiaries, in particular Airport Elite and Archimede 2. The new integrated information management system began regular operation as of 1 January 2005. In particular, the Food & Beverage and Retail Business Unit uses the innovative SAP Retail module to manage retail processes with high product rotation, frequent sales and transactions and small average amounts. In collaboration with dedicated outside consultants, the internal resources made significant revisions to the company processes in order to optimise the organisational simplification. All this was carried out with the aim of placing more focus on the final customer guaranteeing them high levels of satisfaction and company profitability.
- activities aimed at outsourcing the technical management services commenced in the second half of the year. This activity also encompasses the modelling and development of the technical, economic and administrative management tools for the subsequent Global Service contract on the SAP platform. The activity will be brought to full operation during 2006. Coherently, this choice is inserted also the start-up of the total management contract (management and maintenance) of the BHS, which the company formalised with Siemens and which involves the detached management of thirteen units belonging to the technical-maintenance organisation.

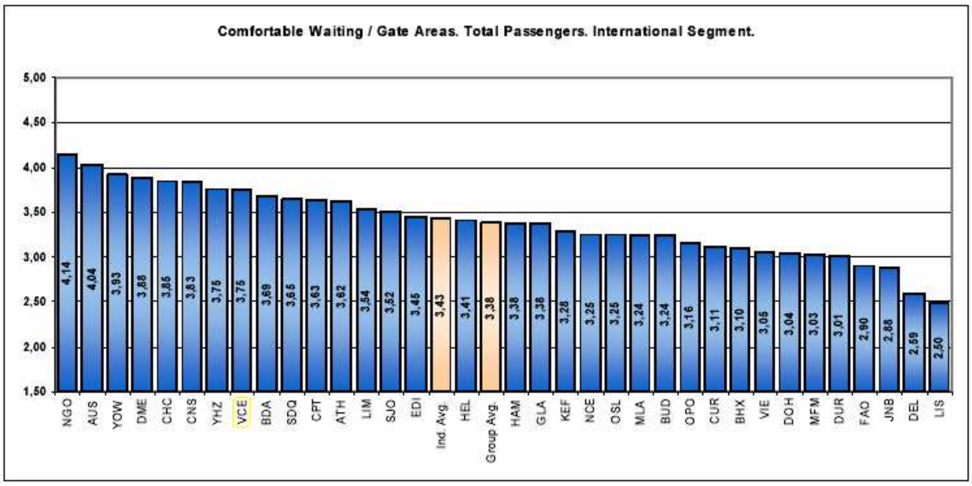
QUALITY

Control of Passenger services

There were three initiatives in 2005:

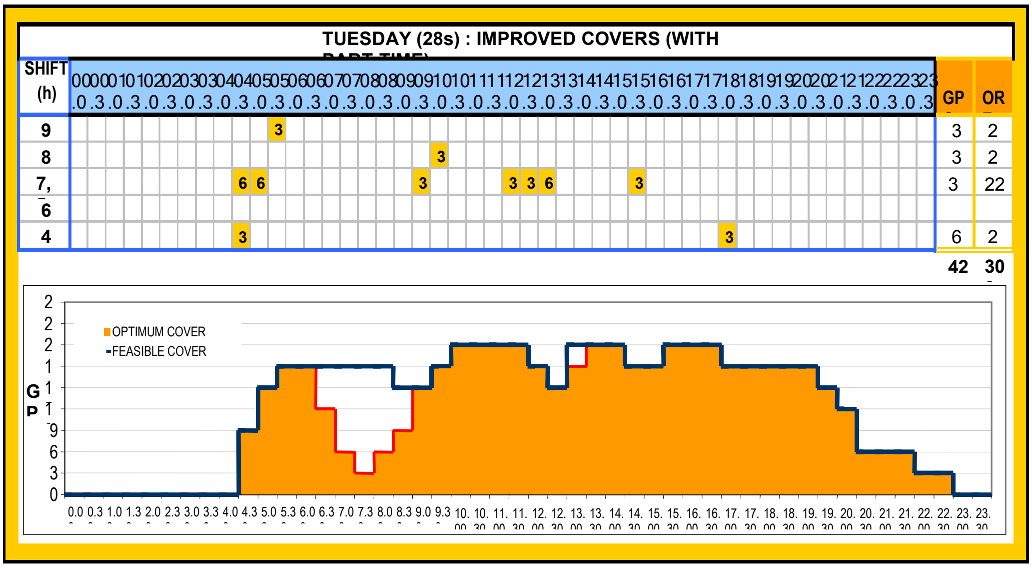
- the most important results from the AETRA international airport benchmark program are reported below. Particularly favourable were the results relating to the aspects connected to the comfort of boarding areas, to the pleasantness of the airport environment, and the price/quality relationship of the retail services.

Graph 0-15 M pax



The *SKY TRAX Research* classified the Marco Polo airport as the second best airport in Southern Europe after Barcelona.

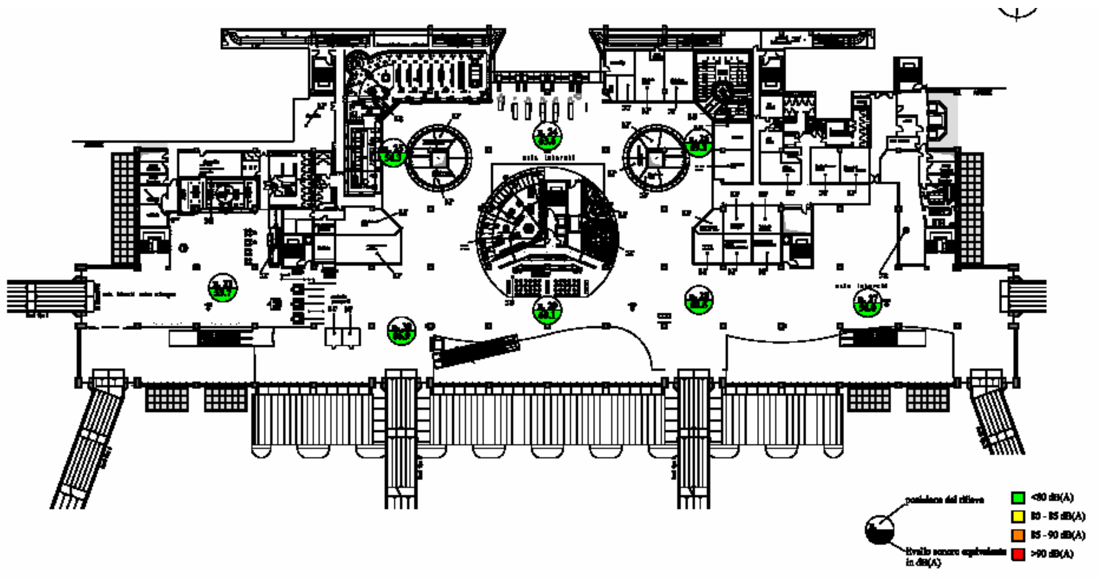
- Analysis of the passenger profile and propensity to buy with the aim of identifying the current passenger profile, their propensity to purchase and the potential services of interest.
- Optimisation of the Passenger Safety Checks throughout 2005, the planning activities of the security resources used in passenger checks were supported by the forecast modelling of passenger arrivals. This allowed measuring in advance the personnel requirements with the possibility of forecasting the peak and most critical moments.



HEALTH

Noise Monitoring

The airport noise campaign concluded. It produced the most complete characterisation (355 measuring points) of the acoustic emission levels in every part of the airport.



Electromagnetic Monitoring

The monitoring campaign of electromagnetic fields commenced in 2005 is still on-going. It allowed monitoring, in terms of environmental impact, the emissions coming from the airport activities as well as emissions generated by the accessory activities (e.g. mobile phone managers).

Air quality

In 2005, during the airport's highest traffic phase, an important activity was introduced for checking the state of aeriform pollutants coming from the airport activities. The study focused on the characterisation of Volatile Organic Substances (V.O.C.) and involved the entire Marco Polo of Venice airport area. A first part, relating to the research of V.O.C. coming from combusted substances of car engines and aircrafts during the various movements in the area (take-off, landing, taxiing, passenger transport, circulation in the various routes, etc), involved a sustained series of environmental samplings aimed at identifying the sectors most interested by the various emission sources.

A second part, relating to the environmental dispersion of fine particles (PM2.5 and PM10) was limited to two monitoring positions selected in relation, in one case, to the contribution of the landing and take-off activities, and in the other, to the activities in the baggage handling area, due to the constant presence of authorised personnel.

The legal references were followed for the characterisation of the most significant substances. For this purpose, the monitoring of V.O.S. consisted of a series of samplings over a long duration (around 14 continuous hours for each monitoring day).

Examination of the results of the study revealed an environment, on land, where the dispersion values of substances emitted are always below the Air Quality limits established by M.D. 60/02. In general terms, the negative contributions relating to petrol come from the provincial road, from the roads penetrating into the airport up to the "arrival" area. Similarly, the space mapping relating to the air-dispersed kerosene highlights two situations where these values are above the environmental average, but however always completely within the current legal standards.

Fire prevention

The fire prevention certificates relating to the passenger terminal were updated in 2005, subsequent to the infrastructural modifications that occurred from the opening of the multi-level parking following extensions to the building and hangar.

GROUP PERSONNEL

The work force as at 31 December 2005, including full-time and part-time employees as well as employees hired with open-ended contracts was equal to 1,105 collaborators, an increase of 78 people.

The increase of the workforce was mainly due to the expansion of activities of the subsidiaries, Airport Elite and Aertre, which led to an increase of 70 employees. The increase of Airport Elite employees, equal to 52, was mainly due to the expansion of the number of locations where they perform their activities.

During the year, SAVE's Human Resource and Organisation Department consolidated and expanded their technical support and assistance to the subsidiary companies, on matters relating to resource management, hiring, training and, disputes as well as matters relating to personnel administration and industrial relations.

Once again in 2005, special attention was paid to defining the level two contracts for personnel of Save Security and Airport Elite, which ended satisfactorily and without the creation of any trade union tensions.

STATEMENT CONCERNING OWN SHARES OR PARENT COMPANY SHARES IN PORTFOLIO

In accordance with article 2428, paragraph 2, numbers 3 and 4 of the Italian Civil Code, the Company and Group declare to not own, nor have they purchased or sold, not even indirectly, their own shares or shares and equity belonging to the parent company.

SHARES HELD BY DIRECTORS AND AUDITORS

According to the appropriate declarations received, the shares held and purchased by the Directors and Auditors are:

- Directors:
  - Enrico Marchi: 41,515 shares purchased during the financial year
- Auditors:
  - Antonio D'Ancona: zero, purchased and sold 4,500 shares during the period
  - Guido Penso: 16,000, purchased 35,020 and resold 19,020 shares during the period

CORPORATE GOVERNANCE

Following the opening of the share negotiations on the Mercato Telematic Azionaro, the company formed its own Code of Corporate Governance for listed companies promoted by Borsa Italiana S.p.A. This code is in line with the recommendations formulated by CONSOB and with the best international practices.
The "Internal Control" Committee and the Committee for the "Remuneration of Directors and Management" were set up for this purpose.

RELATIONS WITH SUBSIDIARY AND ASSOCIATED COMPANIES

See the comments relating to the items in the Statement of Assets and Liabilities and the Profit and Loss Statement contained in the Explanatory Notes for details on the relations with subsidiary, associated and affiliated companies. See Annex F for the reports on receivables/payables and cost/income.
All transactions with subsidiary, associated and affiliated companies were carried out in observance of the average market values practiced for similar services and services of a comparable quality.
During 2005, the Group, together with Finanziaria Internazionale Holding S.p.A. (associated party), established relationships of assistance and consultation related to possible purchases of share parcels or companies in sectors functional to the Group's development.
The signing of "success fee" contracts was approved in advance by the Board of Directors of the companies involved (the parent company and Airport Elite S.r.l.) in their interest of suitable experience and standing. Furthermore, the "familiar" relationship guaranteed adequate reliability and absolute confidentiality in the interest of the Group. The consultancy relations were at market conditions relating to the requested type. Costs incurred were equal to € 901,000, of which € 830,000 related to SAVE S.p.A. and € 71,000 to Airport Elite S.r.l. The debt relating to unpaid services equals € 873,000 and is included in the payables to suppliers. These additional costs relating to the purchase of shares are not entered into the balance sheet.

231 PROJECT

The coming into effect of Italian Law Decree 231/2001 highlighted the need to define a clear behavioural scheme of reference for each collaborator and employee of the company. This scheme must complement an effective organisational and management system that will be reasonably fit to prevent illegal conduct, as well as suited to guiding each person's professional commitment to the values and principals on which the SAVE Group activities are based.
Aware that a company is not judged solely on the quality of the services it is able to offer, but also on its capacity to produce value and create well-being for the community, the company and Group have adopted a Code of Ethics. This code defines and explains the values and principles that form the respective activities and relationships with employees, collaborators, customers, suppliers, shareholders, institutions and any other stakeholder, as well as the methods for pursuing and applying these principles and values.

DATA SECURITY PURSUANT TO L.D. No. 196/2003 and subsequent updates

For some time, the SAVE Group has equipped itself with a programmatic document of security and organisational procedures to guarantee security in the processing of personal data. These tools were revised during 2005 and brought into line with the organisational evolution of the group and the new standards contained in Italian Law Decree No. 196/03 et seq. The general policy security document was updated according to the operating schemes and guidelines of the Guarantor by analysing and classifying the personal data processing carried out in the company and its security risks. The duties, responsibilities and criteria for adopting the security measures were also defined. This document describes the technical and organisational criteria adopted for protecting personal and confidential data processed with IT tools. The PSD also outlines a training plan to inform those in charge of the processing on the expected security measures in relation to the risks identified.
In view of Italian Law Decree No. 273/05 of 30/12/2005 which extended the deadline to 31/03/2006, the company intends to carry out the final review of the PSD by this date, also in order to take into consideration any further adjustments that may become necessary in the meantime.

IAS/IFRS

Based on the current standards, the Save Group declares the following choices were made during 2005 (first-time application of the international accounting standards):

- preparation of the half-yearly consolidated report as at 30 June 2005 according to the Italian accounting standards and drafting of the reconciliation tables of the results and net assets as at 30 June 2005 which were valued in conformity with the IAS/IFRS. Furthermore, in conformity with CONSOB Resolution No. 14990 of 14 April 2005, the half-yearly report contains attachments of the reconciliation, as per the IFRS 1, between the net assets at 1 January 2004, at 31 December 2004 and at 1 January 2005, as well as the 2004 profit and loss statement coming from application of the Italian accounting standards and the respective values obtained in conformity with the IAS/IFRS;
- application of the international accounting standards for SAVE S.p.A.'s financial statements in 2006

On request by SAVE based on what was outlined in CONSOB Communication No. DEM/5025723 of 15 April 2005, which established the operating methods and extension of the audit to be conducted during transition to the international accounting standards, Reconta Ernst & Young S.p.A. conducted the complete audit on the IFRS reconciliation tables relating to the statement of asset and liabilities at 1 January 2004, to the 2004 profit and loss statement, to the statement for assets and liabilities at 31 December 2004 and 1 January 2005.

MANAGEMENT FORECASTS

Progress of the airport activities proceeds with regularity, in line with the forecasts that envision further growth in the expected volumes. Positive traffic expectations and the Group's ability to rapidly react to negative external factors are confirmed.

SUBSEQUENT EVENTS

No significant events such as to substantially change the current financial situation or which require modifications or amendments to the financial statements took place after the end-date of the balance sheet .

On 22 February 2005, following the awarding of the tender called by Austrian Airlines, the subsidiary company Airport Elite signed a contract to purchase 100% of Airest Hotelbetriebsgesellschaft m.b.H. for a total price of 25.7 million euro. The purchase will be settled at the end of the antitrust procedure. Airest carries out food & beverage activities in the

Austrian airports of Vienna, Salisburg, Graz, Linz and Klagenfurt and in the airport of Lubiana in Slovenia. Airest also carries out airline catering services at Austrian airports and the airport of Bratislava in Slovakia. Airest's turnover in 2005 was 70 million euro (of which around 33% relates to terminal catering, around 57% to airline catering and the remaining to business catering services) with a EBITDA of 4 million euro and a net profit of 1.8 million euro.

The Group's purchase of Airest is particularly important for the Food & Beverage and Retail business unit since not only does it double the turnover of the business unit, allowing it to become one of the largest operators in the sector, but it is also an ideal launching pad for further expansions into Eastern European countries.

The purchase will be made through the constitution of a subholding under Austrian law currently under way. The financial resources for the purchase were guaranteed to Airport Elite by the increase in share capital deliberated at the shareholders' meeting of 22 February 2006. The amount of 2 million euro shall be partly financed by the parent company SAVE S.p.A and can be directly allocated to the Austrian subholding. Furthermore, the Austrian subholding will take up a medium-long term loan granted by a primary Italian bank for 14 million euro guaranteed by the parent company SAVE S.p.A.

CONCLUSIONS

Dear Shareholders,

We are confident that you agree on the criteria we followed in preparing the financial statements for the year ending 31 December 2005 and invite you to approve them.

Since it is necessary to integrate the legal reserve following the capital increase that occurred with the stock exchange listing, we propose to allocate SAVE S.p.A.'s profits of 9,147,505 euro for the financial year as follows:

- 457,505 euro to the legal reserve for an amount essentially equal to 5% of the profits as per article 2430 of the Italian Civil Code, for the partial integration of this reserve until reaching one-fifth of the share capital
- a dividend to the shareholders of the remaining 8,690,000

The Chairman of the Board of Directors

Dr. Enrico Marchi

CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2005

ASSETS

(Thousands of Euro)	NOTES	31/12/2005	31/12/2004	Change
Cash and cash equivalents	1	26,563	7,726	18,838
Financial assets	2		28	-28
Tax credits	3-12	2,461	1,954	508
Prepaid tax credits	4	8,646	4,365	4,280
Other receivables	5	19,020	34,091	-15,071
Trade receivables	6-33	29,051	28,359	692
Inventories	7	4,687	5,271	-584
Total current assets		90,428	81,794	8,636
Owned tangible fixed assets	8	49,690	26,285	23,405
Freely transferable fixed assets	8	127,024	116,092	10,932
Goodwill and concessions	9	73,728	76,267	-2,539
Other intangible assets	9	1,994	2,247	-253
Equity investments	10	92,253	3,963	88,290
Other financial assets	11	1,239	2,597	-1,358
Deferred tax assets	3-12	4,446	3,168	1,278
Other receivables	13	98	191	-93
Total non-current assets		350,472	230,809	119,663
TOTAL ASSETS		440,900	312,602	128,298

LIABILITIES

(Thousands of Euro)	NOTES	31/12/2005	31/12/2004	Change
Trade payables	14	39,709	30,550	9,159
Other payables	15	9,068	20,462	-11,395
Tax liabilities	16	10,870	5,174	5,695
Due to social security institutions	17	2,550	2,198	352
Bank debts	18-21	16,092	37,077	-20,985
Current portion of other financial liabilities	19-22	3,854	3,893	-39
Total current liabilities		82,143	99,355	17,212
Other payables	20	328	414	-86
Bank loans net of the current portion	18-21	89,194	96,043	-6,850
Accounts payable to others net of the current portion	19-22	4,811	6,591	-1,780
Provision for deferred taxation	23	5,840	5,357	483
- Employee Severance Indemnity and other employee-related provisions	24	7,075	7,028	48
Provisions for liabilities and charges	25-37	7,660	7,122	539
Total non-current liabilities		114,908	122,555	-7,647
TOTAL LIABILITIES		197,051	221,909	-24,859

SHAREHOLDERS' EQUITY

(Thousands of Euro)	NOTES	31/12/2005	31/12/2004	Change
Stock Capital	26	17,985	13,000	4,985
Revaluation reserves	26	148,337		148,337
Legal reserve	26	2,600	2,600	
Other reserves and retained profit/accumulated profit Brought forward	26	39,488	45,772	-6,284
Profit for the financial period	26	10.966	4,908	6,058
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP		219,377	66,281	153,096
Minorities interests	26	24,472	24,412	60
TOTAL SHAREHOLDERS' EQUITY		243,849	90,693	153,156
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		440,900	312,602	128,298

CONSOLIDATED INCOME STATEMENT				
(Thousands of Euro)	Notes	2005	2004	Change
Operating revenues	27	153,635	146,142	7.493
Other income	27	12,370	9,205	3.165
Total operating revenues and other incomes		166.004	155,347	10,657
Production Costs				
For raw and ancillary materials, consumables and goods	28	25,330	25,041	289
For services	29	39,360	34,367	4,992
For leases and rentals	20	12,867	11,609	1,258
Payroll				
Wages, salaries and social security charges	31	36,705	33,614	3,091
Employees' termination benefits	31	1,434	1,732	-298
Other costs	31	178	122	56
Amortization and depreciation				
Intangible fixed assets	32	3,841	3,516	325
Property, plant and equipment	32	14,648	15,096	-448
Short-term write-down of assets	6-33	2,990	7,251	-4,261
Variation in stocks of raw materials, consumables and goods for sale	34	326	-1,107	1,433
Appropriation for risks	35	868	1,924	-1,055
Provisions for freely transferable assets	36	849	825	24
Other charges	25-37	2,315	2,960	-645
Total production costs		141,710	136,949	4,761
Operating income		24,294	18,398	5,897
Financial income and revaluation of financial assets	38	3,004	592	2,412
Interest, other financial charges and write-downs of financial assets	38	-5,210	-6,094	884
Profits from assoc. companies valued with shareholders' equity method	38	290	233	56
		-1,916	-5,269	3,352
Income before taxes		22,378	13,129	9,249
Income taxes		11,608	8,532	3,076
Current	39	*12,575*	*5,846*	6,729
Deferred	39	*-967*	*2,686*	-3,653
Operating profit (Loss) for the year		10,770	4,597	6,173
Operating profit (loss) pertaining to third parties		-196	-311	114
Group operating profit (Loss) for the year		10,966	4,908	6,058
Earnings per share				
non-diluted		0.44	0.25	
- diluted		0.44	0.25	

CASH FLOW STATEMENT			
(Thousands of Euro)			
	2005	NOTE	2004
Activity for the year			
Operating Profit	10,966		4,908
- Tangible and intangible amortization	17,874	32	18,612
- Write-down of assets	615	32	
- Net change of Employee Severance Indemnity	48	24-31	683
- Provision (utilization) of provisions for risks and charges	539	25-35-36-37	4,291
(Revaluation) Write-down of investments	-2,039	27-38	
Subtotal of self-finance (A)	28,002		28,494
Decrease (increase) of commercial receivables	-692	6-33	-8,175
Decrease (increase) of other activities for the year	17,106	5-7	-1,337
Decrease (increase) of assets/liabilities to Tax Authority	113	3-4-12-23	
Increase (decrease) in trade payables	9,159	14	-9,043
Increase (decrease) in social security payables	352	17	912
Increase (decrease) other liabilities for the year	-11,618	15-20-26	5,226
Subtotal (B)	14,419		-12,417
CASH FLOW FROM ACTIVITY FOR THE YEAR (A+B)=(C)	42,422		16,077
Investment assets			
(Net acquisitions) of tangible fixed assets	-53,362	8-32	-13,928
Contributions for tangible fixed assets	4,992	8-32	456
(Acquisition) of intangible fixed assets	-1,049	9-32	-2,395
Net (Increase) decrease of financial fixed assets	-88,001	10-11	-998
Adjustments in fair value valuation of investments	-4,360	26-27	
CASH FLOW FROM INVESTMENT ACTIVITIES (D)	-141,781		-16,865
Finance activity			
Acquisition (refund) of payables to other financers	-1,819	19-22	-536
(decrease/refund) of medium-long term finance	-42,620	18-21	-11,717
Start-up of new finance	35,770	18-21	
(Increase) decrease non fixed financial assets	28	2	239
Dividends paid	-5,500	26	-6,500
Dividends reimbursed by partners			1,254
Increase in capital from IPO net of quotation costs net of taxes	153,322	26	
CASH FLOW FROM FINANCE ACTIVITIES (E)	139,182		-17,260
NET FINANCIAL FLOW FOR THE YEAR (C+D+E)	39,822		-18,047
NET CASH AND CASH EQUIVALENTS AT START OF YEAR	-29,351	1-18-21	-11,304
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	10,471	1-18-21	-29,351

MOVEMENTS IN CHANGES OF SHAREHOLDERS' EQUITY

(Thousands of Euro)	Share capital	Legal reserve	Additional paid-in capital	Other reserves	Net retained income from previous years	Total reserves	Net income (loss) for the year	Shareholders' equity
Balance at 31 December 2003 (Italian accounting standards)	13,000	2,600		43,201	1,646	47,448	8,698	69,146
Initial impact of IFRS					(1,572)	(1,572)		(1,572)
Balance 1 January 2004 IFRS	13,000	2,600		43,201	74	45,876	8,698	67,574
Allocation of 2003 results				21	2,177	2,198	(2,198)	-
Distribution of dividends						-	(6,500)	(6,500)
Other changes					298	298		298
Result for 2004						-	4,908	4,908
Balance at 31 December 2004	13,000	2,600		43,222	2,550	48,372	4,908	66,281
Allocation of 2004 results				1,635	(2,226)	(591)	591	
Increase in share capital	4,985		148,337			148,337		153,322
Distribution of dividends							(5,500)	(5,500)
"fair value" valuation of shares				(6,111)		(6,111)		(6,111)
Other changes					418	418		418
Result for 2005							10,966	10,966
Balance at 31.December 2005	17,985	2,600	148,337	38,746	742	190,425	10,966	219,377

Explanatory Notes to the Consolidated Statement of Assets and Liabilities at 31 December 2005

Aeroporto di Venezia Marco Polo S.p.A. -SAVE
Share capital Euro 17,985,500 fully paid-up
Registered Office Aeroporto Marco Polo – Venice Tessera
Viale G. Galilei No. 30/1
Venice Administrative Economic Index No. 201102
Venice Company Register, Tax Code and VAT No. 02193960271

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2005

FOREWORD

EC Regulation 1606/2002, implemented by the Italian legislative body with Law No. 306/2003, calls for companies listed in European markets to adopt the International Accounting Standards (IFRS) for preparing financial statements as of 1 January 2005.
On 25 February 2005, the Italian Government approved the draft of the law decree to implement the options provided for in article 5 of EC Regulation 1606/2002, which made application of the IFRS to individual financial statements of companies listed in 2005 optional, and obligatory starting from 2006. For the 2005 financial period, the SAVE Group chose to apply the IFRS to the consolidated financial statements only.
The international accounting standards and relative interpretations existing on 14 September 2002, except for IAS 32 and 39, were adopted by the European Union through Regulation No. 1725 of 29 September 2003.
Up to the 2005 half-yearly report, the Group prepared the consolidated financial statements according to the Italian Accounting Standards.
Starting from the financial report for the period ending 30 September 2005, the periodic consolidated financial statements were prepared according to the IFRS. These standards will be adopted for the financial reports of Parent Company Aeroporto di Venezia Marco Polo S.p.A. – SAVE starting from the 2006 financial period.
The consolidated financial statements for Aeroporto di Venezia Marco Polo S.p.A. – SAVE at 31 December 2005 consisted of the consolidated statement of assets and liabilities, the consolidated profit and loss statement and these explanatory notes. It also included the directors' management report of the SAVE Group, submitted together with the management report of the parent company, SAVE S.p.A.

INFORMATION ABOUT THE COMPANY: ACTIVITIES OF THE GROUP

The Group operates in three main business areas: airport management, transport infrastructure (railway stations) and services for travellers through the management of retail and food service businesses

ACCOUNTING STANDARDS AND PREPARATION CRITERIA

Contents and form of consolidation financial statements

This note was prepared by the Board of Directors based on the accounting records as at 31 December 2005 and comes with the directors' report on the management and performance of the Save Group. The consolidated financial statements were prepared in compliance with the International Financial Reporting Standards (IFRS).
For purposes of comparison, the balance sheet tables include comparison with the financial data as

at 31 December 2004 and data of 2004. In the first application, the Save Group opted for applying the IAS 32 and 39 accounting standards starting from 1 January 2004.
The Group results as at 31 December 2005 and the comparative periods were prepared according the IAS/IFSR principles in force at the preparation date.

Scope of Consolidation
The consolidated financial statements as at 31 December 2005 include, combined on a line-by-line basis, companies in which parent company Aeroporto di Venezia Marco Polo S.p.A. – SAVE (hereinafter "SAVE") holds, directly or indirectly, a majority of shares, capital and voting rights.

The consolidated financial statements include the profit and loss statement, balance sheet and statement of assets and liabilities of a company in which the parent company, although having a stake of less than 50%, has sufficient votes to exercise a controlling interest and has the right to establish strategies based on shareholder agreements.

SAVE also owns shares in a joint control company, where it does not have the majority of votes in the shareholders' meeting, but where, based on contractual agreements, the control is shared in relation to the strategic-financial decisions that must be adopted with the participants' unanimous consensus. This holding is consolidated according to the proportional method.

Below is a list of the companies included in the scope of consolidation:

Company	Share Capital (Euro)	% owned by the Group	
		31.12.05	31.12.04
PARENT COMPANY:			
• SAVE S.p.A.	17,985,500	-	-
SUBSIDIARIES:			
• Marco Polo Park S.r.l.	516,460	100	100
• Airport Elite S.r.l.	80,000	100	100
• Archimede 2 S.r.l.	400,000	100	70
• Save Security S.r.l.	100,000	80.75	80.75
• Save International S.A.		0	100
• SAVE Engineering S.p.A.	520,000	97	97
• Archimede 1 S.p.A. *	25,000,000	60	60
• N-AITEC S.r.l.	50,000	51	51
• AerTre S.p.A.	3,119,840	45	45
• Centostazioni S.p.A. **	8,333,335	24	24
• Archimede 3 S.r.l.	50,000	100	100
• Aeroporto Civile di Padova S.p.A.***	363,155	60.32	60.32
• Idea 2 S.r.l.	50,000	100	0
• Agricola Ca' Bolzan S.r.l.	98,800	100	0
• Agricola Altinia S.r.l.	423,500	100	0

* during the second half of 2005, subsidiary Archimede 1 changed the financial year-end to 31 December, bringing itself into line with the other companies of the Group.
** consolidated using the proportional method.

*** share capital in the last balance sheet was approved by the shareholders' meeting of 31 December 2004.

During 2005, three new companies entered the scope of consolidation. In fact, two 100% holdings were purchased in the first half of 2005, Agricola Altinia S.r.l. and Agricola Ca' Bolzan S.r.l., proprietors of land next to the future airport grounds, in order to guarantee the realisation of works necessary to develop the airport and its infrastructures in the medium to long term. This also in view of the future consistent traffic flows expected.
100% of Idea 2 S.r.l. was also purchased that, in any case, is currently inactive.
The remaining shares (30%) of the subsidiary Archimede 2 were also purchased during the financial period, while the holding in Save International S.A. (renamed First Financial S.A.) was sold in December 2005.
From 1 January 2004, the consolidation of Aeroporto Civile di Padova S.p.A. saw a variation in the net assets reserve equivalent to 297,000 euro with respect to 31 December 2003.

La Piazza di Spagna S.r.l., 51% owned, is considered to be non-operative with net assets mainly consisting of called up share capital not paid.

PRINCIPLES OF CONSOLIDATION
The individual balance sheets of the companies consolidated using the line-by-line integration method were completely integrated into the consolidated balance sheet. The book value of the shares was eliminated in view of the corresponding fraction of net assets of the subsidiary companies.

For companies consolidated according to the proportional method, the statement of assets and liabilities and the profit and loss statement are integrated "pro-rata" based on the percentage of the stake. The book value of the stake held is eliminated against the relative net assets.
If the purchase value of the stake is above the pro-rata value of the subsidiaries' net assets, the positive difference is attributed, where possible, to the assets (it could go to increase the intangible assets, however within the limits of the market value, and amortized based on its residual useful life) and the residual is entered into an item of the assets known as "Goodwill." In case of an indefinite useful life, the goodwill value is not amortized, but is subjected to verifications (at least annually) for value loss and adjusted when facts or changes in situation indicate that the book value cannot be realised.
If the carrying value of the holding is lower than the pro-rata value of the subsidiary's net assets, the negative difference is credited to the profit and loss statement.

The minority interests in assets and profits are entered into special balance sheet items. The minority interest in assets is determined based on the current values attributed to the assets and liabilities on the date the control is assumed, excluding any related goodwill.

Profits and losses coming from transactions between the consolidated companies not yet realised are eliminated, if significant. Credits, debts, revenue and charges, guarantees, commitments and risks between the consolidated companies are also eliminated.

There are no companies with financial statements prepared in currencies other than the euro.

Criteria applied, accounting standards and preparation principles used in the consolidated

financial statements
The 2005 financial statements were prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IABS) and effective on the date of their preparation (December 2005).
The balance sheet was prepared based on the principle of historical cost, except for the valuation of some financial instruments.
The main accounting standards are reported below:
- the items were valued on a general accrual basis and on the basis of an ongoing concern;
- miscellaneous elements included in the single items of the consolidated report were valued separately;
- assets of a permanent nature were classified as intangible assets.
These notes were prepared in thousands of euro, unless otherwise specified.

Assets in concession
The airport area of Venice and relative intangible assets are entirely in concession. Therefore, the SAVE company ensures the active and passive airport services concerning the entire structure and receives all revenues generated by the airport activities, as well as state revenue.

In 2002, ENAC's Board of Directors deliberated on extending the concession from 2027 to 2041. The duration of the full management of the Venice airport until 21 March 2041 was formalised with ENAC's amendment released at the end of March 2005.

The airport areas of Treviso and relative intangible assets, existing and future, are entirely covered by advance occupation according to article 17 of Italian L.D. 67/1997.

PREPARATION CRITERIA
The IAS/IFRS principles applied are described below.

Intangible assets
Intangible fixed assets.

The intangible fixed assets concern assets without identifiable physical consistency, controlled by the company and capable of producing future economic benefits, as well as goodwill when purchased against payment.
Intangible assets with a definite useful life are entered at the purchase or production cost, including any additional charges. They are amortized systematically for the entire period of their possible residual use according to IAS 36.
The amortization is applied systematically along the useful life of the intangible asset based on its estimated economic use. The residual value at the end of its useful life is presumed to be zero unless there is a commitment by third parties to purchase the asset at the end of its useful life or if an active market exists for the asset. The directors shall review the estimate of the useful life of the intangible asset at the end of each financial period.
Intangible fixed assets with an indefinite useful life are not amortized but are tested in relation to the recoverability of their value (e.g. impairment test).
The recoverability of the book value is verified by adopting the criteria below.

The years of useful life for the different types of intangible fixed assets are summarised below:

Category	Amortization period
Patents and intellectual property rights software	3, 5 years
Concessions and goodwill with finite useful life	duration of the concession
Other:	
Various long-term costs	5 years

Patent rights and rights to use intellectual property mainly refer to costs for implementing and personalising the management software.

More specifically, the concession refers to the higher value paid, with respect to the relevant net assets on the purchase of the stake in Centostazioni S.p.A., for obtaining the licence to use and exploit the retail spaces of 103 medium-sized stations. It is amortized based on the 40-year duration of the concession. Although not dealing specifically with the matter in question but relating mainly to intangible assets with a definite life, IAS 38 establishes that the useful life of an intangible asset coming from contractual rights or other legal rights must be determined based on the shorter period between the duration of the contractual or legal rights (duration of the concession) and the period of use of the asset itself. The recoverability of the book value reduced by the amortization is verified annually by adopting the criteria relating to the impairment test.

The goodwill comes from the purchase of subsidiary companies and represents the surplus of the purchase cost in respect to the quota pertaining to the purchaser of the net fair value with reference to the identifiable values of current and future assets and liabilities. They are initially entered at cost value. After the initial entry, the goodwill is amortized since, in this specific case, it has a definite useful life.

The concession and goodwill are subjected to a recoverability analysis on an annual basis or more frequently if events or changes in circumstances indicate that the asset might be impaired.

Tangible assets.

Tangible assets are made up of “company-owned assets” and “freely transferable assets” made up of technical assets subject to concession (runways, buildings, parking lots, roads and connected installations).

They are entered at the purchase or realisation cost which includes the price paid to purchase or construct the asset (net of discounts and allowances) and any costs directly attributable to the purchase and the putting into operation of the asset.
The purchase price or realisation cost is understood to be net of public capital contributions which are disclosed when the conditions for their concession are verified.

The freely transferable assets are depreciated in the duration period of the concession or the useful life of the asset, if lower. Improvement, upgrading and transformation costs, which add value to the tangible assets, are entered into the net assets. The expense fund for restoring the freely transferable goods is entered among the provisions for liabilities and charges.

The freely transferable assets concerning licences are examined by the IFRIC. Pending specific interpretation, the Save Group has not modified its way of valuing the concessions based on the best accounting practices currently in force. Standardisation of the above interpretation, envisioned for 2006, may lead to changes in the reports at 1 January 2004 and subsequent closing periods.

In view of current obligations concerning the dismantling, removal and restoring of assets, the book value includes the estimated costs (discounted back) to pay upon abandonment of the structures, off set to a specific fund. The effects of the estimated revisions of these costs are indicated in the section "Provisions for liabilities and charges."

The tangible assets are shown net of the relative accumulated depreciations and any value losses determined according to the methods described below. The depreciation is calculated in constant rates based on the estimated useful life of the good.

The replacement costs of identifiable components of complex goods are entered into the balance sheet and depreciated based on their useful life. The residual book value of the component to be replaced is entered into the profit and loss statement.

The residual value and useful life of the tangible assets are reviewed at least at the end of each financial period to reveal any losses in value, if events or changes in circumstances indicate that the carrying value can no longer be recovered. If an indication of this type exists, and if the carrying value exceeds the presumed realisable value, the assets are devalued until their realised value is reflected. The realised value of the tangible assets is represented by the higher between the net sale price and the value of use.

Value losses are entered into the depreciation costs of the profit and loss statement. These value losses are restored if the causes that generated them cease to exist.
At the time of sale or when future economic benefits no longer come from the use of the asset, it is eliminated from the balance sheet and any loss or profit (calculated as a difference between the sale value and the carrying value) is entered into the profit and loss statement in the year of the aforesaid elimination.
When the tangible asset consists of more than one significant component with different useful lives, each component is depreciated. Land, even if purchased together with a building, is not depreciated, nor are tangible assets destined to be sold that are valued at the lower value between the book value and their fair value less any divestment charges.

Maintenance and repair costs not susceptible to value increases and/or extensions to the assets' residual life are recognised in the period they were incurred; otherwise, they are capitalised.

The annual rates applied to the main intangible assets are:

	Owned assets	Freely transferable assets
Runways, forecourts and roads	-	Remaining duration of concession
Light constructions and buildings	-	10.0% - 4% and residual duration of the concession
Runway equipment machinery	31.5%	-
Operated machinery	10.0%	-
Heating and cooling systems	-	15.0%
Electrical systems	-	4.0% and residual duration of the concession
Long-range signalling equipment	25.0%	-
Other runway systems	-	31.5%
Other systems	-	15.0% - 20.0%
Equipment	15.0%	-
Vehicles	20.0%	-
Electronic machines	20.0%	-
Office equipment and furniture	15.0% - 12.0%	-

Leased assets

Financial leasing contracts that transfer all the risks and benefits coming from the property of the leased good to the Group are capitalised from the start date of the leasing contract at the fair value of the leased good or, if lower, at the current value of the leasing fees. The leasing fees are divided between the capital quota and the interest quota in order to apply a constant interest rate on the remaining balance of the debt (capital quota). Financial charges are debited to the profit and loss statement.

Capitalised leased goods are amortised based on their estimated useful life.

Value losses of the tangible and intangible assets

The accounting values of the tangible and intangible assets of the Save Group are valued each time there are clear internal or external signals indicating the possibility of a value loss of the asset or group of assets (known as the Cash Generating Unit or C.G.U.).

The impairment test is conducted at least annually for goodwill, other intangible assets with an indefinite useful life and intangible assets not in use.

The impairment test is made by comparing the accounting value of the asset or cash generating unit with the recoverable amount of the unit, taken from the higher of the fair value (less costs to sell) and the net discounted-back cash flow value that the asset or C.G.U. is expected to generate.

Each unit or group of units to which the goodwill is allocated represent the lower level within the Group at which the goodwill is monitored for internal management purposes.

The Group applies the conditions and methods outlined in IAS 36 when restoring the value of an asset previously depreciated, excluding however any possibility to restore the goodwill value.

Financial assets

Investments in subsidiary companies, according to IAS 27, are valued using the equity method. The other investments are valued at fair value with allocation of the effects to net assets; when the fair value can not be reliably determined, the investments are valued at the cost which has been adjusted to provide for any value losses.

When the reasons for the depreciation are eliminated, the investments valued at cost are revalued within the limits of the depreciation made by allocating the effect to the profit and loss statement. The risk coming from any losses in excess of the net assets is recognised in a special fund to the extent in which the participant commits to fulfil the legal or implied obligations towards the subsidiary or however to cover their losses.

Credits and financial assets kept until their expiry are entered at the cost value represented by the fair value of the initial payment, increased by the transaction costs (e.g. fees, consultation, etc). The initial book value is subsequently adjusted to take into account the capital share repayments, any write-downs and the amortization of the difference between the repayment value and the initial book value. The amortization is carried out based on the internal interest rate represented by the rate that equalises, at the time of the initial recognition, the current value of the expected cash flows and the initial book value (the so-called amortized cost method).

The financial assets available for selling are disclosed at their fair value with allocation, with respect to the purchase cost, to the “Other reserves” item in the balance sheet. When the purchase or sale of financial assets calls for the settlement of the transaction and delivery of the asset within a specific number of days, established by the controlling bodies of the market or by agreements (e.g. purchase of securities on regulated markets), the transaction is entered at the settlement date.

Current assets

Stocks

The stocks, with exclusion of works in progress for production of goods, is entered at the lower value between the purchase or production cost and the net realisation value represented by the amount that the company expects to obtain from their sale in normal execution of the activity. The cost of the stocks is calculated according to the method of weighted average cost.

The works in progress for the production of goods are valued based on the amounts stipulated in relation to the progress of the work using the cost-to-cost method. The advances paid by customers are deducted from the value of the stock in hand within the limits of the amounts paid. The remaining part is entered into the liabilities. Any losses coming from the closing of work orders are completely allocated to the financial period in which they are expected.

Credits

Credits whose expiry dates fall within normal commercial terms are not discounted back and are entered at their cost value (identified by their nominal value) less the relative value losses that represent fair value at the reference date. Credits are adjusted according to their presumed realisation value and are entered into a special adjustment fund, which is set up when there is objective evidence that the Group will not be able to collect the original value of the credit. Provisions for doubtful debtors are entered into the profit and loss statement.

Other investments

The investments held for negotiation purposes are accounted for based on the negotiation date and, at the time of the first entry into the statement of assets and liabilities, are valued at their purchase cost, represented by the fair value of the initial payment, including additional transaction costs.

Subsequently, on first disclosure, the other investments are entered at their fair value. The fair value is determined by referring to the market value (bid price) on the closing date of the relevant period; unlisted instruments are valued using common financial valuation techniques. Changes to the fair value of the instruments belonging to this category are entered into the profit and loss statement.

Cash at bank and in hand

Cash and cash equivalents include cash on hand, or short-term, highly liquid investments that are readily convertible into a known amount of cash and that have no collection expenses.

Intangible liabilities

Employee benefits

The benefits guaranteed to employees disbursed during or subsequent to termination of employment through defined benefit plans (severance indemnity) or other long term benefits are recognised in the period when the benefit is due for payment.

Liabilities relating to the defined benefit plans, less any service costs, are determined based on actuarial assumptions and are entered based on the work rendered necessary for obtaining the benefits. The liability is determined using the Projected Unit Credit Method. Profits and losses coming from the actuarial calculation are entered into the profit and loss statement as a cost or revenue regardless of their value, without in any case using the so-called "corridor method".

The amount not only reflects the debts due for payment at the closing of the balance sheet, but also the future wage increases and correlated statistical dynamics.

Provisions for risks and charges

Provisions for risks and charges concern costs and charges of a specific nature and certain or probable existence whose timing or amount could not be determined at the end of the financial period. The provisions are entered when:

(i) the existence of an actual, legal or implied obligation coming from past events is probable;

(ii) it is probable that the settlement is expected to result in an outflow of resources (payment)

(iii) the amount of the obligation can be estimated reliably.

Provisions are entered at the representative value of the best estimate, at times with the help of experts, of the amount the company would pay to settle the obligation or to sell it to third parties at the end of the financial period. When the financial effect of the time is significant and the payment dates of the obligations can be estimated reliably, the provision is discounted back. The increase of the fund connected to the passing of time is attributed to the profit and loss statement under "Financial income and expenses."

When the liabilities relate to tangible assets (asset demolition), the fund is entered as an offset to the asset it refers to; allocation to the profit and loss statement occurs through the amortization process.
The provisions are periodically updated to reflect changes to the cost estimates, the realisation times and the discounted-back rate. Estimate revisions of the provisions are entered into the same item of the profit and loss statement that previously contained the allocation or, when the liability relates to tangible assets, to offset the asset it refers to.

A state of regulationary uncertainty exists when accounting for items relating to companies operating in concession, like revertible goods and the restoration and replacement fund. Until today, the international accounting standards do not provide specific requirements regarding this matter and it is still a topic of discussion at national and international organisations.
The interpretative uncertainties regarding the applicable reference criteria still persist, so to be consistent with the past and for interpretative prudence (where there is no regulation by the international standards it is unavoidable to resort to the local accounting standard), the company has kept the accounting approach adopted up to now, since the IAS/IFRS does not provide for effects to the financial statements relating to the accounting of revertible goods and the relative fund restored to its perfect state of use upon termination of the actual concession.

As already mentioned, the standardisation of the interpretation expected for 2006, with the possibility of early adoption, should not have significant impacts on the profit and loss statement.

Commercial debts and other financial liabilities

Debts which expire within normal commercial terms are not discounted-back and are entered at their cost value (identified by their nominal value). Debis in currencies other than the euro are entered at the exchange rate of the transaction date, and are subsequently converted at the year-end exchange rate. The profit or loss coming from the conversion is allocated to the profit and loss statement.
Other liabilities are entered at their cost value (identified by the nominal value).

Other financial liabilities

Other financial liabilities, except for derivatives, are initially entered at cost value, corresponding to the fair value of the liability less the transaction costs that are directly attributable upon its release.

Following the initial disclosure, the financial liabilities are valued according to the amortised cost criteria using the original real interest rate represented by the rate that equalises, at the time of the initial disclosure, the current value of the cash flows and the initial book value (the so-called amortized cost method).

Derivatives

Derivatives are assets and liabilities entered at fair value. Derivatives are classified as coverage instruments when the relationship between the derivative and the object of coverage is formally documented and the efficiency of the coverage, verified periodically, is high.

When the derivatives cover the risk of cash flow variations of the hedging instruments (cash flow hedge: coverage of the variability in cash flow attributable to a particular risk

associated to an asset or liability due to interest rate fluctuations), the changes of the fair value of the derivatives are initially disclosed in the net assets and then entered into the profit and loss statement consistent with the economic effects produced by the operation covered. Variations to the *fair value* of derivatives that do not satisfy the conditions for being qualified as coverage are entered into the profit and loss statement.
The derivatives are classified as hedging instruments when the relationship between the derivative and the object of coverage is formally documented both ex-ante, to assume the coverage decision, and in the validity period of the actual coverage, for verifying and confirming the level of efficiency periodically. In keeping with the pre-selected strategy, the Group does not implement operations on derivatives with speculative purposes. In any case, in absence of the formal and documental requirements, even though being economically qualifiable as hedging, they are not from an accounting perspective.

Accounting for positive income components

Revenue is entered to the extent in which it is possible to reliably determine the fair value and it is probable that the relative economic benefits will be enjoyed.
According to the type of operation, revenue is entered based on the specific criteria reported below:
- revenue from the sale of goods is entered when the significant risks and rewards of ownership of the goods are transferred to the buyer;
- revenue coming from the rendering of services are entered into the accounts with reference to the stage of completion at the balance sheet date;
- revenue for the rendering of services connected to commissioned works are entered into the accounts with reference to the stage of completion of the activities based on the same criteria applicable for commissioned works in progress. If it is not possible to reliably determine the value of the revenue, they are entered to the extent of the expenses borne that are recoverable.

The revenue is entered less of promotional returns, discounts, rewards and charges correlated to the sales proceeds, as well as directly connected taxes.
Commercial discounts, which directly reduce the revenue, are calculated in line with the contracts stipulated with airline companies and tour operators.
Royalties are entered into the accounts on an accrual basis in accordance with the substance of the contractual agreements.
Interest receivable is entered into the accounts on a time-proportion basis that takes into account the effective yield.
Dividends given by non-consolidated companies are entered into the accounts when the shareholder’s right to receive payment is established.

Recognising costs and expenses

Costs are recognised when they relate to goods and services sold or consumed during the financial year either due to systematic distribution or when it is not possible to identify their future usefulness.

Current income taxes

Current income taxes are calculated based on the estimate of taxable income. The expected debt is entered into the “Amounts owed to tax authorities” item. Current tax payables and receivables are measured at the value that is expected to pay/receive from/to tax authorities applying the tax rates/laws that have been enacted or substantively enacted by the balance sheet date.

Deferred or prepaid taxes are measured on the temporary difference between the values of the assets and liabilities recognised in the balance sheet and the corresponding amount of deferred tax income or expense recognised in the income statement. Prepaid tax assets are entered into the accounts when their recovery is probable. The book value of the deferred tax assets should be reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit or part of all of that deferred tax asset to be used. These reductions should be subsequently reversed to the extent that the conditions determining them are eliminated.
Prepaid tax assets and deferred tax liabilities are classified in the current and non-current assets and liabilities in relation to their utilisability, and are paid to each company if they refer to payable taxes. If an asset, the balance of the payment is disclosed in the "Assets for prepaid taxes" item, if a liability in the "Liabilities for deferred taxes". When the results of the operations are entered directly into the net assets, the current taxes, prepaid tax assets and deferred tax liabilities are also entered into the net assets.

The following rates are used to calculate deferred taxes, and they reflect probable rates based on current legislation:

IRES	33.00%
IRAP	4.25%

Earnings per share (EPS)

The EPS is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares in circulation during the period.
Diluted EPS is calculated by adjusting the weighted average of shares for the effects of dilutive options and other dilutive potential ordinary shares. The Group's net result is also adjusted to take into account the conversion effects, net of the relative taxes.

Use of estimates

The preparation of the balance sheet and relative notes in application of the IAS/IFRS requires management to make estimates and assumptions that affect the values of the assets and liabilities in the consolidated balance sheet and the information relating to potential assets and liabilities on this date. The final results may differ from these estimates. These estimates are used to disclose the provisions for risks on credits, amortizations, asset depreciations, employee benefits, taxes and provisions for risks and charges. The estimates and assumptions are reviewed periodically and the effects of each variation are immediately reflected in the profit and loss statement.

Define and justify the choices for the tables in the statement of assets and liabilities

(current/non-current) and the profit and loss statement (nature). CONSOB communication

ANALYSIS OF THE MAIN ITEMS IN THE BALANCE SHEET

ASSETS

CURRENT ASSETS

amount to	31.12.2005	€	90,428
	31.12.2004	€	81,794
	Var.		(8,634)

This aggregate consists of the items that follow:

1. Cash and cash equivalents

amount to	31.12.2005	€	26,563
	31.12.2004	€	7,726
	Var.		18,837

The parent company acquires from these items net cash and cash equivalent for € 19.8 million. The cash and cash equivalents balance in the inter-company current account held with Ferrovie dello Stato S.p.A., in the name of Centostazioni S.p.A., which belongs to SAVE Group, is equivalent to € 2.2 million.

The remaining € 4.6 million can be traced back to AerTre S.p.A. for € 0.9 million, and to Archimede 2 S.r.l. for € 2.1 million.

The increase in cash and cash equivalents at 31 December 2005, compared to the previous FY, is due to the liquidity generated by the share capital increase which derived from the stock market quotation, net of investments made. The financial statement shows the year's financial trend.

2. Financial Assets

amount to	31.12.2005	€	0
	31.12.2004	€	28
	Var.		(28)

3. Tax credits

amount to	31.12.2005	€	2,461
	31.12.2004	€	1,954
	Var.		507

Receivables to the Tax Authority refer mainly to the Parent company request for a VAT refund amounting to € 1.8 millions.

4. Prepaid tax credits

amount to	31.12.2005	€	8,646
	31.12.2004	€	4,366
	Var.		4,280

Prepaid tax credits with short-term validity amount to € 8,646 million whereas those with medium/long term validity amount to € 4,446 million, for a total of € 13,092 million.

The criteria used to calculate said receivables are described in the introduction to this Supplementary Note.

The main types of differences that required the posting of prepaid tax receivables mainly regard:

- taxed provisions (renewal reserve freely transferable assets, provision for risks and charges, provision for bad debt, provision for investments depreciation);
- costs related to the stock market quotation which caused a reduction in the net worth and determined the main increase effect compared to the previous financial year;
- costs which, on the basis of current tax provisions, will be deductible in forthcoming years.
- the effects of deferred tax on consolidation entries;
- using mark to market to valuate instruments dealing with financial coverage;
- using the single elements approach when capitalising complex capital assets.

The table that follows illustrates the various types of differences which required the posting of prepaid tax credits; although these differences include the deferred taxes portion, their related value is specified further below.

IRES (tax rate 33%)

Deferred tax assets	31/12/2004 Tax effect		Variations in taxable income		31/12/2005 Tax effect	
	Taxable	Taxed	use	increase	Taxable	Taxed
Provisions for liabilities and charges	6,815	2,249	-1,436	5,693	11,072	3,654
Write-down of investments	1,099	363	-353		746	246
Write-down of fixed assets	60	20	-13	3	50	17
Write-down of inventory	190	63			190	63
Goodwill	712	235	-8	403	1,108	365
Taxes deductible for cash				22	22	7
Relevant association fees	2	1	-2	109	109	36
Fees unpaid to administrators	94	31	-91	136	139	46
Maintenance exceeding 5%	277	91	-173	5	109	36
Maintenance exceeding 5%						
Legal fees	121	40	-49	34	106	35
Legal fees						
Gifts > 50,000	20	7	-8	8	20	7
Gifts > 50,000						
Intercompany relations	4,449	1,468		356	4,805	1,586
Stock Exchange			-1,299	11,136	9,837	3,246
Component approach	1,165	384		466	1,631	538
Formation and expansion costs	533	176	-242		291	96
IRS	2,130	703	-57		2,073	684
Additional finance costs	-85	-28	-230	85	-230	-76
Additional finance costs	95	31	-95	230	230	76
Long-term costs	1,335	441	-19		1,316	434
Land	-41	-14	-9		-50	-17
Securities				870	870	287
Minor adjustments	-36	-12		67	73	24
Total deferred tax assets	18,935	6,249	-4,084	19,623	34,516	11,390
Prepaid taxes on tax losses for the year	706	233		6	712	235
Prepaid taxes on tax losses for the year	2,244	741	-285		1,959	647

IRAP (tax rate 4.25% - Centostazione SpA 5.25% - Archimede 2 4%))

Deferred tax assets	31/12/2004 Tax effect		Variations in taxable income		31/12/2005 Tax effect	
	Taxable	Taxed	use	increase	Taxable	taxed
Provisions for liabilities and charges	2,979	124	-722	2,287	4,544	193
Write-down of investments						
Write-down of inventory	190	8			190	8
Goodwill	670	29	-8	300	962	41
Taxes deductible for cash	0	0		22	22	1
Fees unpaid to administrators	9	0	-9	9	9	0
Relevant association fees	2	0	-2	83	83	4
Maintenance exceeding 5%	277	12	-173	5	109	5
Legal fees	121	5	-48	34	107	5
Gifts > 50,000	20	1	-8	8	20	1
Stock Exchange			-1,299		9,837	418
Component approach	1,165	50			1,631	69
Formation and expansion costs	533	23	-242		291	12
IRS						
Additional finance costs						
Additional finance costs	95	4	-95		230	10
Long-term costs	1,335	57	-19		1,316	56
Land	-41	-2	-9		-50	-2
Securities						
Total deferred tax assets	7,356	311	-2,634	2,748	19,302	820
Total deferred tax assets		7,533				13,092

Deferred tax assets	IRES	IRAP	total
Balance as of 12/31/05	7,220	314	7,533
Deferred tax assets relating to previous years	0	0	0
Deferred tax assets relating to loss for the year	0	0	0
Reclassification	22	0	22
Prepaid tax arising during the year	6,443	142	6,585
Prepaid tax arising during the year	(996)	(53)	(1,048)
Balance as of 12/31/05	12,688	403	13,092

The balance consists of prepaid taxes for the period equal to € 8,646 million and by deferred taxes equal to € 4,446 (see note no. 12).

5. Other receivables

amount to	31.12.2005	€	19,020
	31.12.2004	€	34,091
	Var.		(15,071)

The breakdown is as follows:

	31/12/2005	31/12/2004	Change
• To affiliated companies of Centostazioni (FS Group)	8,212	23,662	(15,450)
• To E.N.A.C for contributions	7,434	5,512	1,922
• To suppliers for advances	1,494	2,701	(1,207)
• To social security institutions	131	143	(12)
• Various accounts receivable	1,749	2,073	(324)
Total other receivables	19,020	34,091	(15,071)

The item “Receivables from Centostazioni S.p.A. associated companies” includes for € 8.2 million the receivables balance towards companies belonging to the National Railways Group. The decrease, equivalent to € 15.5 million, is due to intercompany entries brought to conformity between Centostazioni S.p.A. and Gruppo Ferrovie dello Stato, which affected other receivables and payables on the liability side of the balance sheet.

It includes € 2.5 million in debts, connected to the mentioned receivables, owed to Centostazioni S.p.A. associated companies.

Receivables from E.N.A.C. for loans related to the Venice Airport can be broken down by project as follows:

	31/12/2005	31/12/2004
• New air terminal	3,682	3,682
• New goods building	92	92
• New E2 electric Cabin	1,714	1,714
• Expansion of the water dock	1,922	0
• Padua Airport	24	24
Total credit to E.N.A.C.	7,434	5,512

During the accounting period, the following changes were recorded in receivables from E.N.A.C. for loans:

Balance at 31.12.04	5,512
Investment for dockyard	1,922
Balance at 31.12.05	7,434

Other amounts receivable refer to relations between Centostazioni S.p.A. and the Ferrovie dello Stato Group.

6. Trade receivables

amount to	31.12.2005	€	29,051
	31.12.2004	€	28,359
	Var.		692

These consist mainly of receivables from airline companies, sub-licensees in airports, ports and train stations.

The table that follows shows the details for trade credits and the related valuation reserves:

	31/12/2005	31/12/2004
Trade receivables	39,785	36,978
Provision for receivables	(10,734)	(8,619)
Total trade receivables	29,051	28,359

Trade debtors at 31 December 2005 amount to € 20,092 net of the provision for bad debts which amounts to € 10.734 million, essentially stable compared to the previous year's value.

The balance of gross trade debtors shows an increase for € 2.9 million. This was determined for approx. € 1 million by increased flying into the Treviso Airport compared to the previous year thanks to a 45% passenger increase; and, for € 0.3 million by the payment of balance to the parent company.

With specific reference to the parent company, the reduction of receivables continued during the year from a major customer as a result of a debt workout agreement signed in the last quarter of 2004. This customer has continued to honour, at the end of each quarter, the quarterly payments of arrears in instalments related to the sale of runway vehicles in December 2002.

Save S.p.A. is utilizing guarantee measures planned for by the 2004 agreement in order to safeguard itself against delays in some payments planned for by the same agreement.

Gross trade debtors include balances towards the Volare Group which, net of indebtednesses, are fully written down in the provision for bad debts for € 6 million. During the FY, Volare made, subsequent to a complex transaction agreement between Volare, SAVE, and a leasing company, a payment to reduce the credit due to SAVE S.p.A. amounting to € 842. This agreement became possible according to Italian Law no. 324/1976. By considering aircraft

leasing companies and the carrier as joint debtors for debts related to airport rights and taxes, this law supplied the legal tools to start and conclude the transaction. Similar agreements were signed by other airport companies.
The company submitted proof of debt in the bankruptcy of the Volare Group, currently in receivership of large companies in crisis. The final stages of the receivership rejected the request to admit receivables as a secured debt; they were admitted as unsecured debts.

Furthermore, another important customer has continued to make regular monthly payments for the quotas of a debt workout plan, signed in May 2004 and ended in July 2005. All due dates were honoured.

Regarding the most significant credit balances due from the three customers mentioned, it is deemed that, following the recovery actions taken, even if legal to safeguard the credit, and according to information now available and supported by the legal team, the value indicated, net of reserves and of any warranties even if guarantees, reflects the estimated realization value.

The Group’s provision for bad debts amounts to € 10,734 to provide entire coverage of amounts due (net) from customers in bankruptcy, including the receivership of large Volare Group businesses in crisis and to hedge the overall remaining risk, taking into account the analysis of specific positions and the age of the receivables. This is in line with previously adopted evaluation principles.

With the support of the company's attorneys, it is not deemed necessary to make any provision to hedge the potential risk of possible revocatory actions by receivers, given that this risk is considered possible but not probable as was taken into consideration in the 2004 financial statements.

As a safeguard measure for credits in potential risk situations, the companies require from their customer the advance payment for services rendered followed by a strong reminder of collection policy by even using available legal tools such as the injunction to pay.

Balance movements consist of the following:

Balance at 31.12.04	(8,619)
Use for losses/gains	875
Provision for the period	(2,990)
Balance at 31.12.05	(10,734)

7. Inventories

amount to	31.12.2005	€	4,687
	31.12.2004	€	5,271
	Var.		(584)

The above stocks refer to consumable stores and promotional materials for € 0.8 million and goods for resale (food & beverage and retail sector) for approx. € 3.8 million. Despite new stocked goods and materials at the new retail stores open in the period on behalf of the Food & Beverages and Retail business unit, the value of stocks has decreased.

With regard to this, please note that in 2005 cost-determination to valuate stocks relevant to the Food & Beverages and Retail sector switched from the FIFO to the average-weighted cost criteria.
The impact, both at the beginning of the accounting year and on the value of inventories at 31 December 2005,
however was of no significance.

NON-CURRENT ASSETS

amount to	31.12.2005	€	350,472
	31.12.2004	€	230,809
	Var.		119,663

They consists of the following:

8. Property, plants and equipment

amount to	31.12.2005	€	176,714
	31.12.2004	€	142,377
	Var.		34,337

These assets are shown below, separating company-owned assets from freely transferable assets.
More specifically:

	31/12/2005	31/12/2004	Change
Owned assets	49,690	26,285	23,405
Freely transferable assets	127,024	116,092	10,932
Total property, plant and equipment	176,714	142,377	34,337

The analysis for the budget balance and the related movements of the main categories of tangible fixed assets, with regard to freely transferable assets and to company-owned assets, are reported in Table "A", attached to this Supplementary Note. Depreciations for the period amounted to € 14.6 million, including write-downs for € 563 related to the AVL plants which will no longer be available to nor managed by SAVE S.p.A.

Company-owned assets show a net increase in the FY for € 23.4 million, net of depreciations for € 5.4 million.
Investments made were equivalent to € 28.8 million; of these, € 19.2 related to lands adjacent to the airport complex lands for future developments.
Other investments basically refer to investments in incremental improvements after the substantial capitalisations in previous periods tied to the opening of Venice's new air terminal and to investments tied to creating new sales points for Airport Elite S.r.l. associated company for € 1.6 million.

With regard to the freely transferable assets, the company made net investments amounting to € 11 million, net of depreciations amounting to € 8.6 million.

More specifically: € 8.1 million were invested by Centostazioni S.p.A. for improving infrastructures aimed at the commercial development of the stations; € 4.1 million for the construction of the new Treviso Airport; and finally: € 4.3 million to the parent company mainly for expanding the multi-level parking lot; € 2.3 million for redevelopment of the aircraft parking areas; € 1.8 million for the reclamation of the runway safety belt, the ground level parking, the new dock and for the 6th loading bridge construction.

9. Intangible fixed assets

amount to	31.12.2005	€	75,722
	31.12.2004	€	78,514
	Var.		2,792

These assets are shown below separating the item "Goodwill and concessions" from "Other intangible fixed assets".

More specifically:

	31/12/2005	31/12/2004	Change
Goodwill and concessions	73,728	76,267	(2,539)
Other intangible assets	1,994	2,247	(253)
Total intangible fixed assets	75,722	78,514	(2,792)

Intangible fixed assets are analytically illustrated in Table "B", which lists the historical cost, accumulated and remaining amortisation for each category of intangible fixed assets.
Decreases for the period amount to approx. € 2.8 million, net of amortisation for € 3.8 million.
With regards to the item "Goodwill and concessions", the decrease is mainly tied to the amortisation process concession value paid during the acquisition of the holding Centostazioni S.p.A. compared to the value of the net worth quota amounting to € 2 million. Inasmuch as this deals with an intangible fixed asset with a finite useful life, said greater value is distributed throughout the concession duration.

With reference to the "Other intangible fixed assets", during the period, the Group further improved the new information system SAP for the Parent company, Airport Elite S.r.l. and for Centostazioni S.p.A.. The internal costs incurred for the redefinition of organizational, logistical and administrative processes linked to the development of the new information system without incurring in capitalisation of costs were completely entered in the FY profit and loss account.

10. Equity investments

amount to	31.12.2005	€	92,253
	31.12.2004	€	3,963
	Var.		88,290

The balance mainly refers to equity investments in associate and other companies. The breakdown is:

Investments in subsidiary companies

	Percentage	31/12/2005	31/12/2004	Change
La Piazza di Spagna S.r.l.	51	51	51	0
Total subsidiaries		51	51	0

Further information is available in the notes illustrating the consolidation scope.

Investments in associated companies

	Percentage	12/2005	12/2004	Change
Nicelli S.p.A.	48	616	685	- 79
Venezia Terminal Passeggeri S.p.A.	21	1,840	1,594	246
GAP S.p.A. Gest.Aeroporto Pantelleria	30.26	95	109	- 14
Gest Park Pordenone S.r.l.	50	5	6	- 1
Total associated companies		2,556	2,405	151

More specifically, during the second semester 2005, the company purchased Gemina shares in more tranches for a total, at 31 December 2005, of 43,851,442 shares and a market value of approx. € 94,538 thousand (additional charges included).
The cost of purchase was then aligned to the 31 December 2005 market value. The negative difference amounting to € 6,397 thousand was calculated to reduce the net worth.
Note, however, that during the first 6 months of 2006, the share trend on the stock market shows the holding as having regained value over the purchase price.

Investments in other companies

	%	12/2005	12/2004	Change
• Gemina S.p.A.	12.03	88,141	0	88,141
• Società delle Autostrade Venezia e Padova S.p.A.	4.64	1,490	1,490	0
• Consorzio Sive Formazione		2	2	0
• Consorzio CONAI		0,1	0,1	0
• Consorzio Portualità Intermodale		0	1	(1)
• Interporto Padova		13	13	0
Total other companies		89.646	1.506	88.140

Investments in other companies have undergone neither revaluations nor write-downs.

11. Other financial assets

amount to	31.12.2005	€	1,239
	31.12.2004	€	2,597
	Var.		-1,358

This item includes receivables due to the Parent company for a loan granted in 2001 to third parties in addition to security deposits on utilities, radio link license fee (PP.TT.) and to deposits on lease contracts. With regards to Aer Tre, it shows a credit for 1.1 million Euro in security deposits paid to E.N.A.C. as a result of the advance occupation of the airport and equal to 10% of the monthly received fees.

12. Prepaid tax credits

amount to	31.12.2005	€	4,446
	31.12.2004	€	3,168
	Var.		1,278

See comments relevant to current assets (Note 4).

13. Other receivables

amount to	31.12.2005	€	98
	31.12.2004	€	191
	Var.		- 93

LIABILITIES

CURRENT LIABILITIES

amount to	31.12.2005	€	82,143
	31.12.2004	€	99,355
	Var.		(17,212)

They consists of the following:

14. Trade payables

amount to	31.12.2005	€	39,709
	31.12.2004	€	30,550
	Var.		9,159

Trade payables to 31 December 2005 amount to € 39,709 increasing by € 9,159 compared to 31 December 2004.
The increase is tied to the investment activity by the Parent company, to the expansion of the Treviso Airport and to the development in the Food & Beverages and Retail segment, for the new openings especially.

15. Other payables

amount to	31.12.2005	€	9,068
	31.12.2004	€	20,462
	Var.		(11,395)

In addition to debts towards personnel for deferred wages, this item includes debts towards Centostazioni associate companies belonging to the Gruppo FS for existing commercial relations amounting to € 2.5 million. The significant decrease of the other debts was caused by payments, which were offset by using credits due by Gruppo FS, for € 14.2 million which took place in the first semester.

This item includes the debt for dividends issued to and repaid FY2004 by a partner, for a sum equal to € 1.2 million.

16. Tax liabilities

amount to	31.12.2005	€	10,870
	31.12.2004	€	5,174
	Var.		5,695

In addition to taxes due in the period, the item “Tax liabilities” includes a € 3 million debt by the Controlling company towards the Ministry of Finance for the airport concession fee. The main increase is determined by the Parent company which, in the last financial year, benefited from a reduction in deferred tax liability.

17. Due to social security institutions

amount to	31.12.2005	€	2,550
	31.12.2004	€	2,198
	Var.		352

The increase is connected to the higher number of employees.

18. Bank debts

amount to	31.12.2005	€	16,092
	31.12.2004	€	37,077
	Var.		(20,985)

Amounts owed to banks within 12 months equal 16.1 million euro with a reduction in respect to the previous year of 21 million euro. The main effects are tied, favourably, to the cash and cash equivalents generated by the capital increase subsequent to the stock market quotation; and they are tied in utilisations to the investments operating in shares and lands. For further comments, see the Directors' Report and the Financial Statements.

19. Current portion of other financial liabilities

amounts to	31.12.2005	€	3,854
	31.12.2004	€	3,893
	Var.		(39)

The item includes the short-term, residual debt rate from leasing contracts still active at 31 December 2005; it also includes the debt that derived from the fair value evaluation of the I.R.S. derivatives financial tools whose sum amounts to € 2,073, basically aligned with 2004.

The Group holds derivative instruments for the purpose of hedging its exposure to the risk of interest rate variation with regards to specific liabilities (refer to cash flow hedge).
The Group does not implement derivatives transactions for speculative purposes. Nonetheless, in absence of formal and document requirements, from an accounting standpoint these are not quantifiable as hedging operations, despite being economically quantifiable as so. An exception concerns Archimede 1 S.p.A. which set up two hedges; one of them also lacks the requirements to be configured as an economic coverage. The methods of reporting them into the accounts are the same in both cases. variations at fair value are shown on the profit and loss account.

NON-CURRENT LIABILITIES

amount to	31.12.2005	€	114,908
	31.12.2004	€	122,555
	Var.		(7,647)

They consists of the following:

20. Other payables

amount to	31.12.2005	€	328
	31.12.2004	€	414
	Var.		(86)

21. Bank loans net of the current portion

amount to	31.12.2005	€	89,194
	31.12.2004	€	96,043
	Var.		(6,849)

Bank loans net of the current portion consist in the medium/long term rate of the loans signed by the Group and still active at 31 December 2005.
During the year, medium-term financing was reimbursed for 11.7 million euro, the amounts falling due in 2006 are 9.7 million euro. The value of financing with reimbursement after five years was 46.8 million euro.
Medium to long term financing was the object of non-speculative hedges (IRS) against the risk of an interest rate increase for about 73% of their total value.

Medium to long-term financing, including the rate due within the next 12 months (€ 9.7 million), amount to € 98.9 million. The loan taken out on behalf of Archimede 1 in 2002 was repaid in December 2005. A new loan was taken out through a leading Financial Institution for 36 million euro, at the same value as the original loan, with a two-year pre-amortisation period. It expires in 2016 and it is covered for € 14.4 million, plus interests if any, by a guarantee issued by Archimede 1 S.p.A. partners, minority interest shares in the SAVE Group.

As just mentioned, the loan taken out on behalf of Save S.p.A., originally for € 77 million, was in part also covered in the previous FY, for the purpose of optimising loan cost, by non-speculative Interest Rate Swap operations for an overall initial sum of € 48 million and to reduce the "interest rate risk" from potentially growing, it was hedged with an average rate equal to 3.75%. To today's date, the residual value of the loan subject to hedging is € 32 millions. On the basis of the amortisation plan, the IRS hedging refers to 62% of the residual capital portion.

At the same time, the loan taken out on behalf of Archimede 1 S.p.A. for an original sum of € 36 million is hedged by a non-speculative rate for the remaining quota amounting to € 33 million.

Medium to long-term loans can be divided up by the calendar year the relative amounts fall due on:

2006	9.7
2007	9.7
2008	10.5
2009	11.0
2010	11.1
2011	12.6
2012	9.3
2013	6.0
2014	7.0
2015	8.0
2016	3.9
Total medium-long term loans due to banks	98.9

The Group has a guaranteed line of credit which are not utilised with banking institutions for a total sum of € 72.2 million in the Parent company.

22. Accounts payable to others net of the current portion

amount to	31.12.2005	€	4,811
	31.12.2004	€	6,591
	Var.		(1,780)

Accounts payable to others net of the current portion consist in the medium/long term rate of the residual debt of leasing contracts still active at 31 December 2005.

23. Provision for deferred taxation

amounts to	31.12.2005	€	5,840
	31.12.2004	€	5,357
	Var.		483

The criteria used to book provisions for deferred taxation are given in the introduction to the Supplementary Note.
The following table illustrates the various types of differences which require posting the provision for prepaid tax receivables:

IRES (tax rate 33%)

Deferred taxation	31/12/2004 Tax effect taxable	taxed	Variations in taxable income use	increase	31/12/2005 Tax effect taxable	taxed
Write-down of off balance sheet receivables	75	25			75	25
Off balance sheet advanced amortizations	8,193	2,704	-1,817	1,418	7,794	2,572
Advanced unpaid amortizations	-0	-0			-0	-0
Financial amortizations	1,118	369	-18		1,100	363
Capital Gains tax in several years	1,096	362	-511	795	1,380	455
Deferred tax settlement	60	20			60	20
IAS 17 leasing	3,421	1,129		1,089	4,510	1,488
Provision for Employee Termination Benefit	785	259		365	1,150	379
Demolition fund	125	41		24	148	49
Total deferred taxation	14,874	4,908	-2,346	3,690	16,218	5,352

IRAP (tax rate 4,25% - Centostazione SpA 5,25% - Archimede 2 4%))

Deferred taxation	31/12/2004 Tax effect taxable	taxed	Variations in taxable income use	increase	31/12/2005 Tax effect taxable	taxed
Off balance sheet advanced amortizations	8,193	348	-1,817	1,418	7,794	331
Advanced unpaid amortizations	-0	-0			-0	-0
Financial amortizations	1,118	48	-18		1,100	47
Capital Gains tax in several years	1,096	47	-511	795	1,380	59
IAS 17 leasing				1,089	1,089	46
Demolition fund	125	6			125	5
Total deferred taxation	10,532	449	-2,346	3,302	11,488	488
Total deferred taxation		5,357				5,840

Deferred taxation	IRES	IRAP	total
Balance as of 12/31/05	4,909	448	5,357
Deferred tax assets relating to previous years	0	0	0
Prepaid taxes arising during the year	1,263	95	1,359
Prepaid tax cancelled during the year	(774)	(100)	(874)
Balance as of 12/31/05	5,397	443	5,840

The specific events that led to posting deferred taxes can mainly be traced back to the accelerated depreciation booked by the Company in compiling its relative tax returns, to taxes paid in instalments on capital gains realised in previous periods and to leasing calculations according to the financial method.

In particular, the company took advantage of the right to charge depreciation only in its tax declaration resulting in deferred taxes of approx. € 2.9 millions.

24. Employee Severance Indemnity and other employee-related provisions

amount to	31.12.2005	€	7,075
	31.12.2004	€	7,028
	Var.		47

Liabilities for severance indemnity at 31 December 2005 are shown in the table that follows.

Balance at 31.12.04	7,028
Utilizations	(345)
Transfers	(2)
Advances paid during the year	(1,112)
Utilization for additional management	(65)
Substitution tax under Art.11 Legislative Decree 47/2000	(20)
Provisions for the year + revaluation	1,957
Change as a result of actuarial IAS calculations	(365)
Balance at 31.12.05	7,075

Provision concerns the amount accrued in the period comprising the revaluation of the reserve at 31 December, whereas the decrease refers to advances paid and disposals occurring during the period. The reserve is stated net of prepaid taxes provided for by Leg. Decree 47/2000. Basically, advance payments granted relate to the opportunity given to employees to subscribe the share capital through the IPO by using the severance indemnity fund.

IAS 19, the international accounting principle, requires the application of the Projected Unit Credit Method in evaluating liabilities tied to severance indemnity. This method also requires the development of an actuarial evaluation on the basis of a number of hypotheses. The main hypotheses utilised to develop the calculation are:
mortality rate: IPS55 Tables
• disability rates: INPS-2000 Tables
• employees turnover rate: 1.5%
• deduction rate: 4%
• wage increase rate: 2.5%
• advance rate: 1%
• inflation rate: 1.5%

25. Provision for liabilities and charges

amount to	31.12.2005	€	7,660
	31.12.2004	€	7,122
	Var.		538

This item consists of:

	31/12/2005	31/12/2004	Change
Provisions for liabilities and charges	2,501	2,632	(131)
Provisions for freely transferable assets	5,159	4,490	669
Total other provisions for liabilities and charges	7,660	7,122	538

Provision for liabilities and charges
Provision movements during the financial year have been as follows:

Balance at 31.12.04	2,632
Utilizations	(999)
Provisions for future liabilities and charges	868
Balance at 31.12.05	2,501

This item comprises allocations to cover potential liabilities chargeable to Parent Company. The reserves are deemed sufficient to cover risks arising from legal action and disputes of any kind with the Group as plaintiff or defendant, according to a reasonable estimate based on available information by legal advisers.

- Profits in the year derive: for € 0.34 from the provision the Parent Company had prudentially made, equalling the value of the possible net effect of assets in concession on the depreciation provision and on the freely transferable assets reserve at 31 December 2004 had the duration expiry been 2007; events in 2005 confirmed 2041 as the concession expiry date; for € 0.3 million from using the reserve in relation to the renewal of the National Labour Legislation (CCNL) contract for airport sector during the second half of 2005; and for € 0.1 from using provisions for legal fees for services concluded during the year 1005.
- During the period, € 868 million provisions were made specifically allocating them to the Parent company and Save Engineering to cover potential liabilities for litigations and related charges and to cover either risks of probable litigations or ongoing lawsuits.

As of 31 December 2005, the reserve mainly consists of:

- € 1.990 thousands for potential risks of pending contractual or commercial transactions and agreements and lawsuits, with relative costs.
- € 160 thousand for demolition costs, determined according to an expert's assessment carried out by a specialised firm, which shall be incurred in the next accounting periods in relation to the Parent Company's implementation of planned investments.
- € 296 thousand for risks determined by pending lawsuits and other transactions relating to commercial relations in the process of definition with Centostazioni S.p.A.; the provision was used for the transaction concluded with Via Vai.

The most significant disputes in progress, for which there exists a situation of possible liability but, upon legal advice, no specific provisions have been recorded, are:

- With regards to the impugnments individually promoted, before the Civil Tribunal of Venice as well as before the TAR Veneto (Regional Administrative Court), by the shareholder(s) Municipality of Venice and Province of Venice against the Save 3 August 2004 Shareholders Meeting and its deliberation on increasing the share capital for quotation on the stock market purposes, be informed that nothing has substantially changed compared to the report stated in the Financial Statement that ended on 31 December 2004. The next hearing is scheduled for 19 April 2006.
- With regards to the impugnments individually promoted, before the Civil Tribunal of Venice, by the shareholder(s) Municipality of Venice and Province of Venice against the Save 3 May 2004 Shareholders Meeting and its deliberation to approve the Financial Statement that ended 31 December 2003, be informed that nothing has substantially changed compared to the report stated in the Financial Statement that ended on 31 December 2004. The next hearing is scheduled for 20 April 2006.

In 2005, two injunctions were requested to protect the company's receivables and both were granted in part by the Tribunal of Venice; the related legal procedures are still in process.

Regarding AerTre S.p.A., there are no significant developments in the request for compensation of damages suffered by an aircraft in 2002 put forth by Eurofly S.p.A.. As confirmed by our attorney, due to the complexity of the dispute, which is still at the initial stage, it is not possible to make forecasts as to the outcome of the proceedings; however, we feel that the relevant potential liability must be deemed as possible or unlikely.

For Centostazioni S.p.A., several minority liability claims from foodservice operators in several stations are still pending.

Provisions for renewal of freely transferable assets

amount to	31.12.2005	€	5,159
	31.12.2004	€	4,490
	Var.		669

This represents the reserve necessary for the maintenance and renovation of the freely transferable assets entered in the balance sheet; these must be transferred to the National Government in perfect operating condition upon expiry of the Group's airport concession. The reserve refers almost entirely to renovation and periodical maintenance work on the Venice Tessera Airport complex.

The Renewal Reserve is made up of the appropriate rate of depreciation accumulated over the years prior to 31 December 1996, and is annually added to during each accounting period based on a technical assessment of the estimated future costs for periodic maintenance needed to keep the goods in proper working order, as they must be transferred without consideration upon expiration of the license in 2041. The reserve is used to cover all maintenance carried out during the financial year.

During the fiscal year, the reserve was increased by € 849 thousand by allocating the share relevant to the year, which was calculated on the basis of a specific expert's report, annually prepared by an outside firm. The reserve was used for € 160.

SHAREHOLDERS' EQUITY

26. Shareholders' equity

amounts to	31.12.2005	€	243,849
	31.12.2004	€	90,693
	%		153,156

Share capital equals € 17,985,500 and consists of 27,670,000 shares with a face value of 0.65 Euro; it is fully paid-up.

On 25 May 2005, company shares were listed on the Milano Stock Exchange. At the end of the stock exchange quotation process, through a public offer, 7,670,000 new shares were issued increasing the share capital by € 4,985,500 going from 20,000 thousand to 27,670 thousand shares.

The net worth consists of the consolidated net worth amounting to € 219.4 and by minority shareholders net worth for millions of shares amounting to € 24.5 million. Changes during the year with regards to this item are described in Table "C", attached to the Supplementary Note.

Consolidated net worth consists of the following:

Share capital

amounts to	31.12.2005	€	17,985
	31.12.2004	€	13,000
	Var.		4,985

Share premium reserve

amounts to	31.12.2005	€	148,337
	31.12.2004	€	0
	Var.		148,337

It is the premium acknowledged and paid for following the public offer mentioned earlier. More specifically, 6,464 thousand shares were issued at the price of € 21 whereas 1,206 thousand shares were issued to employees or residents of the Region of Veneto at the price of € 20.37 after the 3% discount reserved to them was applied. The costs incurred for the quotation procedure reduced such extraordinary share premium reserve.

Legal reserve

amounts to	12/2005	€	2,600
	12/2004	€	2,600
	Var.		0

At 31 December 2004, the legal reserve reached the limit whereby profit distribution was restricted. Since the capital has increased, this reserve has to be integrated up to a fifth of it.

Other retained reserves and earnings

amount to	31.12.2005	€	39,488
	31.12.2004	€	45,771
	Var.		(6,284)

The item “Other reserves” specially include the write-down entered at fair value non-current assets compared to the average cost of purchase.
Differed taxes shall not be allocated against the subsidiaries' carry-forward inasmuch as it is deemed that these will not be distributed. There are at any rate no significant profit reserves held by the subsidiaries.
The net worth of minority shareholders represents that quota of share capital added to the end-result of the financial year for uncontrolled subsidiaries.

Shareholders' equity of minority shareholders

amounts to	31.12.2005	€	24,472
	31.12.2004	€	24,412
	Var.		60

PROFIT AND LOSS ACCOUNT

Given below are comments on the main items of the profit and loss account for the year ended 31 December 2005, compared with those of 2004.

OPERATING INCOME AND OTHER REVENUES

27. Operating revenues and other incomes

amount to	2005	€	166,004
	2004	€	155,347
	Var.		10,657

The breakdown for operating income and other revenues is recorded in the table that follows:

	2005	2004	Var.	Change %
Aeronautical	55,566	54,600	965	1.8
Warehouse for movement of goods	3,477	3,659	(182)	(5.0)
Ticket office	859	810	50	6.1
Car parks	8,326	8,799	(474)	(5.4)
Sales and Marketing	16,764	15,385	1,379	9.0
Handling	3,451	3,978	(527)	(13.3)
Miscellaneous characteristic	1,939	1,919	19	1.0
Other	7,849	6,205	1,644	26.5
Total airport management	98,231	95,356	2,874	3.0
Management of stations	24,794	21,451	3,343	15.6
Total infrastructure management	24,794	21,451	3,343	15.6
Hub	11,897	11,676	221	1.9
Retail	14,200	11,928	2,271	19.0
Food & beverage	22,024	18,222	3,803	20.9
Other	835	2,139	(1,304)	(61.0)
Total food & beverage and retail management	48,956	43,964	4,991	11.4
Inter-company infra-sector	(5,976)	(5,425)	(551)	10.2
Total operating revenues and other incomes	166,004	155,347	10,657	6.9

Overall, operating income and other revenues amount to € 166 millions with a growth of € 10.7 millions, equal to the 6.9%, compared to the previous accounting period.
The growth in other sectors where the Group is present continues and is being further consolidated. In addition to the increase in passenger traffic, it also benefits from the development policy in the food & retail sectors at airports, harbours, and railway stations. For further comments, see the Directors' Report.
Operating revenues

amount to	2005	€	153,635
	2004	€	146,142
	Var.		7,493

More specifically, operating income shows a growth amounting to € 7.5 millions, connected in essence to the volume growth in all the sectors.

Other incomes

amount to	2005	€	12,370
	2004	€	9,205
	Var.		3,165

This item comprises the variations for works in progress and internal capitalisations of internal costs. It includes, furthermore, revenues from using air terminal space as well as debt reassignments for condominium costs to sub-licensees and corresponding amounts from Centostazioni S.p.A..

It also includes, for € 842 thousands, contingent assets made by the Parent Company which derive from issuing, out of the credit risk provision, the receivables towards Volare Airlines Company, subsequent to the debt reduction towards our company for payments made during the first semester 2005. The payment ensues from a complex agreement

The item further comprises the risk provision write-off related to the potential greater net cost due to greater depreciations had the duration of the concession been up to 2027 instead of 2041. Subsequent events confirmed the Company's correct interpretation of the concession expiry to be the year 2041.

Furthermore, the settling of a contract with a sub-concessionary saw SAVE S.p.A, as a consequence of the original contractual clauses, take over a property valued at 1.75 million euro by an special appraisal made by an external company, which corresponds to a contingent asset.

PRODUCTION COSTS

amount to	2005	€	141,710
	2004	€	136,949
	Var.		4,761

The items that follow provide details:

28. Raw and ancillary materials, consumable and goods

amount to	2005	€	25,330
	2004	€	25,041
	Var.		289

The costs refer to goods purchased for resale in the *food & beverage and retail* sectors and to purchases of printers, forms and consumable stores used in routine maintenance.

29. Services

amount to	2005	€	39,360
	2004	€	34,367
	Var.		4,993

This item consists of:

	2005	2004
Industrial services:	28,092	26,088
General services:	6,632	5,817
Commercial services:	4,636	2,462
Total services	39,360	34,367

The increase in services is mainly due to the operational growth of Centostazioni S.p.A., equal to about € 2.2 million, and to cost increases in the airport sector for about € 3 million.

Industrial services

	2005	2004	Change
Contractual maintenance of Centostazioni S.p.A. assets	10,475	8,779	1,696
Ordinary maintenance	4,343	3,897	446
Miscellaneous utilities	3,992	3,560	432
Cleaning	2,876	2,981	(105)
Airport security	51	29	22
Industrial services	1,895	1,709	186
Professional services	1,280	1,449	(169)
Canteen	782	679	103
Data transmission	563	619	(56)
Other	1,834	2,386	(552)
Total	28,092	26,088	2,004

The main variations refer to costs dealing with maintenance, which include:

- the increase of € 1.7 millions in maintenance ca be traced to Centostazioni S.p.A. after it took full management control of all 103 stations at a total cost of € 10.56 millions.
- costs incurred for maintenance by the Parent Company are essentially stable, respectively for periodic and routine maintenance.

General Services

	2005	2004	Change
Insurance	1,713	1,541	172
Professional services	2,563	2,252	311
Directors’ fees and refunds	1,063	904	159
Auditors’ fees and refunds	298	311	(13)
Software update	245	202	43
Various services	750	607	143
Total	6,632	5,817	815

The analysis that follows deals with compensation to the Parent Company's Directors and Auditors (excluding remuneration and reimbursement) for offices held in all the Group's companies.

Directors:

Name	Position	Period in office	Fees (Thousands of Euro)
MARCHI Enrico	Chairman of the Board	01.01.2005-31.12.2005	433
BONAITI Luca	Director	01.01.2005-31.12.2005	48
BORRINI Amerigo	Director	01.01.2005-31.12.2005	26
CALZAVARA Giorgio	Director	01.01.2005-31.12.2005	49
FINCATO Laura	Director	01.01.2005-31.12.2005	49
OLIVETTI Maurizio	Director	01.01.2005-31.12.2005	53
PESSI Oliviero Edoardo	Director	01.01.2005-31.12.2005	51
SACCHI Roberto	Director	01.01.2005-31.12.2005	49
SARTORI Amalia	Director	01.01.2005-31.12.2005	3
TOSI Loris	Director	01.01.2005-31.12.2005	3
ZAIA Luca	Director	01.01.2005-31.12.2005	49
Total fees			812

The specifics above do not include compensations for € 3 thousand to Member Pessi for professional services.

Board of Statutory Auditors:

Name	Position	Period in office	Fees (Thousands of Euro)
DIANA Giuseppe	Chairman	01.01.2005-31.12.2005	40
ARNABOLDI Luca	Statutory Auditor	01.01.2005-31.12.2005	6
D'ANCONA Antonio	Statutory Auditor	01.01.2005-31.12.2005	28
DE LUCA Lino	Statutory Auditor	01.01.2005-31.12.2005	53
PENSO Guido	Statutory Auditor	01.01.2005-31.12.2005	25
Total fees			152

These figures for the Board of Statutory Auditors do not include capitalised compensation connected to the quotation process.

Commercial Services

	2005	2004	Change
Airport traffic development	3,886	2,112	1,774
Advertising and exhibitions	750	350	400
Total	4,636	2,462	2,174

The increase in commercial services is tied to the growth of air traffic, and in particular to the activity of the Venice's Tessera Airport. Compared to the previous year's forecast for traffic growth, the parent company showed an increase in traffic development costs (not directly tied, however, to the trend in revenues).

30. Rental and leasing costs

amount to	2005	€	12,867
	2004	€	11,609
	Var.		1,258

This item consists of:

	2005	2004	Change
Airport concession fee	3,809	3,590	219
Railway station concession fee	3,964	3,840	124
Royalties	2,922	2,492	430
Renting/Leasing	2,172	1,687	485
Tot. Renting and Leasing costs	12,867	11,609	1,258

These changes are due to:

- the increase in airport concession fee associated to the increase in passengers, mainly referring to the Treviso Airport;
- the corresponding amounts relevant to the development of real estate management operations and payable to the National Railway Group who owns the properties, on the basis of the contract between Centostazioni S.p.A. and the RFI Company;
- variations in royalties resulting from the greater number of Airport Elite S.r.l. sales points at airports and stations;
- increase in costs for operating leases.

31. Staff costs

amount to	2005	€	38,317
	2004	€	35,468
	Var.		2,849

The increase is mainly a result of the higher number of employees caused by expansion of the business. More specifically, € 1.2 million are related to: Airport Elite S.r.l - Archimede 2; € 0.7 million to Save Security S.r.l.; € 0.4 million to Save S.p.A.; and, € 0.6 million to Aer Tre.
The item "Severance Indemnity" also includes revenues deriving from actuarial techniques applied to determine the Provision for Severance Indemnity at 31 December 2005.

32. Depreciation and amortisation

amount to	2005	€	18,469
	2004	€	18,612
	Var.		(123)

They are subdivided as follows:

	2005	2004	Change
Amortization of intangible assets	3,841	3,516	325
Depreciation of tangible assets	14,648	15,096	(448)
Total depreciation and amortization	18,489	18,612	(123)

The amount of depreciation and amortisation is due to the application of various rates given in Table "B".
No important variances in depreciation and amortisation are shown. Compared to the previous year, it included write-downs for € 563 related to the AVL plants which will no longer be available to nor managed by SAVE S.p.A.

33. Short-term write-down of assets

amount to	2005	€	2,990
	2004	€	7,251
	Var.		(4,261)

The item "Short-term write-down of assets" includes allocations to the provisions for bad debts; these allocations were made according to a prudent assessment of possible critical situations and the relative non-payment risks; in determining the allocation, a further evaluation was made regarding the capacity of the provision with respect to the total receivables overdue. Allocations for this year to the provision for bad debts amount to € 3 millions. See the breakdown of debtors illustrated earlier and refer to the comment on debtors for additional information.
In any case, compared to last year, the decrease is linked to contingent factors that characterised entries to the provision which were not repeated this year with regards to Volare's bankruptcy.

34. Variations in stocks of raw materials, consumables and goods for sale

amount to	2005	€	326
	2004	€	(1,107)
	Var.		1,433

This mainly refers to stocks of consumable materials and goods intended for resale.

35. Appropriation for risks

amount to	2005	€	868
	2004	€	1,924
	Var.		(1,055)

During the period, € 0.8 million provisions were made specifically allocating them to the Parent company and Save Engineering to cover potential liabilities for litigations and related charges and to cover either risks of probable litigations or ongoing lawsuits.

36. Provisions for freely transferable assets

amount to	2005	€	849
	2004	€	825
	Var.		24

This item represents the period's allocation to the Renewal Reserve for freely transferable assets defined subsequent to a special annual report by an outside firm.

37. Other charges

amount to	2005	€	2,315
	2004	€	2,960
	Var.		(645)

In greater detail, other operating charges consist of:

	2005	2004	Change
• Contributions to trade associations	235	204	31
• Taxes and duties	332	364	(32)
• Donations	113	60	53
• Other	1,635	2,332	(697)
Total other costs	2,315	2,960	(645)

The item "Others" includes non-recurring amortisation of which € 0.5 million refer to Centostazioni S.p.A. and € 0.3 million refer to the Parent company.

FINANCIAL INCOME AND EXPENSE

38. Financial income and expense

amount to	2005	€	(1,916)
	2004	€	(5,269)
	Var.		3,352

"Financial income and expense" are provided in detail in the items that follow:

	2005	2004	Change
Financial income and revaluation of financial assets	3,004	592	2,412
Interest, other financial charges and write-downs of financial assets	(5,210)	(6,094)	884
Profits from assoc. companies valued with shareholders' equity method	289	233	56
Total financial income and expense	(1,917)	(5,269)	3,352

The increase in the balance for "Financial income and revaluations of financial assets" is due to the factors that follow:

- interests received to the Parent company amounting to € 1.1 million;
- work conducted on financial instruments, put and call options, which determined a net revenue of about € 0.4 million;
- reduced interests payable against the increased line of credit as a result of the capital increase subsequent to the stock exchange quotation by Save S.p.A. for € 0.8 million.

There is ongoing transaction with the banking system to reduce loan costs.

INCOME TAXES

39. Income taxes

Amount to	2005	€	11,608
	2004	€	8,532
	Var.		3,076

Current income taxes are as follows:

	2005	2004	Change
Current taxes	12,575	5,846	6,729
Deferred (advance) taxes	(967)	2,686	(3,653)
Total income tax for the year	11,608	8,532	3,076

The tables that follow show the economic impact of deferred tax and the applicable tax rate for the current and previous financial year:

(Thousands of Euro)	Year	% 2005	Year	% 2004
Income before taxes	22,377		13,129	
Theoretical income taxes	7,385	33.0%	4,332	33.0%
Actual income taxes	11,608	51.9%	8,532	65.0%
Difference explained by:	4,223	18.9%	4,200	32.0%
Different tax rates in other countries				
Effect of conferring of trademarks and patents on amortizations				
Tax losses for the year not considered recoverable	609	2.7%	50	0.4%
4) carried-forward tax losses deemed recoverable in the year	-57	-0.3%	-244	-1.9%
Tax benefits	-5	0.0%		
6) permanent differences:				
i) IRAP and other local taxes	2,841	12.7%	2,564	19.5%
iii) prior-year taxes			225	1.7%
ii) effect of tax reforms on the taxation of dividends	-13	-0.1%	-194	-1.5%
iv) effect of tax reform on taxation of exempt capital gains	-193	-0.9%	-14	-0.1%
v) neutralization of tax effects of previous years	4	0.0%	21	0.2%
vii) other disallowed costs / untaxed income	508	2.3%	791	6.0%
vii) effect of tax rate change on deferred taxes				
viii) prepaid taxes no longer recoverable			-47	-0.4%
ix) prepaid taxes on deductible future IRAP charges	-82	-0.4%		
x) effect of valuation of PN investments	-125	-0.6%		
xi) goodwill amortization	755	3.4%	1,048	8.0%
ix) intercompany relationships	-17	-0.1%		
7) other	-3	0.0%		
Total difference	4,223	18.9%	4,200	32.0%

Economic impact of deferred taxation	IRES	IRAP	total
Deferred taxes reclassified as capital	3,628	(34)	3,594
Deferred taxes reclassified in extraordinary components	23	0	23
Prepaid tax arising during the year	(6,443)	(142)	(6,585)
Prepaid tax cancelled during the year	1,480	53	1,532
Deferred taxes reconciled	(20)	0	(20)
Reclassification	4		4
Deferred tax arising during the year	1,263	95	1,359
Deferred tax cancelled during the year	(774)	(100)	(874)
Total	(839)	(128)	(967)

The reconciliation of the applicable notional tax rate for IRES (personal and corporate income tax) and the actual tax rates shows the effect of the IRAP tax to be significant. This effect is determined by the structure of characteristic costs which for about a third of these costs is represented by the cost of labour, an income subject to IRAP, and by the taxable financial charges and provisions.

The actual tax rate is equal to 51.9% of pre-tax earnings.

ANNUAL EARNINGS

Amounts to	2005	€	10,770
	2004	€	4,597
	%		6,173

Group and minority interest shares of net profit are indicated below:

	2005	2004	*Change*
Consolidated result	10,770	4,597	6,173
Loss (Profit) pertaining to third parties	196	311	(115)
Result pertaining to the group	10,966	4,908	6,058

STATEMENT BY SECTORS

The Group's primary segmentation is divided by business sectors since the Group's risks and profitability are affected firstly by the differences in products and services offered. The business sectors identified are:

- airport management;
- infrastructures management;
- food & beverages and retail management;

The secondary segmentation, or rather by geographic segmentation, was not adopted; it was held as scarcely significant since the Group's business is concentrated in Italy. The prices of intersegment transfer are set at the same conditions applied to transactions with external customers. Segment revenues, costs and earnings include intersegment transfers, which are eliminated instead during consolidation.

For a detailed analysis of the economic data and by segment, see the Directors' Report.

Balance sheet by segments:

Asset (€ million)	Airport Management	Infrastructure Management	F&B and Retail	elisions	Total Group
Total current asset	67,164	15,847	10,18	-2,763	90,428
Total non-current assets	257,503	89,591	6,062	2,384	350,472
Total assets	**324,667**	**105,438**	**16,242**	**-0,379**	**440,900**

Liabilities (€ million)	Airport Management	Infrastructure Management	F&B and Retail	elisions	Total Group
Total current asset	58,79	15,337	10,779	-2,763	82,143
Total non-current assets	76,043	39,239	2,01	-2,384	114,908
Total assets	**134,833**	**54,576**	**12,789**	**-5,147**	**197,051**

EARNINGS PER SHARE

In compliance with IAS 33, what follows is information on the data utilised to calculate both basic and diluted earnings per share.

Basic earnings per share is calculated by dividing the period's net profit attributable to the Company's shareholders (numerator) by the number of shares.

In order to calculate basic earnings per share, note that the earnings numerator was obtained by deducting the minority interest quota from the consolidated earnings. Note furthermore that there are no preferred dividends, preferred share conversion and other similar effects, intended to adjust the consolidated earnings attributable to holders of ordinary shares.

Diluted earnings per share is equal to basic earnings per share inasmuch as there are no ordinary shares which could potentially have a diluting effect just as there are no earnings per share or share warrants which could provoke the same effect.

Below is a summary of the result and of the number of ordinary shares utilised to calculate basic earnings per share; both are determined according to the method planned for by the IAS 33 accounting principle.

	2005	2004
Weighted average number of shares in circulation:		
- basic	24,623,014	20,000,000
- diluted	24,623,014	20,000,000
Earnings per share	0.44	0.25

Earnings per diluted share	0.44	0.25

With regards to this matter, keep in mind that on the 25 May 2005, the company accessed the Stock Market. At the end of the stock exchange quotation process, through a public offer, 7,670,000 new shares were issued aimed at increasing the share capital going from 20,000 thousand to 27,670 thousand shares.
The weighted average of ordinary shares in issue during the period was determined by adjusting the number of ordinary shares issued at the beginning of the period by the number of ordinary shares issued during the period, multiplied by the time-weighting factor. The time-weighting factor is represented by the number of days that the shares were in issue in proportion to the total number of days for the period.

RELATIONS WITH RELATED PARTIES
Refer back to the Directors' Report.

RECONCILIATION TABLES REQUIRED BY IFRS 1

In order to provide complete information, the table reconciling Shareholders' Equity and the Profit and Loss Account required under IFRS in relation to the SAVE Group's transition to IAS/IFRS International Accounting Standards is provided below.
For more details the reader is referred to the appendix to the Consolidated Half-Year Report of the SAVE Group dated June 30 2005 – Transition to International Accounting Standards (IAS/IFRS), approved by the Board of Directors on September 13 2005 and shown in the appendix, with strictly formal modifications where required.

Reconciliation of Shareholders' Equity and Annual Group Result as of December 31 2004 due to transition to IAS/IFRS
Reconciliation of the Group's shareholders' equity and annual result is shown below, summing up the principal effects of application of the IAS/IFRS International Accounting Standards to the December 31 2004 financial statements.

(Thousands of euro)	2004 Profit and Loss Statement	Shareholders' Equity 31.12.2004
Italian accounting standards	5,518	92,975
Minority	298	-24,511
Italian accounting standards applicable to the Group	5,816	68,464
Corrections prior to theoretical taxation:		
Plant and expansion costs	268	-532
Pluriannual costs	59	-1,336
Stock exchange costs	0	0
Accessory financing costs	-6	-10
Land	9	41
Component approach	-466	-1,165
Demolition fund	-95	125
Employee severance indemnity fund	13	785
Derivative financial instruments	-1,109	-2,130
Total gross corrections	-1,327	-4,222
Current, advance and deferred taxes	446	1,519
IAS/IFRS principles	4,935	65,761
Minority	-26	224
IAS/IFRS principles applicable to the Group	4,909	65,985
Variation in the scope of consolidation*	-1	296
IAS/IFRS principles applicable to the Group	4,908	66,281
**The variation in the scope of consolidation refers to inclusion of Aeroporto di Padova S.p.A., which had previously not been consolidated, starting in the December 31 2005 financial statements.*		

The changes in the principal items appearing in the December 31 2004 financial statements largely correspond to:
- reversal of pluriannual charges and plant and expansion costs not capitalised under IAS,
- separation of assets with a different useful lifespan from the principal asset (the component approach),
- determination of benefits payable to employees on the basis of actuarial hypotheses,
- fair value assessment of derivative financial instruments for coverage of interest rate risk.

Supplementary Tables

Additional statements

APPENDIX A

Statement of changes in intangible fixed assets and related amortizations
(amounts in Euro)

	% Depreciation	Changes for the year					Accumulated technical depreciation					
		Value at 31/12/04	Acquisitions	Decreases / Reclassification	Reclassification	Value at 31/12/05	Value at 31/12/04	Increases over the year o	Utilizations/Reclassification	Utilizations and/or Reclassifications	Value at 31/12/05	Net Intangible Fixed Assets
1) Start-up and expansion cost	20,00	0	0	0	0	0	0	0	0	0	0	0
3) Ind.	33,33	5,775	649	1,436	0	7,860			0	0		
patents and	20,00	78,740	51	0	0	78,791	3,494	2,067	0	0	5,561	73,230
intellectual		1,483	285	-1,436	0	332	0	0		0	0	332
property		1,331	145	-128	0	1,348	1,069	245	-47	0	1,267	8
rights (	20.00	2,780	0	0	0	2,780	1,759	523	0		2,282	1
Tot.		90,109	1,130	-128	0	91,111	11,595	3,841	-47	0	15,389	75,722

Appendix B

Statement of changes in intangible fixed assets and related amortizations

(amounts in Euro/1000)

	Changes for the year							Accumulated Technical Depreciation					
	Value at 31/12/04	Acquisitions	Revaluations	Contributions	Decreases	Reclassifications Other Changes	Value at 31/12/05	Value at 31/12/04	Increases for the year	Utilizations	Reclassifications	Value at 31/12/05	Net tangible assets
Freely transferable assets													
7) Forecourts/Roads	23,797	4,126		-1,922		896	26,897	5,279	830		66	6,175	20,722
8) Premises	92,941	7,576			-33	607	101,091	19,683	3,786	-113	42	23,398	77,693
9) Plant	33,144	2,240			-35	120	35,469	20,387	3,999	-3	497	24,880	10,589
Subtotal	149,882	13,942	0		-68	1,622	163,456	45,349	8,615	-116	605	54,453	109,003
Work in progress	12,015	11,326		-1,922		-1,794	21,547	0				0	21,547
State contributions	-456	-3,070					-3,526	0				0	-3,526
10) Work in progress net of contributions	11,559	8,256				-1,794	18,021	0				0	18,021
					0								
				0									
Tot. freely transferable assets	161,441	22,198	-	(1,922)	(68)	(172)	181,477	45,349	8,615	(116)	605	54,453	127,024

	Changes for the year							Accumulated technical depreciation					
	Value at 31/12/04	Acquisitions	Revaluations	Contributions	Decreases	Reclassifications Other Changes	Value at 31/12/05	Value at 31/12/04	Increases for the year	Utilizations	Reclassifications	Value at 31/12/05	Net tangible assets
Owned assets													
1) Land and Premises													
Plant and machinery	906	17,263				1,918	20,087	7	1		10	18	20,069
2) Plant and machinery													
Industrial equipment:					-991					-878			
3) Industrial and commercial equipment	27,666	1,684				97	28,457	15,236	3,034		97	17,489	10,968
Other assets:					-20					-20			
4) Other assets	2,955	335				88	3,358	1,773	363		86	2,202	1,156
Asset depreciation reserve					-441					-422			
4bis) Leasehold improvements	14,733	2,108				252	16,652	8,367	1,762	0	0	9,707	6,945
5) Assets under construction and advances	-60						-60	0	0	0	0	0	-60
	3,778	7,201					10,979	315	258	0	0	573	10,406
	2,004	202			-1,792		206	0	0		0	0	206
Total owned assets	51,982	28,793	0	0	-3,244	2,147	79,679	25,698	5,418	-1,320	193	29,989	49,690
Total tangible fixed assets	213,423	50,991	0	-1,922	-3,312	1,975	261,156	71,047	14,033	-1,436	798	84,442	176,714

Report of the Board of Statutory Auditors to the Ordinary Shareholders' Meeting on the Consolidated Financial Statements for the year ending on 31.12.2005

REPORT OF THE INDEPENDENT AUDITOR

Report of the Board of Statutory Auditors to the Ordinary Shareholders' Meeting on the Consolidated Financial Statements for the year ending on 31.12.2005

As readers will be aware, the task of auditing the group's consolidated financial statements lies with the body or party legally responsible for auditing the annual financial statements of the holding company, which, in the case of stock exchange listed companies, is not the Board of Statutory Auditors but the independent auditor.
Nonetheless, the Board of Statutory Authors presents its own report both to fulfil its general responsibility of ensuring compliance with the law and the company's deed of establishment and in fulfilment of the principle under which topics and documents which the directors submit to the Shareholders' Meeting are examined by the Board of Statutory Auditors, which then reports to the Shareholders' Meeting on the most important aspects.
Pursuant to Legislative Decree n. 127 dated April 9 1991, the Board of Directors has prepared the consolidated financial statements as of December 31 2005, the date on which the holding company and its subsidiaries close their financial year. The scope of consolidation is discussed in the Supplementary Note, on which we have no particular comments to make, and which is summed up in the following summary tables of the accounts:

STATEMENT OF ASSETS AND LIABILITIES

ASSETS		
Current assets	€	90,428
Non-current assets	€	350,472
Total assets	€	440,900
LIABILITIES		
Current liabilities	€	82,143
Non-current liabilities	€	114,908
Total liabilities	€	197,051
Group shareholders' equity	€	243,849
Total liabilities and shareholders' equity	€	440,900

PROFIT AND LOSS ACCOUNT

Operating income and other revenues	€.	166,004
Production costs	€.	(141,710)

Operating results	€.	24,294
Financial income and (expense)	€.	(1,916)
Pre-tax result	€.	22,378
Income taxes	€.	(11,608)
Annual profit (loss)	€.	10,770
Minority shareholders' annual profit (loss)	€.	(196)
ANNUAL GROUP PROFIT (LOSS)	€.	10,966

The independent auditor, with which the Board of Statutory Auditors has been in contact, has confirmed the regularity and correspondence of the company's Statement of Assets and Liabilities and Profit and Loss Account deriving from consolidation with the holding company's accounts and with the information provided by the subsidiary companies included in the scope of consolidation. The information and clarifications contained in the Supplementary Note is consistent with the content of the consolidated financial statements.
The Management Report also adequately describes the company's economic, equity and financial situation and management trends during the year, and provides significant information on companies included in the scope of consolidation, as well as on the economic trend of operative companies and relations with related parties.
We have determined that the actions resolved and implemented by the holding company involving subsidiary companies conform with the law
and that the subsidiary companies were provided with adequate information on them.
In addition to this Report, the reader is referred to this Board's Report on the annual financial statements of the company Aeroporto di Venezia Marco Polo Spa – SAVE (civil financial statements) including all information on the company required by law.
The shareholders' meeting need only take note of the consolidated financial statements and the information provided with them, as they do not require approval.

Venice – Tessera, March 29 2006

Chairman of the Board of Directors
Giuseppe Diana

ERNST & YOUNG

REPORT OF THE INDEPENDENT AUDITOR
under art. 156 of Legislative Decree n. 58 dated 24.2.1998

To Aeroporto di Venezia Marco Polo S.p.A. (SAVE) shareholders,

1. We have audited the consolidated financial statements of the company Aeroporto di Venezia Marco Polo S.p.A. (SAVE) for the year closing on December 31, 2005. The directors of Aeroporto di Venezia Marco Polo S.p.A. (SAVE) remain responsible for the preparation of the consolidated financial statements. Our task is to provide a professional opinion on the financial statements based on auditing of the accounts. For the first time, this year the above-mentioned consolidated financial statements have been prepared in conformity with the International Financial Reporting Standards adopted by the European Union.

2. We conducted our audit in accordance with the auditing principles and criteria recommended by CONSOB. In accordance with these principles and criteria, the audit has been planned and conducted with the aim of acquiring all information required to determine whether the consolidated financial statements contain any significant errors and if they are, on the whole, dependable. The auditing procedure includes examination of samples of evidence demonstrating the balances and information contained in the financial statements, and assessment of the adequacy and correctness of the accounting criteria used and the reasonability of the directors' estimates. We believe that the work performed provides a reasonable basis for expression of our professional judgement.

   The financial statements of an associated company, representing 6.9% of the Group's consolidated assets and 14.6% of its consolidated revenues, have been examined by other auditors.

   For the purposes of comparison, the consolidated financial statements present figures for the previous year prepared in accordance with the same accounting standards. In addition, the explanatory note in the section entitled "Reconciliation tables required by IFRS 1" illustrates the effects of transition to the International Financial Reporting Standards adopted by the European Union and includes information on the reconciliation tables required by international IRFRS accounting standards, previously approved and published with the obligatory half-year report which we audited; in this regard please refer to our September 8 2005 report.

3. It is our opinion that the December 31, 2005 consolidated financial statements of Aeroporto di Venezia Marco Polo S.p.A. (SAVE) comply with the International Financial Reporting Standards adopted by the European Union, have been clearly written and truthfully and accurately represent the equity, financial situation and economic result of the SAVE Group for the year ending on that date.

Treviso, March 14, 2006

Reconta Ernst & Young S.p.A.

signature
Michele Graziani
(Partner)

Financial Statements at 31 December 2005

Balance sheet
Profit and Loss account

Aeroporto di Venezia Marco Polo S.p.a. – (SAVE)
Balance sheet as at 31 December 2005
Amounts in Euro

ASSETS	31.12.05	31.12.04	DELTA 2005 vs 2004
B) Fixed assets			
I Intangible fixed assets			
1)start up and expansion costs	9,927,959	182,268	9,745,691
3)industrial patents and intellectual propertyrights	1,113,098	223,761	889,337
6)Assets under construction and advances	153,784	2,507,138	-2,353,354
7)other	1,272,994	1,328,882	-55,888
Total intangible fixed assets	12,467,835	4,242,049	8,225,786
II Tangible fixed assets			
1)Land and Premises	849,112	858,098	-8,986
2)Plant and machinery	8,730,616	10,420,110	-1,689,494
3)Industrial and commercial equipment	831,865	874,500	-42,635
4)other assets	2,957,899	3,919,777	-961,878
5)Assets under construction and advances		1,792,048	-1,792,048
Total owned assets	13,369,492	17,864,533	-4,495,041
6)Forecourts and roads	22,823,989	20,668,221	2,155,768
7)Premises	68,924,079	63,348,175	5,575,904
8)Plant	7,742,946	9,219,377	-1,476,431
9 Assets under construction and advances	10,141,930	6,918,877	3,223,053
Total freely transferable assets	109,632,944	100,154,650	9,478,294
Total tangible fixed assets	123,002,436	118,019,183	4,983,253
III Financial assets			
1) Investments in:			
a)subsidiaries	52,817,036	36,635,020	16,182,016
b)associated companies	83,177,416	1,571,789	81,605,627
c)other companies	2,044	3,244	-1,200
Total investments	135,996,496	38,210,053	97,786,443
2) Receivables:			
a)from subsidiaries	4,883,500	2,458,500	2,425,000
b)from associated companies			
d)from others	10,656	10,656	
Total receivables	4,894,156	2,469,156	2,425,000
Total financial assets	140,890,652	40,679,209	100,211,443
Total fixed assets (B)	276,360,923	162,940,441	113,420,482
c) Current Assets			
I Inventories			
1)raw and ancillary materials, consumables	725,173	702,675	22,498
Total inventories	725,173	702,675	22,498
II Receivables:			
1)from customers			
of which: within the year	20,091,991	21,638,100	-1,546,109
of which: outside the year			
2)from subsidiaries	6,167,295	7,410,033	-1,242,738
3)from associated companies			
of which: within the year	125,355	14,908	110,447
of which: outside the year			
4 bis) tax credits			
of which: within the year	1,775,475	1,018,723	756,752
of which: outside the year	71,831	166,316	-94,485
4 ter) prepaid taxes			
of which: within the year	718,386	496,869	221,517
of which: outside the year	3,135,614	2,163,043	972,571
5) from others			
of which: within the year	8,680,131	8,153,848	526,283
of which: outside the year			
Total receivables	40,766,078	41,061,840	-295,762
III Financial assets that are not fixed assets			
1) interests in subsidiaries			
2) interests in associated companies	12,852,105		12,852,105
6) other securities			
Total Financial assets that are not fixed assets	12,852,105		12,852,105
IV Cash at bank and on hand:			
1) bank and postal deposits	19,698,942	10,845	19,688,097
2) cheques			
3) cash and equivalents on hand	93,383	14,743	78,640
Total cash and cash equivalents	19,792,325	25,588	19,766,737
Total Current Assets (C)	74,135,681	41,790,103	32,345,578
D)Accrued income and prepaid expenses	231,040	229,127	1,913
TOTAL ASSETS (B+C+D)	350,727,644	204,959,671	145,767,973

Aeroporto di Venezia Marco Polo S.p.a. – (SAVE)
Balance sheet as at 31 December 2005
Amounts in Euro

LIABILITIES	*31.12.05*	*31.12.04*	*DELTA 2005 vs 2004*
A) *Shareholders' equity:*			
I. Share capital	17,985,500	13,000,000	4,985,500
II. Additional paid-in capital	155,324,720		155,324,720
III. Revaluation reserves	6,064,780	6,064,780	
IV. Legal reserve	2,600,000	2,600,000	
VII. Other reserves:			
- Other reserves	38,792,008	37,157,195	1,634,813
- Rounding reserves		-2	2
VIII. Retained earnings (losses)			
IX. Trading profit	9,147,505	7,134,813	2,012,692
Total shareholders' equity(A)	229,914,513	65,956,786	163,957,727
B) *Reserves for risks and costs:*			
2) for deferred taxes	3,530,488	3,876,529	-346,041
3) others	2,151,390	2,284,633	-133,243
4) provisions for renewal of freely transferable assets	5,159,954	4,490,136	669,818
Total provisions for contingencies and charges (B)	10,841,832	10,651,298	190,534
C) *Reserve for employee termination indemnities*	4,817,029	5,042,914	-225,885
D) Payables:			
4) due to banks			
of which: within the year	12,726,225	31,930,891	-19,204,666
of which: outside the year	52,937,500	62,562,500	-9,625,000
6) debits for payments on account		2,586	-2,586
7) trade payables	18,237,086	14,513,638	3,723,448
9) amounts due to subsidiary companies	7,192,293	6,173,547	1,018,746
10) amounts due to associated companies		11,340	-11,340
12) tax liabilities	8,868,637	3,332,557	5,536,080
13) due to social security institutions	1,081,933	967,171	114,762
14) other payables	3,854,159	3,482,611	371,548
Total payables (D)	104,897,833	122,976,841	-18,079,008
E) *Accruals and deferrals*	256,437	331,832	-75,395
TOTAL LIABILITIES (A+B+C+D+E)	350,727,644	204,959,671	145,767,973

Aeroporto di Venezia Marco Polo S.p.a. - (SAVE)
Balance sheet as at 31.12.05
Amounts in Euro

MEMORANDUM ACCOUNTS	*31.12.05*	*31.12.04*	*DELTA 2005 vs 2004*
THIRD PARTY GUARANTEES	35,412,524	37,537,361	-2,124,837
UNDERTAKINGS TO THIRD PARTIES			
a) Undertakings to third parties for work to be performed	5,943,795	8,884,154	-2,940,359
b) undertakings for leasing payments	82,533	226,542	-144,009
c) undertakings to third parties for financial cover	39,000,000	45,531,250	-6,531,250
Total undertakings	45,026,328	54,641,946	-9,615,618
FINANCE AUTHORISED BY THE STATE FOR WORK TO BE CARRIED OUT		1,922,066	-1,922,066
THIRD PARTY LEASING	650,956	650,956	0
TOTAL MEMORANDUM ACCOUNTS	81,089,808	94,752,329	-13,662,521

Aeroporto di Venezia Marco Polo S.p.a. - (SAVE)
Income statement as at 31 December 2005
Amounts in Euro

PROFIT AND LOSS ACCOUNT	2005	2004	Delta
A) (+) Value of production			
1) Revenues from sales and services	72,085,817	72,049,180	36,637
5) Other revenues and incomes	6,482,112	6,481,273	839
Total Value of production (A)	78,567,929	78,530,453	37,476
B)(-) Cost of production:			
6) Costs for raw and ancillary materials, consumables and goods	1,282,246	1,103,814	178,432
7) for services	25,907,720	22,983,046	2,924,674
8) for leases and rentals	3,640,201	3,442,207	197,994
9) For personnel:			
a) wages and salaries	11,626,011	11,410,803	215,208
b) social security charges	3,737,881	3,465,541	272,340
c) Employees' termination benefits	731,324	839,829	(108,505)
d) retirement benefits and similar	11,098	12,075	(977)
e) other costs	162,830	110,730	52,100
Total personnel costs	16,269,144	15,838,978	430,166
10) Amortization, Depreciation and Write-downs			
a) amortization of intangible fixed assets	2,102,653	573,881	1,528,772
b) amortization of tangible fixed assets	11,028,632	11,998,791	(970,159)
c) Other write-downs of fixed assets	562,852		562,852
d) write-down of assets from current assets and cash and cash equivalents	2,680,000	6,875,000	(4,195,000)
Total Amortization and depreciation	16,374,137	19,447,672	(3,073,535)
11) inventory change for raw and ancillary materials, consumables and goods	-22,498	27,005	(49,503)
12) appropriation for risks	767,331	1,819,475	(1,052,144)
13) other appropriation	830,000	825,000	5,000
14) Other operating expenses	686,855	969,398	(282,543)
Total cost of production (B)	65,735,136	66,456,595	(721,459)
Difference between value and cost of production A -B	12,832,793	12,073,858	758,935
C) Financial income and expenses			
15)(+) income from investments:			
a) in subsidiary companies	1,317,939	932,270	385,669
b) in associated companies	43,218	46,620	(3,402)
Total investment income	1,361,157	978,890	382,267
16)(+) Other financial income			
a) from assets entered under fixed assets			
c) from securities in current assets excluding investments		106,739	(106,739)
d) income other than from the above:			
From subsidiaries	98,795	73,053	25,742
From third parties	2,172,139	78,669	2,093,470
Total other financial income	2,270,934	258,461	2,012,473
17)(-) Interest and other financial charges			
a) due to third parties	-3,279,306	-2,873,135	(406.171)
b) due to subsidiary companies	-35.405	-51,533	16,128
17bis) (-)gains and losses on exchange:	-3,253	0	(3,253)
Total Interest and other financial charges	-3,317,964	-2.924,668	(393,296)
Total Financial income and charges (C)	314,127	-1,687,317	2,001,444
D) adjustments to value of financial assets			
18)(+) revaluations:			
a) of investments			
19)(-) write-downs:			
a) of investments	-226,838	-592,811	365,973
c) of investments entered under current assets			
Total adjustments to value of financial assets	-226,838	-592,811	365,973
E) Extraordinary income and expenses			
20)(+) Extraordinary income			
a) income	1,963,846	1,719,965	243,881
b) capital gains from alienation	642,275	938,730	(296,455)
21)(-) Extraordinary expenses:			
a) expenses	-323,199	-553,857	230,658
b) capital losses from alienation			
Total extraordinary income and expenses (E)	2,282,922	2,104,838	178,084
Pre-tax result	15,203,004	11,898,568	3,304,436
(22) (-) income taxes for the year	7,595,628	1,970,229	5,625,399
a) current	-1,540,129	2,793,526	(4,333,655)
b) deferred	6,055,499	4,763,755	1,291,744
Total income taxes			
23) operating profit (Loss) for the year	9,147,505	7,134,813	2,012,692

Supplementary Note (Fair Value Disclosure) to the Annual Financial Statements
at 31 December 2005

SUPPLEMENTARY NOTE TO THE ANNUAL FINANCIAL STATEMENTS AT 31 DECEMBER 2005

FOREWORD

Criteria, accounting standards and evaluation principles used in the Financial Statements.

The Annual Financial Statements are drawn up in compliance with applicable provisions regulating the preparation of financial statements; the valuation criteria adopted comply with the provisions of the Italian Civil Code, supplemented, where necessary, according to the Accounting Standards prescribed by the National Italian Board of Accountants and Tax Advisers and subsequently reviewed by the Organismo Italiano di Contabilità (OIC). The FY report consists of the Balance Sheet, the Profit and Loss Account and of this Explanatory Note; it is further supplemented by the Directors' Management Report.
The criteria applied in this FY are the same as those used to prepare the Financial Statements ending 31 December 2004, as regards evaluations and the continuity of these principles in particular.
It absorbed, as it had done in the 2004 Financial Statements, the Corporate Law Reform which provided for the changes and supplements that follow:

- inclusion of the concept of “economic function” of assets and liabilities in the general principles for drawing up financial statements;
- abrogation of “financial interference” and other tax related items;
- integration of the criteria for converting values expressed in foreign currency.

The items shown in the financial statements were valuated in accordance with the general criteria of prudence and allocation in view of continued company operation, as well as on the basis of the economic function of the asset or liability item considered. Profits were included only if realized by the closing date of the year, whereas risks and losses were included even if learned of at a later date.
Heterogeneous elements included in the individual items of the annual report were evaluated separately. Equity elements of a permanent nature were booked as fixed assets. This Supplementary Note has been drawn up in thousands of Euros unless otherwise specified.

Revaluations
This Group has never performed revaluations other than those provided for by special laws for tangible fixed assets.
By virtue of the aforementioned statement, in FY 2000 and subsequent to the introduction of Italian Law no. 342/2000, the Company performed the monetary revaluation of those assets most representative of the company’s performance. These capital assets were evaluated on the basis of their usefulness in the company’s production process and with specific reference to their current utilisation value. As confirmed by a report presented by a premier consulting and valuation of assets firm which even shows the related residual lifetimes, these values in no way exceed those values that can actually be attributed to the assets at hand and they are fully commensurate to the market values.

Exceptions
No exceptions have been made to the valuation criteria as provided for by laws on annual financial statements during either this financial year or past years.

Assets in concession
The Venice Airport area and the related immovable assets realized are entirely in concession. As a result of this, SAVE ensures active and passive airport services concerning the entire facility and receives all revenues generated by airport activities, plus all proceeds pertaining to the State.
In 2002 the Board of Directors of ENAC decided to extend the concession from 2027 until 2041. The duration of the concession for total management of the Venice Airport until 21 March 2041 was formalized with ENAC through an amendment to the agreement signed at the end of March 2005.

VALUATION CRITERIA
The main accounting principles and valuation criteria adopted are explained as follows:

Intangible fixed assets.
Intangible fixed assets are entered at purchase or production cost, including additional charges, if any. Amounts are net of amortization quotas, systematically calculated on a straight-line basis in relation to the remaining useful life of the asset or capitalized cost.

Category	Amortization period
Formation and expansion costs	5 years
Patents and intellectual property rights Software	3/5 years
Other:	
- Costs for transactions and agreements signed for management of the airport area	Residual duration of the concession
- Various long-term costs	5 years

Formation and expansion expenses are entered in the asset side of the balance sheet at the value of cost incurred and are amortised directly over a period of not more than five years. They mainly refer to the charges relevant to the opening of the new air terminal in 2002; but in greater measure, they refer to the charges incurred for the quotation procedure which led to the Company’s shares becoming admitted to the Milano Stock Exchange in May 2005.
Industrial patents and the use of intellectual property mainly refer to costs for the implementation and personalisation of management software.
Intangible fixed assets defined as “Others” primarily refer to long-term charges for transactions and agreements made in previous periods to manage the area and are amortised on the basis of the duration of concession.
Advertising costs incurred during the accounting period are charged to the profit and loss account for the same period.
In case of a lasting loss of value, the intangible asset is written down; if the reasons for the write-down cease in subsequent periods, the original value is restored.

Tangible fixed assets.
Property accounts are formed of “company-owned assets” and “freely transferable assets”, consisting of plants and machinery subject to concession (runways, buildings, parking lots, roads and related plants).
These are entered at purchase or construction cost, increased as applicable in line with specific monetary revaluation laws. The cost includes additional charges as well as direct and indirect costs for the share reasonably ascribable to the asset.
The costs related to freely transferable assets are adjusted by the capital based grants received

and are represented net of the related accumulated depreciation. These capital-based grants are booked to accounts in accordance with the legal provisions on concessions, and in relation to the progress of works.
Depreciation is determined on a straight-line basis by applying rates to the original net costs according to the economic-technical life of the asset or, if less, the residual duration of the concession.
In relation to the assets freely transferable to balance sheet liabilities, a Renewal Reserve to account for future periodical maintenance charges and expected renewal charges until the time of transfer of the assets is included under provisions for risks and liabilities. The annual allocation to this reserve is made on the basis of technical evaluations prepared by a specialized Company.
Company-owned assets are depreciated in each year on a straight-line basis according to the economic-technical rates calculated in relation to the residual life of the asset.

The rates applied to the main fixed assets are:

	Owned assets	Freely transferable assets
Land, runways, forecourts and roads	1%	Remaining duration of concession (2041)
Light constructions and buildings		10.0% and 4% and residual duration of the concession (2041)
Runway equipment machinery	31.5%	
Operated machinery	10.0%	
Various machinery/other plant	15%	
Heating, cooling, refrigerating and other systems		15.0%
Electrical systems		4% and residual duration of the concession (2041)
Long distance signalling and alarm systems	25,0%	
Other runway equipment		31.5%
Other equipment		20.0% - 30.0%
Aspiration systems		7.5%
Equipment	15.0%	
Workshop equipment	15%	
Sanitary equipment	12.50%	
Vehicles	20.0%	
Electronic machines	20.0%	
Office equipment and furniture	15.0% - 12.0%	

In the event of a lasting loss of value in tangible fixed assets, it is written off; if the reasons for the write-down cease in subsequent periods, the original value is restored.
In order to obtain the tax benefits planned for by the current provisions in force, the Company calculates depreciations when preparing income tax, as allowed by the March 25, 1998

Ministerial Decree.
For the Financial Statements, in observance of the accounting principle on an accrual basis, the related deferred taxes are allocated.
In accounting periods subsequent to the one in which amortisation quotas totally deducted from the business income have reached the fiscally acknowledged cost, ordinary depreciations continue to be entered to the profit and loss account until their sum reaches the depreciation amount of the capital asset. Since these ordinary depreciations are not tax deductible, the deferred tax fund is therefore charged for the taxes related to them.
Costs for routine maintenance and repair are fully charged to the profit and loss account. Incremental items are attributed to the capital goods to which they refer.
Tangible assets acquired through financial leasing contracts are entered among the assets according to the financial method. Tangible fixed assets related to such contracts are entered into the balance sheet assets in the FY in which the equity of redemption was exercised. During the leasing period, the total value of these assets can be viewed from the memorandum account named “Leasehold property”. The effects potentially arising from calculating the leasing according to the financial method are reported in the notes set aside for the memorandum accounts.

Fixed asset investments

Fixed asset investments comprise equity holdings in subsidiaries, in associated companies, and in other companies are evaluated according to the purchase or subscription cost, adjusted as applicable to allow for lasting losses in value. The original value is restored in the accounting period in which the write-down conditions cease to apply.
Fixed asset investments consisting of receivables are disclosed at the relative realization value.
Equity holdings in subsidiaries and in associated companies are recorded as “Current investments”. These equity holdings, not destined to remain part of corporate equity and classified as current assets, are valued at the lower cost that is between the cost of purchase and that of expected realization.

Stocks

Raw materials and consumables are valued at the lower cost between purchase cost (including additional charges) and the commensurate replacement value, calculated on the basis of market trends.
Cost is determined according to the weighted average cost method. The valuation adopted does not significantly differ from current cost values at year-end.

Debtors

Amounts receivable from debtors are disclosed at their expected realization value. Adjustment of their nominal value to the lower realization value is carried out by special direct adjustment provisions.

Investments which are not permanent

Short-term investments in associated companies are entered in this item. These shares, related to a quoted company but not intended to remain part of corporate equity, are valued at the lower cost between the purchase cost and the expected realization value, on the basis of market trends, by also taking into consideration the prices revealed in the period after December 31.

Cash and cash equivalents

The balances of bank and postal current accounts as well as cash in hand are entered at face value.

Prepayments and accrued income

These items include portions of costs and revenues, which apply to two or more accounting periods, in accordance with accrual accounting requirements.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover certain or probable losses or debts, whose times or amounts could not be determined at year-end. The allocations reflect the best possible estimate based on the elements available. Risks for which the relative liability is not certain are listed in the Supplementary Note, with no allocation made.

Provision for severance indemnity

The provision for severance indemnity is allocated to cover the entire liability accrued towards employees at year-end, in compliance with mandatory and labour law requirements. This liability is calculated in line with the period of employment, the category and remuneration of each employee and it is payable upon termination of employment. The indemnity is periodically reappraised according to the cost of living increase.

Creditors

Amounts payable to creditors are disclosed at face value.

Memorandum accounts

Leasehold property is disclosed at face value.

Commitments and risks are stated at nominal value, calculated on the basis of the events that generated them. In particular, "commitments made to third parties for the completion of works" give the residual nominal value of works currently in progress for the State.

For guarantees given, the residual amount at year-end of the debt or other guaranteed liability is disclosed. Commitments consisting of derivative instruments implemented to cover interest rate risk are entered at the notional value calculated on the basis of the supporting contract.

"Contributions granted by the State for work to be performed" represent the residual capital value of the grants to be received for the works to be carried out. Their value is based on decisions approved by the government, net of any amounts already paid out.

Recognizing revenues

Revenues are booked to accounts in line with the prudence and accruals concepts.

Typical revenues, represented by services rendered, are booked to accounts at the time the service is rendered.

Commercial discounts, which directly decrease revenues, are calculated in line with contracts stipulated with airlines and tour operators.

The dividends received are booked to accounts when they are received.

Recognizing costs and expenses

These are booked to accounts on a accruals basis.

Current income taxes

The allocation for income taxes is determined on the basis of an estimate of the prepaid and deferred current fiscal charges, based on applicable tax law, taking into account any applicable benefits.

Prepaid and deferred taxes are determined on the basis of temporary differences between the value attributed to the assets and liabilities of the statutory accounts and the corresponding fiscal value. Amounts receivable for prepaid taxes are entered in the balance sheet under the same name item if there is reasonable certainty of their recovery on the basis of the Company's ability to have continuity in generating positive taxable income.
Liabilities for deferred taxes, allocated to the "Provisions for taxation even if deferred", are recorded in relation to all temporary taxed differences, except when it is unlikely that the debt will be incurred. Therefore no deferred taxes are allocated against tax-exempt equity reserves since their distribution is not expected and no transaction or other operations are planned for which would make them taxable.
The following rates are used to calculate deferred taxes and reflect probable rates on the basis of current legislation:

IRES (corporate income tax) 33.00%
IRAP (regional manufacturing tax) 4.25%

These rates represent the best estimate with regard to the tax burden applicable in the year for liquidating the debt.

Derivatives

To address the risk of changes in interest rates, the company stipulates derivative contracts to cover specific transactions. The interest differentials arising from the contracts are booked on a accruals basis to financial revenues and costs.

Criteria for converting entries into foreign currencies

Receivables and payables originally expressed in foreign currencies are converted to Euro at the exchange rate in force on the date of the relative operations and then converted using the exchange rate at year-end. Unrealised gains originating from the updating of exchange rates are charged to the profit and loss account as interest income and financial charges. Any net profit is set aside in a non-distributable reserve until realization. Exchange rate gains deriving from amounts received or paid in foreign currency are also posted to the profit and loss account as interest income and financial charges.

Other information

As described in the section on "Tangible fixed assets", ever since FY 2002 the Company has based the amortisation and depreciation of assets in concession and the calculation of the freely transferable assets reserves on the 2041 expiry of the concession. Developments, as shown by facts and by administrative deeds, confirm that the Board of Directors made the correct valuation. During the FY, the risk provision was written off for € 335, prudently allocated in the previous years in view of a potential greater cost deriving from the net effect had the duration of the concession been at 2027 instead of 2041.

The Company opted for the national consolidated tax return. These taxes reflect the effects connected to the related agreements with subsidiaries that complied with this taxation form. As a result of this compliance, the accounting period taxes, extraordinary proceeds and tax claims show transferring economic posting and related debts or receivables to the National Tax Authority involving the Consolidating Parent Company.

ANALYSIS OF THE MAIN BALANCE SHEET ITEMS

ASSETS
(Values in Euro/1000)

B) FIXED ASSETS

Intangible and tangible assets and fixed assets investments

amount in total to	31.12.05	€	276,360
	31.12.04	€	162,940
	Var.		113,420

They consist of the following:

Intangible fixed assets

amount to	31.12.05	€	12,468
	31.12.04	€	4,242
	Var.		8,226

Intangible fixed assets are analytically illustrated in Table "A", which lists the historical cost, accumulated and remaining amortisation for each category of capital assets.
The increases for the accounting period consist of costs incurred for becoming quoted on the stock exchange for € 11,136, of which € 1,417 were reclassified from works in progress at 31.12.04; and of costs from capitalization of costs incurred for implementation of the new information system SAP for € 1,331, of which € 931 reclassified from work in progress at 31.12.04.
Amortisations for the year amount to € 2,103.
The Company has completely recognized in the profit and loss account the internal costs incurred for the redefinition of organizational, logistical and administrative processes linked to the development of the new information system which became operational at year-start.
The item “Others” mainly comprises residual costs for:
- the transaction relative to the air terminal, which was booked in 1989 and had a € 372 net residual value at 31 December 2005;
- the agreement with Società Autostrade, booked in 1994, whose net residual value amounts to € 548;
- the transaction with third parties to take possession of an area belonging to the airport land complex, booked in 1999 and whose net residual value amounts to € 333. Amortisation for this transaction however began in 2000, the year the area was actually made available.

Tangible fixed assets

amount to	31.12.05	€	123,002
	31.12.04	€	118,019
	Var.		4,983

Company-owned assets have been kept separate from freely transferable assets, for which a specific category was created as provided for by Art. 2423-c of the Italian Civil Code. Specifically:

	31.12.05	31.12.04	Change
Owned assets (O.A.)	13,370	16,072	-2,703
Assets under construction and advances O.A.	0	1,792	-1,792
Freely transferable assets (F.T.A.)	99,491	93,236	6,255
Assets under construction and advances F.T.A.	10,142	6,919	3,223
Total	123,003	118,019	4,983

The detailed analysis of the budget balances, the related movements and revaluations, and of the depreciation rates applied to the main categories of tangible fixed assets for both freely transferable assets and for Company-owned assets are shown in Table "B", attached to this Explanatory Note.
Company-owned assets in the year show gross investments for a total of € 1,307, of which € 33 for reclassification of works being performed.
These refer to investments in incremental improvements, after the substantial capitalisations of previous periods in connection with the opening of the new air terminal. More specifically, € 313 were used to purchase equipment and plants to expand passenger control passage and for security; € 120 for new advertisement installations; € 232 to purchase new machinery and equipment for runways.
Depreciations accumulated during the year for Company-owned assets amount to € 3,979.
For freely transferable assets, during the year gross investments totalling € 15,805 were made, gross of contributions amounting to € 1,922.
The most significant entries are:

- € 4,344 tender for the "Expansion of the Marco Polo Park"
- € 2,328 tender for the "Renovation of the rest areas"
- € 758 tender for the "Dock Expansion", net of the related grants amounting to € 1,922
- € 1,837 tender for the "Reclamation of runway safety strip drainage ditches"
- € 1,750 for the acquisition of the "Former Linea Sole" building

Depreciation accumulated during the year for freely transferable assets amount to € 7,049.
During the period, furthermore, write offs were performed for a total of € 563 and related to the AVL plants which will no longer be available to nor managed by SAVE S.p.A.
Current fixed assets related to freely transferable assets total in the year gross investments for € 5,017, emphasising the cost accrued for works planned for or in progress at 31 December 2005. At year-end, the value of fixed assets in progress amounts to 10.1 million Euro.

The accounting period movements by single work is reported in Annex B1.

Fixed assets investments amount to	31.12.05	€	140,891
	31.12.04	€	40,679
	Var.		100,211

These refer to equity holdings in subsidiaries, associated companies and in other companies as well as to the different receivables specified below.

These items may be analysed as follows:

Equity holdings amount to		
	31.12.05 €	135,996
	31.12.04 €	38,210
	Var.	97,786

They refer to:

Equity holdings in subsidiaries

	Quota	31/12/05	31/12/04	Change
• Save Engineering S.p.A.	97.0%	501	501	0
• AERTRE S.p.A.	45.0%	725	725	0
• Marco Polo Park S.r.l.	100.0%	716	716	0
• Aerop. Civ.di Padova S.p.A.	60.3%	104	0	104
• Airport Elite S.r.l.	100.0%	80	80	0
• N-AITEC S.r.l.	51.0%	20	0	20
• Save Security S.r.l.	65.0%	65	65	0
• Save International S.A.	99.8%	0	434	-434
• Archimede 1 S.p.A	60.0%	34,041	34,041	0
• Archimede 3 S.p.A	100.0%	73	73	0
• Azienda Agricola Altinia	100.0%	9,314	0	9,314
• Azienda Agricola Cà Bolzan	100.0%	7,160	0	7,160
• Idea 2 S.r.l.	100.0%	18	0	18
Total Subsidiaries		52,817	36,635	16,182

Movements of the entry "Equity holdings in Subsidiaries" is specified in the table that follows:

	Cost 31/12/04	*Increase*	*Decrease*	*Cost 31/12/05*
• Save Engineering S.p.A.	501	0	0	501
• AERTRE S.p.A.	725	0	0	725
• Marco Polo Park S.r.l.	716	0	0	716
• Airport Elite S.r.l.	80	0	0	80
• Save Security S.r.l.	65	0	0	65
• Save International S.A.	499	0	499	0
• Aerop. Civ.di Padova S.p.A.	495	416	0	911
• Archimede 1 S.p.A.	34,041	0	0	34,041
• N-AITEC S.r.l.	363	20	0	383
• Archimede 3 S.p.A.	72	0	0	72
• Azienda Agricola Altinia	0	9,314	0	9,314
• Azienda Agricola Cà Bolzan	0	7,160	0	7,160
• Idea 2 S.r.l.	0	18	0	18
Total Historical Cost	37,557	16,928	499	53,986
• Depreciation reserve	31/12/04	Increase	Decrease	31/12/05
• Depreciation reserve for Padua Airport	495	311	0	806
• Depreciation reserve for SAVE International	65	0	65	0
• Depreciation reserve for N-AITEC Srl	363	0	0	363
Tot. write-down of investments	923	311	65	1,169
Total subsidiaries	36,635	16,617	434	52,817

In particular (see Annex C), the Archimede 1 equity holding, as per the 31 December 2005 financial statements draft approved by Archimede 1 S.p.A.'s own Board of Directors, shows a smaller equity interest than the value recorded in the balance sheet assets for a total of € 2,499.

With the share capital adjusted according to the principles for drafting the consolidated financial statements, the valuation of the equity holding, as per par. 3 and 4 of Art. 2426, shows a negative difference having a book value totalling € 4.5 million. This difference is due to the business start-up phase. More specifically, the associated company Centostazioni S.p.A. is performing and is in part bringing to completion the restructuring of the stations network, on which it holds a 40-year right of use until 2042. As planned for during the acquisition phase, the profits that the associated company Centostazioni S.p.a. started to obtain are, in this phase when surfaces are only utilized in part, lesser than the depreciation of the surplus values paid at the time of the investment purchase and to the financial charges on the debt taken out to acquire it. This difference shall be recovered by the company's future and yet to be expressed profitability, and by its subsidiary Centostazioni S.p.A., specially once restructuring is completed and the stations network becomes fully operational. This much is shown in the plans approved by the administrative bodies of the single companies. Consequently, the lesser value is not to be taken as lasting.

During the year, the purchase of Agricola Altinia S.r.l and of Ca' Bolzan S.r.l, totally controlled companies, was formalized for a total value of € 16,474, whose assets consist in lands adjacent to

the airport's and are preparatory to even guarantee the realization of the work necessary for the development of the airport and of the infrastructures connected to it in medium-long term. This is coherent with the future large traffic flows created by a junction point between the various modes of transportation.
Taking into consideration the important and recurrent loss for the FY reported by the associated company, the historical cost of the equity holding in Aeroporto Civile di Padova S.p.A. was fully written down as of December 2004; furthermore, an amount equal to Save's loss was posted in a risk provision which exceeded the holding's own value by € 165. During the year, SAVE participated pro-quota in underwriting capital increases for € 416. Consequently, the gross value of the equity holding is € 911. The related provision for investment depreciation, after the risk fund reclassification, is equal to € 806 for a net value of € 104.

AERTRE S.p.A. is listed as a subsidiary, pursuant to par. 1 of Article 2359 of the Italian Civil Code, in virtue of the fact that it has sufficient votes to exercise a dominating influence in the ordinary shareholders' meeting and that agreements between shareholders that foresee for the right of SAVE S.p.A. to determine AERTRE's strategies.

During the year, the equity holding in Save International S.A. (renamed First Financial S.A.) was transferred, creating a € 0.6 million capital gain, entered in the extraordinary income components.

Information related to subsidiaries and associated companies, as required by par. 1 and 5 of Article 2427 of the Italian Civil Code, are analytically reported in Annex "C"

Equity holdings in associated companies

	Quota at 31/12/05	31/12/05	31/12/04	Var.
• Nicelli S.p.A.	48.00%	616	696	(80)
• G.A.P. SpA Gestione Aerop.	30.30%	178	178	0
• Venezia Terminal Passeggeri S.p.A.	21.00%	697	697	0
• Gemina S.p.A.	12.03%	81,686	0	81,686
Total Associated		83,177	1,571	81,606

Movements to the entry "Equity holdings in Associated Companies" is specified in the table that follows:

	Cost 31/12/04	*Incr.*	*Decr.*	*Cost 31/12/05*
• Nicelli S.p.A.	1,019	0	0	1,019
• G.A.P. Spa Gest. Aeroportuale	178	0	0	178
• Venezia Terminal Passeggeri S.p.A.	697	0	0	697
• GEMINA	0	81,686	0	81,686
Total Historical Cost	1,894	81,686	0	83,580
• Depreciation provisions Nicelli S.p.A.	-323	-80	0	-403
Total write-down of investments	-323	-80	0	-403
Total Associated	1,571	81,606	0	83,177

During the second semester 2005, as a follow up to special resolutions by the Board of Directors, in several tranches the company purchased into the capital of Gemina S.p.A., a company listed on the

Milano Stock Exchange and owner of the A.D.R. Aeroporti di Roma. The percentage held at 31 December amounts to 12.03% of the capital and the average purchase share price is 2,15 Euro a share. At 31 December 2005, the market price for the shares was lower than the purchase cost; no write off was performed since this loss was not held as lasting as further shown by the shares recovery in early 2006 to values well exceeding the purchase values.

The value of the equity holding in Nicelli S.p.A. further dropped by € 80 following the losses at 31 December 2005 and held as lasting; the historical cost was as a result aligned to the minority interests in pertaining share capital.
For the remaining equity holdings, the book value of the equity holdings seems to be correct; these then ought not to be written down to the value which corresponds to the minority interest in the share capital of Save, if this value is lesser than the book value. This much since the related associated companies have some undeclared surplus in their respective financial statements which justify the single differences.

Equity holdings in other companies

	31/12/05	31/12/04	Var.
• Consorzio SIVE Formazione	2	2	0
• Consorzio CONAI	0.1	0.1	0
• Consorzio Four Seasons	0	0	0
• Consorzio Portualità Intermodale	0	1	-1
Total other companies	2	3	-1

The equity holding in the Consorzio Portualità Intermodale was written off due to waiver on the part of SAVE S.p.A. on 30.03.2005.

Other debtors amount to	31.12.05	€	4,894
	31.12.04	€	2,469
	Var.		2,425

Non-current receivables at 31 December 2005 refer to loans granted to subsidiaries: € 2.383 to Archimede 3 and € 2.500 to Cà Bolzan; and they also refer to € 10 for security deposits on utilities, radio link license fees (PP.TT.) and deposits on lease contracts.
During the year, there has been a variation diminishing by € 30, due to the loan discharge to the Aeroporto Civile di Padova Subsidiary; the loan was destined for this company recapitalization in the year.

CURRENT ASSETS

Current assets, overall, amounts to a amount to	31.12.05	€	74,136
	31.12.04	€	41,790
	Var.		32,346

The value consists of the sum of property, plants and equipment, that of trade debtors net of the related allowances for bad debts, and that of cash and cash equivalents.
These items may be analysed as follows:

Property, plants and equipment
Raw materials and consumable stores stocks

amount to	31.12.05	€	725
	31.12.04	€	703
	Var.		22

These mainly consist of electrical materials stocks for runways and buildings, consumable stores used in routine maintenance and of stocks of products for heating and for de-icing aircrafts.

Other debtors

amount to	31.12.05	€	40,766
	31.12.04	€	41,062
	Var.		-296

Aggregates receivables are made up as follows:

Trade debtors

amount to	31.12.05	€	20,092
	31.12.04	€	21,638
	Var.		-1,546

The analysis is this:

	31/12/05	31/12/04
Domestic customers	28,107	28,191
Foreign customers	1,518	1,145
Total gross trade receivables	29,625	29,336
Provision for receivables	(9,533)	(7,698)
Total net trade receivables	20,092	21,638

Below is the breakdown of receivables by date of collection within and after 12 months:

	31/12/05	31/12/04
Customers collectable within the year	29,625	29,336
Provision for receivables	(9,533)	(7,698)
Total net trade receivables	20,092	21,638

Trade debtors at 31 December 2005 amount to € 20.092 net of the provision for bad debts which amounts to € 9.533, essentially stable compared to previous year's value.
The reduction of receivables continued during the year toward a principle customer as a result of a debt workout agreement signed in the last quarter of 2004. This customer has continued to honour the quarterly payments for arrears related to the sale of runway vehicles in December 2002.
Save S.p.A. is utilizing guarantee measures planned for by the 2004 Agreement in order to safeguard itself against delays in some arrears planned for in the same Agreement.

Gross trade debtors include balances towards the Volare Group which, net of indebtednesses, are fully written down in the provision for bad debts for € 5,7 millions. During the year, Volare made one payment to reduce SAVE S.p.A. receivables amounting to € 842. This occurred as a result of a complex transaction agreement involving Volare, SAVE and a leasing company. This agreement became possible according to Law no. 324/1976. By considering aircraft leasing companies and the carrier as joint debtors for debts related to airport rights and taxes, this law supplied the legal tools to start and conclude the transaction. Similar agreements were signed by other airport companies.
The Company submitted proof of debt in the bankruptcy of the Volare Group, currently in receivership of large companies in crisis. The final stages of the receivership rejected the request for admission as a secured debt; they were admitted as unsecured debts.
Furthermore, another important customer has continued to make regular monthly payments for the quotas of a debt workout plan, signed in May 2004 and ended in July 2005. All due dates were honoured.

Regarding the most significant credit balances due from the three customers mentioned, it is deemed that, following the credit recovery actions taken, even if legal to safeguard the debt, and according to information now available and supported by the legal team, the value indicated, net of provisions and of any warranties even if guarantees, reflects the estimated realization value.

The provision for bad debt amounts to € 9.533 for the entire coverage of amounts due (net) from customers in bankruptcy, including the receivership of large Volare Group businesses in crisis as well as in relation to remaining global risk, taking into account the analysis of specific positions as well as an evaluation of the age of the receivables. This is in line with previously adopted evaluation principles.
With the support of the company's attorneys, it is not deemed necessary to make provisions to cover the risk of any challenges to antecedent transactions by receivers, given that this risk is considered possible but not probable as was taken into consideration in the 2004 Financial Statements.
As a safeguard measure for receivables, in potential risk situations the companies require from their customer the advance payment for services rendered followed by a strong reminder of collection policy by even using available legal tools such as the injunction to pay.

The movement of the provision for bad debts during the year is:

Provision for receivables	Art.71	Taxed	Interest on arrears	Total
Fund as at 31.12.04	159	7,537	2	7,698
Utilizations for losses/gains	-1	-842	-2	-845
Provisions	133	2,547	0	2,680
Fund as at 31.12.05	291	9,242	0	9,533

Amounts owed by subsidiary companies

amount to	31.12.05	€	6,167
	31.12.04	€	7,410
	Var.		-1,243

Tax receivables amount to € 1.230, of which € 1.152 are related to, for 2004 and 2005, the National Consolidated Tax (CNM) effects, as pointed out in other sections of this Explanatory Note, and € 78 as a result of having participated in group VAT liquidation.

The Company manages an intra-company current account which benefits some subsidiary companies in a centralised treasury, by daily writing off the related balance towards the subsidiaries' own banks. Balances at 31 December 2005 are chargeable to the controlling company.

Financial receivables arise from having disbursed a first tranche of loans to the Aer Tre S.p.A subsidiary for € 2.000; these have decreased by € 1.425 for a reimbursement made by Save International S.A. in concomitance with the sale of the equity holding.

The remaining receivables are commercial in nature.

Amounts owed by associated companies

amount to	31.12.05	€	125
	31.12.04	€	15
	Var.		110

These consist of receivables towards Centostazioni S.p.A. for services rendered according to the management services contract for € 83; and, for the residual amount by receivables towards Nicelli S.p.A.

Tax receivables

amount to	31.12.05	€	1,847
	31.12.04	€	1,185
	Var.		662

The breakdown of the tax receivables is as follows:

	31/12/05	31/12/04	Var.
• From Tax Authority for refunds VAT 3rd Quarter 2005	1,144		1,144
• From Tax Authority for VAT	622	277	345
• From Tax Authority for Employee Termination Benefit advances	72	166	-94
• Other receivables	9	742	-733
Total receivables from Tax Authority	1,847	1,185	662

Receivables towards the Tax Authority falling due in more than 12 months amounts to € 72.

Receivables for prepaid taxes amount to	31.12.05	€	3,854
	31.12.04	€	2,660
	Var.		1,194

Receivables falling due in more than 12 months for prepaid taxes total € 3,136.

The criteria used to calculate said receivables are described in the introduction to this Note.

Movements in receivables for prepaid taxes are shown below:

IRES (tax rate 33%)

	31 December 04					*31 December 05*		
		tax effect					tax effect	
	Taxable	Rate	Amount	Utilizations	Increases	Taxable	Rate	Amount
Deferred tax assets					0			
Provisions for liabilities and charges	(1,714)	33.00%	(566)	250.	(480)	(1,944)	33.00 %	(642)
Provisions for liabilities and charges	(2,968)	33.00%	(979)	589	(1,680)	(4,058)	33.00 %	(1,339)
Provision for write-down of tax credits	(961)	33.00%	(317)		(2,547)	(3,509)	33.00 %	(1,158)
Write-down of investments	(1,060)	33.00%	(350)	353		(707)	33.00 %	(233)
Write-down of inventory	(190)	33.00%	(63)	-	0	(190)	33.00 %	(63)
Employee premiums	(351)	33.00%	(116)	350	(364)	(364)	33.00 %	(120)
Taxes deductible for cash	0	33.00%	0		(4)	(4)	33.00 %	(1)
Maintenance exceeding 5%	(246)	33.00%	(81)	164		(82)	33.00 %	(27)
Unpaid directors' fees		33.00%	0		(18)	(18)	33.00 %	(6)
Contributions – donations services		33.00%	0		(87)	(87)	33.00 %	(29)
Representation costs	(96)	33.00%	(32)	40	(20)	(75)	33.00 %	(25)
Gifts > 50,000	(20)	33.00%	(7)	8	(8)	(21)	33.00 %	(7)
Total deferred tax assets	(7,607)		(2,510)			(11,058)		(3,649)

IRAP (tax rate 4,25%)

	31 December 2004					*31 December 2005*		
		Tax effect					Tax effect	
	Taxable	Rate	Amount	Utilizations	Increases	Taxable	Rate	Amount
Deferred tax assets					0			
Provisions for liabilities and charges	(2,968)	4.25%	(126)	589	(1,999)	(4,377)	4.25%	(186)
Write-down of inventory	(190)	4.25%	(8)	-	0	(190)	4.25%	(8)
Taxes deductible for cash	0	4.25%	0		(4)	(4)	4.25%	(0)
Maintenance exceeding 5%	(246)	4.25%	(10)	164	0	(82)	4.25%	(3)
Unpaid directors' fees		4.25%	0		(7)	(7)	4.25%	(0)
Contributions – donations services		4.25%	0		(62)	(62)	4.25%	(3)
Representation costs	(96)	4.25%	(4)	40	(20)	(75)	4.25%	(3)
Gifts > 50,000	(20)	4.25%	(1)	8	(8)	(21)	4.25%	(1)
Total deferred tax assets	(3,521)		(150)			(4,818)		(205)

	IRES		IRAP		TOTAL
BALANCE AS AT 31-12-04	-2,510		-150		-2,660
Deferred tax assets relating to previous years	-		-		-
Deferred tax assets arising in 2005	-1,719		-89		-1,808
Deferred tax assets cancelled in 2005	580		34		614
BALANCE AS AT 31.12.05	-3,649		-205		-3,854

The increase mainly relates to prepaid taxes on taxed provisions.
The important differences that led to recording receivables as prepaid taxes mainly regard taxed provisions (renewal reserve freely transferable assets, provision for risks and charges, provision for bad debt, provision for investments depreciation) amounting to € 3.372.

Other debtors

amount to	31.12.05	€	8,680
	31.12.04	€	8,154
	Var.		526

The analysis is this:

	31/12/05	31/12/04
• From ENAC for contributions	7,410	5,488
• From suppliers for advances	729	2,417
• From Social Security Institutions	112	131
• From Employees	4	3
• Various accounts receivable	395	115
• Receivable from other Group companies	30	0
Total third party receivables	8,680	8,154

Receivables due from ENAC for loans can be broken down by project as follows

	31/12/05	31/12/04
• New air terminal	3,682	3,682
• New goods building	92	92
• New E2 electric Cabin	1,714	1,714
• Expansion of dock	1,922	0
Total receivables from E.N.A.C.	7,410	5,488

During the accounting period, the following changes were recorded in receivables from E.N.A.C. for loans:

Balance at 31.12.04	5,488
Amounts earned in the course of 2005	1,922
Balance at 31.12.05	7,410

Receivables from suppliers for advances amounting to € 729, of which € 438 refer to advances for ongoing legal fees.

Securities

12/2005	12,852
12/2004	0
Variation	12,852

Cash and cash equivalents

amount to	31.12.05	€	19,792
	31.12.04	€	26
	Var.		19,766

The balance of cash equivalents mainly consists of balance in hand arising from the process of becoming quotation on the stock exchange. Liquidity is managed with a profit earning capacity that allows to optimise the cost of money.

Deferred charges and Accrued income

amount to	31.12.05	€	231
	31.12.04	€	229
	Var.		2

They are subdivided as follows:

	31/12/05	31/12/04
• Accrued interest income	86	0
• Prepaid insurance	40	32
• Prepayments on leasing charges and others	104	197
• Prepaid tax	1	0
Total Accrued income and prepaid expenses	231	229

Accrued income substantially consists of interests receivables from companies within the group due in relation to the centralized treasury management.
Deferred charges substantially consist of insurance quotas, leasing fees and other costs, amount of which was calculated taking into consideration of the actual duration of the contract.

LIABILITIES
(Values in Euro/1000)

A) CAPITAL AND RESERVES

Capital

amounts to	31.12.05	€	229,915
	31.12.04	€	65,957
	Var.		163,958

Share capital equals € 17.985,5 and consists of 27.670.000 shares with a face value of 0,65 Euro; it is fully paid-up.
Movements of the capital items are briefly reported in Table “E” of this Supplementary Note.
On 25 May 2005, company shares were listed on the Milano Stock Exchange. At the end of the stock exchange quotation process, through a public offer, 7,670,000 new shares were issued increasing the share capital by € 4.985,5 going from 20,000 thousand to 27,670 thousand shares.

Capital consists of the following:

Share capital

amounts to	31.12.05	€	17,985
	31.12.04	€	13,000
	Var.		4,985

Share premium reserve

amounts to	31.12.05	€	155,325
	31.12.04	€	0
	Var.		155,325

It is the premium acknowledged and paid for following the public offer mentioned earlier. More specifically, 6,464 thousand shares were issued at the price of € 21 whereas 1,206 thousand shares were issued to employees or residents of the Region of Veneto at the price of €20,37 after the 3% discount reserved to them was applied.

Legal reserve

amounts to	31.12.05	€	2,600
	31.12.04	€	2,600
	Var.		0

At 31 December 2004, the legal reserve reached the limit whereby profit distribution was restricted. When capital increases, it will need to be increased as well.

Revaluation reserve amounts to	31.12.05	€	6,065
	31.12.04	€	6,065
	Var.		0

This was established in FY 1991 for € 15,4 pursuant to Law no. 413/91 and for € 6.049 in FY 2000 pursuant to Law no. 342/2000.

Other reserves amount to	31.12.05	€	38,792
	31.12.04	€	37,157
	Var.		1,635

Balance consists of the following:

	31/12/05	31/12/04	Var.
• Special reserve	30,671	29,036	1,635
• Available earnings reserve	8,121	8,121	0
Total Other Reserves	38,792	37,157	1,635

Increases in the Extraordinary Reserve were generated by the allocation of operating profits.

Net profit amounts to	31.12.05	€	9,148
	31.12.04	€	7,135
	Var.		2,013

B) PROVISIONS FOR RISKS AND CHARGES

amount to	31.12.05	€	10,842
	31.12.04	€	10,651
	Var.		191

They consist of the following:

Deferred tax provisions amount to	31.12.05	€	3,530
	31.12.04	€	3,876
	Var.	€	-346

The criteria used to book provisions for deferred taxation are given in the introduction to this Supplementary Note.

The breakdown of movements in the provisions for deferred taxation, is as follows:

IRES (tax rate 33%)								
	31 December 04				*31 December 05*			
	Tax effect				Tax effect			
	Taxable	Rate	Amount	Utilizations	Increases	Taxable	Rate	Amount
Advanced amortizations in EC framework	8,193	33%	2,704	(1,817)	1,418	7,794	33%	2,572
Advanced unpaid amortizations	-	33%	0	0		-	33%	-
Financial amortizations	1,118	33%	369	(18)		1,100	33%	363
Capital gains tax in several years	1,096	33%	362	(512)		584	33%	193
Total deferred taxes	10,407		3,434			9,478		3,128
IRAP (tax rate 4.25%)								
	31 December 04				*31 December 05*			
	Tax effect				Tax effect			
	taxable	rate	Amount	utilizations	increases	taxable	rate	amount
Advanced amortizations in EC framework	8,193	4.25%	348	(1,817)	1,418	7,794	4.25%	331
Advanced unpaid amortizations		4.25%	0			-	4.25%	-
Financial amortizations	1,118	4.25%	48	(18)		1,100	4.25%	47
Capital gains tax in several years	1,096	4.25%	47	(512)		584	4.25%	25
Total deferred taxes	10,407		442			9,478		403

	IRES	IRAP	TOTAL
BALANCE AS AT 31.12.04	3,434	442	3,877
Deferred tax assets relating to previous years	-	-	-
Deferred tax assets arising in 2005	468	60	528
Deferred tax assets cancelled in 2005	-775	- 100	- 874
BALANCE AS AT 31.12.05	3,128	403	3,530

The specific events that led to entering deferred taxes relate mainly to the accelerated depreciation booked by the Company in compiling its relative tax returns, and to the tax paid in instalments on capital gains realised in previous periods.
In particular, the parent company took advantage of the right to charge depreciation only in its tax declaration resulting in deferred taxes of about € 3,3 millions.

Other provisions amount to	31.12.05	€	7,311
	31.12.04	€	6,775
	Var.		536

They consist of:

Provision for future Risks and Charges amount to	31.12.05	€	2,151
	31.12.04	€	2,285
	Var.		-134

This item comprises allocations to cover potential liabilities chargeable to group companies. The reserves are deemed sufficient to cover risks arising from legal action and disputes of any kind with the group as plaintiff or defendant, according to a reasonable estimate based on available information by legal advisers and by debts being settled.

More specifically, the reserves underwent these movements:

Balance at 31.12.04	2,285
Utilizations and transfers	-736
Reclassifications	-164
Provisions	767
Balance at 31.12.05	2,151

- Profits in the year derive: for € 250 from using the reserve in relation to the renewal of the National Labour Legislation (CCNL) contract during the second half of 2005; for € 335 from the provision the Parent Company had prudentially made, equalling the value of the possible net effect of assets in concession on the depreciation provision and on the freely transferable assets reserve at 31 December 2004 had the duration expiry been 2007; events in 2005 confirmed 2041 as the concession expiry date; for € 94 from using provisions for legal fees for services concluded during the year; and for € 57 from using the sum allocated against losses suffered by the N-Airtech company in the previous year.
- Reclassification amounting to € 164 is solely due to having transferred the provision for depreciation in relation to the equity holding in the Aeroporto di Padova, in direct decrease of the equity holding value, since during the first semester of the current year we recapitalised the Aeroporto di Padova for the due share.
- During the year, provisions were made for € 767 related to potential liabilities, for existing legal disputes, for risks of disputes with suppliers or customers and for legal consulting fees regarding issues still open at 31 December 2005.

As of 31 December 2005, the reserve mainly consists of:
- € 1,991 for potential risks of pending contractual or commercial transactions and agreements and lawsuits, with relative costs.
- € 160 for demolition costs, determined according to an expert's assessment carried out by a specialised firm, which shall be incurred in the next accounting periods in relation to the implementation of planned investments.

The most significant disputes in progress, for which there exists a situation of possible liability but, upon legal advice, no specific provisions have been recorded, are:
- With regards to the impugnments individually promoted, before the Civil Tribunal of Venice as well as before the TAR Veneto (Regional Administrative Court), by the shareholder(s) Municipality of Venice and Province of Venice against the Save 3 August 2004 Shareholders Meeting and its deliberation on increasing the share capital for

quotation on the stock market purposes, be informed that nothing has substantially changed compared to the report stated in the Financial Statement that ended on 31.12.2004. The next hearing is scheduled for 19 April 2006.

- With regards to the impugnments individually promoted, before the Civil Tribunal of Venice, by the shareholder(s) Municipality of Venice and Province of Venice against the Save 3 May 2004 Shareholders Meeting and its deliberation to approve the Financial Statement that ended 31 December 2003, be informed that nothing has substantially changed compared to the report stated in the Financial Statement that ended on 31.12.2004. The next hearing is scheduled for 20 April 2006.

In 2004 two injunctions were requested to protect the company's receivables and both were granted by the Tribunal of Venice. The judge ordered the preliminary implementation of the rulings and the legal procedure is still in progress.

Provisions for renewal of freely transferable assets amount to	31.12.05	€	5,160
	31.12.04	€	4,490
	Var.		670

This represents the reserve necessary for the maintenance and renovation of the freely transferable assets entered in the balance sheet; these must be transferred to the National Government in perfect operating condition upon expiry of the Group's airport concession.
The Renewal Reserve for the Venice airport complex is made up of the appropriate rate of depreciation accumulated over the years prior to 31 December 1996, and is annually added to during each accounting period based on a technical assessment of the estimated future costs for periodic maintenance needed to keep the goods in proper working order, as they must be transferred without consideration upon expiration of the license in 2041. The reserve is used to cover all maintenance carried out during the accounting period.

During the fiscal year the reserve was increased by € 830 by allocating the share relevant to the year, which was calculated on the basis of a specific expert's assessment prepared by an outside firm. At the same time it was used for € 160, which correspond to the amount for the periodic maintenances made in the year.

PROVISION FOR SEVERANCE INDEMNITY

amount to	31.12.05	€	4,817
	31.12.04	€	5,043
	Var.		-226

In the year, transactions involving the severance indemnity reserve (expressed in thousands of Euro) were as follows:

Fund as at 31.12.04	5,043
• Reclassified	(10)
• Transferred	(64)
• Paid in the period	(108)
• Advances granted	(850)

• under Art.. 11 Leg. Decree 47/2000	(13)
• Utilization for additional management	(61)
• Provisions	880
Fund as at 31.12.05	4,817

Provision concerns the amount accrued in the period comprising the revaluation of the reserve at 31 December 2004, whereas the utilisation refers to advances paid and disposals occurring during the period. The reserve is stated net of prepaid taxes provided for by Leg. Decree 47/2000.
Basically, advance payments granted relate to the opportunity given to employees to subscribe the share capital through the IPO by using the severance indemnity fund.

D) DEBITS

amount to	31.12.05	€	104,898
	31.12.04	€	122,977
	Var.		-18,079

They consist of the following:

Due to banks

amount to	31.12.05	€	65,664
	31.12.04	€	94,493
	Var.		-28,829

Amounts owed to banks within 12 months totals € 12,726, € 3,003 of which refer to medium-long term loans repayable in the next 12 months. In particular, € 9.7 (millions) refer to the first two repayment instalments of a loan taken out in 2002 and falling due in June and December 2006.
As of 31 December 2005, the company had lines of credit usable for € 72.2 millions.
The portion of medium-long term bank loans due after 12 months amount to € 52.9 millions and refer to a loan taken out on 14 December 2002 at a variable rate. It involves a 2 year pre-amortisation period, it has an amortisation period in 16 semester rates, and falls due in 2012. Of these € 52.9 millions, € 14.4 millions will fall due after the fifth year.
To optimise loan costs, during fiscal year 2003, we hedged "interest rate risk" against a possible increase in loans through non-speculative Interest Rate Swap (IRS) operations for a total amount of € 23 million and with 3.90% hedging rate. After 30 June 2004, we blocked the rate in July for an additional € 25 million with a similar non-speculative IRS operation with 3.60% hedging rate. To today's date, the residual value of the loan subject to hedging is € 67.4 millions. On the basis of the amortisation plan, the IRS hedging refers to 62% of the residual capital portion.

Medium to long-term bank loans can be divided up by the calendar year the relative amounts fall due on:

2006	9,625
2007	9,625
2008	9,625
2009	9,625
2010	9,625
2011	9,625
2012	4,812
Total medium-long term loans due to banks	62,562

Trade advances received amount to	31.12.05	€	0
	31.12.04	€	3
	Var.		-3

No trade advances were paid at the date of December 31.

Due to suppliers amount to	31.12.05	€	18,237
	31.12.04	€	14,514
	Var.		3,723

Specifically, the debts are broken down as follows:

	31/12/05	31/12/04	%
• Italian suppliers	17,343	14,264	3,079
• Foreign suppliers	894	250	644
Total	18,237	14,514	3,723

The increase of debts towards suppliers is mainly due to the progress status of works being completed for investments on airport lands and related to expanding the dock, the Marco Polo Park parking as well as other expansions, as best detailed in Annex B1 Table named "Table of transactions involving intangible fixed assets."

Due to Subsidiaries amount to	31.12.05	€	7,192
	31.12.04	€	6,174
	Var.		1,018

These refer for €5,538 to financial debts from having begun "cash pooling" management among the group's companies; they also refer to tax debts for € 60; and, for € 1,594 to commercial debts.

Due to associated companies

amount to	31.12.05	€	0
	31.12.04	€	11
	Var.		-11

Tax payables

amount to	31.12.05	€	8,869
	31.12.04	€	3,333
	Var.		5,536

The debt is made up as follows:

	31/12/05	31/12/04
• Due to Tax Authority for IRES and IRAP	5,307	0
• Due to Tax Authority for airport concession charge	2,651	2,604
• Due to Tax Authority for employee IRPEF	385	416
• Noise tax AAMM DPR 434/93	2	2
• Due to Tax Authority for embarkation rights (Law 350/03)	378	182
• Due to Tax Authority for independent workers	146	129
Total	8,869	3,333

The item “tax payables” includes taxes for this fiscal year, for € 5.307. The € 5,052 tax for IRES includes the debt transferred by the companies which participate with Save S.p.A. in the National Income Tax return for a total of € 773. The latter amount is comparable with the receivables that the Parent Company is owed by the subsidiaries.
This item also includes the debt owed to the Ministry of Finance for the airport concession fee for € 2,651, of which € 1,722 refers to the current year’s debt and € 929 to the leasing balance for the previous year.
The debt increase to the Local Tax Authority for passengers boarding rights as per Law no. 350/2003 is due to this local tax’s own increase from € 1 to € 2, starting from 2 April of the current year.

Due to social security institutions

amount to	31.12.05	€	1,082
	31.12.04	€	967
	Var.		115

Specifically, they are made up as follows:

	31/12/05	31/12/04
• INPS	434	417
• Social sec. charges on deferred pay	540	438
• INPDAP	75	75
• INPDAI/FASI/PREVINDAI	0	19
• Additional Pension Fund management	24	18
• INAIL	9	0
Total	1,082	967

The balance is in line with the debt at 31.12.2004

Other payables

amount to	31.12.05	€	3,854
	31.12.04	€	3,483
	Var.		371

Specifically, they are made up as follows:

	31/12/05	31/12/04
• To personnel for deferred payments	736	705
• To personnel for holidays not taken	532	504
• To personnel for extra months' salaries	302	283
• To carriers (ticket office)	158	199
• To others	1,734	1,503
• Trade payables	392	289
Total other payables	3,854	3,483

The item debt to others includes the debt towards partners for dividends issued with reference to the Financial Statements at 31.12.2003 and repaid by a partner for an amount equal to € 1.2 (millions) during the month of July 2004.

E) ACCRUED EXPENSES AND ACCRUED LIABILITIES

amount to	31.12.05	€	256
	31.12.04	€	332
	Var.		-76

Deferred income towards others amount to € 212; of these, € 103 refer to grants by the Veneto Region (deliberation 3569/2000 Law no. 47/95) to monitor aircraft noise in the airport lands; and, € 109 for deferred charges due in the next 12 months.

MEMORANDUM ACCOUNTS

amount to	31.12.05	€	81,090
	31.12.04	€	94,752
	Var.		(13,662)

Memorandum accounts can be broken down as follows:

	31/12/05	31/12/04
Third party guarantees	35,413	37,537
• Undertakings to third parties for work to be performed	5,943	8,884
• b) undertakings for leasing payments	83	227
• c) undertakings to third parties for financial cover	39,000	45,531
Undertakings to third parties:	80,439	92,179
Finance authorised by the State for work to be carried out	0	1,922
Third party leasing	651	650
TOTAL	81,090	94,752

The "Guarantees given to third parties" consist primarily of:

- € 8.5 millions for a letter of patronage in favour of a leasing company guaranteeing the correct fulfilment by Marco Polo Park S.r.l. of the obligations deriving from the leasing contract stipulated by this subsidiary in 2001 and related to the financial leasing for a multilevel parking structure;
- € 25.9 millions for a surety bond guaranteeing the medium-long term loan granted to the Archimede 1 S.p.A. subsidiary to acquire 40% of Centostazioni S.p.A.; each partner guarantees in proportion to the his/her shares in Archimede 1.
- € 965 for surety bonds, of which € 937 for surety bonds issued to the VAT office for VAT already or to be received.

"Commitments for leasing fees" represent the maturing rates related to leasing contracts still in being on the date the financial statements are closed.

"Commitments undertaken toward third parties to cover loans" refer to the nominal value of that part of the loan object of the coverage on interest rate risk through the "IRS" instrument and, they do not identify potential liability. The mark to market at year-end shows capital losses of € 1,196 (€ 801 net of the fiscal effect).

"Leasehold property" includes the property value object of financial leasing contracts.

If these had been calculated according to the financial method planned for by IAS 17 and by the standard in force as interpreted by the OIC, the effects on the capital and on the Company status at 31 December 2005 would be:

• Value of leased assets net of provisions	417
• Implied debt to the lessor	
o Within the year	92
o After the year	30
• Financial costs incurred	12
• Amortized share	66
• Fees	144
• Effect on the result gross of the tax effect	66
• Effect on the result net of the tax effect	44
• Effect on the shareholders' equity gross of the tax effect	251
• Effect on the shareholders' equity net of the tax effect	168

PROFIT AND LOSS ACCOUNT
(Values in Euro/1000)

Given below are comments on the main items of the profit and loss account for the year ended 31 December 2005, compared with those of 2004.

A) VALUE OF PRODUCTION

amounts to	2005	€	78,568
	2004	€	78,530
	Var.		38

The items that follow provide details:

(Thousands of Euro)	2004	Incr.%	2005	Incr.%	Change	Change %
PRODUCTION VALUE						
Aeronautical	48,913	62.3%	48,314	61.5%	(599)	(1.2%)
Sales and Marketing	16,728	21.3%	17.385	22.1%	656	3.9%
Advertising	1.225	1.6%	1.550	2.0%	325	26.5%
Ticket office	810	1.0%	858	1.1%	48	6.0%
Cargo Movement Storage	3,659	4.7%	3.477	4.4%	(182)	(5.0%)
Handling	714	0.9%	502	0.6%	(212)	(29.6%)
Total Revenues from sales and services	72,049	91.7%	72,086	91.7%	37	0.1%
Other revenue	6,481	8.3%	6,482	8.3%	1	0.0%
Total Value of production	78,530	100%	78,568	100%	38	0%

Revenues from sales and services

amount to	2005	€	72,086
	2004	€	72,049
	Var.		37

Revenues show a slight fluctuation of passengers with regards to standard management and transport of passengers.
There seems to be instead a greater capacity of commercial penetration in the traffic flows at the air terminal which determines an increase of revenues by sub-concessions for commercial activities.

Other revenues and proceeds

amount to	2005	€	6,482
	2004	€	6,481
	Var.		1

Specifically, they are made up as follows:

(Thousands of Euro)	2004	Incr. %	2005	Incr.%	Changes	Change %
VARIOUS REVENUES						
Recovery of Costs	3,581	55.3%	3,665	56.5%	84	2.4%
Professional services	1.384	21.4%	1.299	20.0%	(85)	(6.1%)
Various income	1,050	16.2%	269	4.2%	(781)	(74.4%)
Capital gain from asset disposal	150	2.3%	8	0.1%	(142)	(94.5%)
Out-of-period income	282	4.4%	885	13.7%	603	213.8%
Use of provisions / future charges	34	0.5%	355	5.5%	321	945.0%
Total	6,481	100%	6,482	100%	1	0,0%

The item "Credit Recovery" refers to the reassignment of that incurred by SAVE for infrastructure management and to the proportional reassignment of that to lessee.
Revenues for professional services refer to charges made to companies within the Group to which SAVE S.p.A. provided managerial and coordinating services.
Contingent assets amount to € 885. Of these, € 842 were due to the recovery, during the first semester 2005, of the credit towards the Volare Airlines Company, which (credit) was fully covered by a special provision made the previous year to the credit risk fund. For any further proof, see the related comment.
The provision usage amounts to € 355 of which € 335 refer to the risk provision write-off related to the potential greater net cost due to greater depreciations, had the duration of the concession been up to 2027 instead of 2041. Subsequent events confirmed the Company's correct interpretation of the concession expiry to be the year 2041.
The Value of Production includes proceeds mainly deriving either from business relations with or from services to subsidiaries, as specified below:

	2005	*2004*	*Change*
• Marco Polo Park S.r.l.	3,731	3,943	-212
• Airport Elite S.r.l.	4,544	4,290	254
• Save Engineering S.p.A.	217	330	-113
• AERTRE S.p.A.	207	190	17
• N-AITEC S.r.l.	43	27	16
• Aeroporto Civile di Padova S.p.A.	30	28	2
• Save Security S.r.l.	468	453	15
• Archimede 1 S.r.l.	9	4	5
• Archimede 2 S.r.l.	30	19	11
Total revenues from subsidiary companies	9,279	9,284	-5

B) PRODUCTION COSTS

Amount to	2005	€	65,735
	2004	€	66,457
	Var.		-722

The Cost of Production includes costs deriving from business relations with subsidiaries, as specified below:

	2005	*2004*	*Change*
• Save Engineering S.p.A.	10	297	-287
• Airport Elite S.r.l.	844	842	2
• Marco Polo Park S.r.l.	78	133	-55
• N-AITEC S.r.l.	196	55	141
• Save Security S.r.l.	5,250	4,700	550
Total costs for subsidiary companies	6,378	6,027	351

Costs towards Save Security increased in comparison to the previous year due to the greater activity it performed, in part to apply stricter security measures to safeguard the Airport and its passengers.

Costs of production are provided in detail in the entries that follow:

Raw materials, consumable stores and goods

Amount to	2005	€	1,282
	2004	€	1,104
	Var.		178

Specifically, they are subdivided as follows:

	2005	*2004*	*Change*
• Material for resale	25	0	25
• Uniforms	12	20	-8
• Heating/autotraction fuel	309	290	19
• Various consumables and maintenance	936	794	142
Total costs for raw materials	1,282	1,104	178

Costs are in line with those from the previous year.

Costs for services

amounts to	2005	€	25,908
	2004	€	22,983
	Var.		2,925

This item consists of:

	2005	*2004*	*Change*
• Industrial Services	17,966	17,124	842
• General Services	3,970	3,863	107
• Commercial Services	3,972	1,996	1,976
Total costs for services	25,908	22,983	2,925

More specifically, costs for industrial services consist as follows:

INDUSTRIAL SERVICES	*2005*	*2004*	*Change*
• Cleaning	2,433	2,586	-153
• Ordinary maintenance	3,590	3,251	339
• Airport security	5,250	4,700	550
• Miscellaneous utilities	3,220	2,960	260
• Company canteen	363	381	-18
• Data transmission	563	619	-56
• Other industrial costs	485	578	-93
• Technical and sundry professional services	415	560	-145
• General industrial services	1,647	1,489	158
Total Industrial Services	17,966	17,124	842

The main variances compared to the previous year include:

- security services: refer back to the previously mentioned relations with subsidiaries;
- maintenances: in line with the previous year by taking into consideration routine and periodic maintenances. During the year, periodic maintenances were performed for € 160; as a result, an equal amount was utilized for the corresponding provision;
- Various utilities the effect is felt from greater costs linked to the increase in fuel price on the international market.

Costs for general services mainly show:

GENERAL SERVICES	*2005*	*2004*	*Change*
• Insurance	1,445	1,311	134
• Various professional services	1,081	1,537	-456
• Use of provisions for future risks and charges for legal expenses	-77	-22	-55
• Directors' fees and refunds	819	536	283
• Auditors' fees and refunds	143	170	-27
• Software updates	390	184	206
• Other costs for general services	169	147	22
Total General Services	3,970	3,863	107

Costs for insurance cover the various risks of subsidiaries, specifically chargebacked.

Compensations to the Board of Directors and to the Statutory Auditors consist of the entries that follow (excluding social security contributions):

	2005	*2004*	*Change*
To Directors	786	514	272
To the Board of Statutory Auditors	131	147	-16
Tot. Fees to Statutory Bodies	917	661	256

The compensations increase to the Board of Directors is due to the special award paid to them, as per the special deliberation, and in relation to the success in the stock exchange quotation process.

Expenses paid to the Board of Directors and to the Statutory Auditors are broken down as follows:

	2005	*2004*	*Change*
Directors' refunds	33	22	11
Statutory Auditors' refunds	12	23	-11
Total refunds for Statutory Bodies	45	45	0

Compensations to the Board of Directors and to the Statutory Auditors for this year are broken down as follows:
Directors:

		Period in Office		
Office		From	to	Emoluments
Chairman	MARCHI Enrico	01/01/05	31/12/05	375
Director	BONAITI Luca	01/01/05	31/12/05	48
Director	BORRINI Amerigo	01/01/05	31/12/05	26
Director	CALZAVARA Giorgio	01/01/05	31/12/05	49
Director	FINCATO Laura	01/01/05	31/12/05	49
Director	OLIVETTI Maurizio	01/01/05	31/12/05	51
Director	PESSI Oliviero Edoardo	01/01/05	31/12/05	51
Director	SACCHI Roberto	01/01/05	31/12/05	49
Director	SARTORI Amalia	01/01/05	31/12/05	3
Director	TOSI Loris	01/01/05	31/12/05	3
Director	ZAIA Luca	01/01/05	31/12/05	49
TOTAL FEES				753

The specifics above do not include compensations for € 3 to Director Pessi for professional services.

Board of Statutory Auditors:

		Period in office		
Office		From	to	Emoluments
Chairman Board of Auditors	DIANA Giuseppe	01/01/05	31/12/05	40
Auditor	ARNABOLDI Luca	01/01/05	31/12/05	6
Auditor	D'ANCONA Antonio	01/01/05	31/12/05	28
Auditor	DE LUCA Lino	01/01/05	31/12/05	29
Auditor	PENSO Guido	01/01/05	31/12/05	25
TOTAL FEES				128

These figures for the Board of Statutory Auditors do not include capitalised costs related to activities connected to the quotation process.

Commercial services mainly show:

COMMERCIAL SERVICES	*2005*	*2004*	*Change*
• Airport traffic development	3,250	1,494	1,756
• Premium advertising	331	380	-49
• Representation and other costs	391	122	269
Total Commercial Services	3,972	1,996	1,976

Variation of costs for commercial services is mainly connected to improved marketing towards carriers and it aims at further optimising promotional activities to develop airport traffic.
There is furthermore a non-repetitive cost against an agreement reached with a carrier.

Rental and leasing costs amount to			
	2005	€	3,640
	2004	€	3,442
	Var.		198

They consist of the following (values expressed in thousands of €):

	2005	*2004*	*Change*
• Airport concession fee	3,138	3,048	90
• Leasing movables	144	130	14
• Renting movables	337	243	94
• Real estate rental	21	21	0
Total rental and leasing costs	3,640	3,442	198

Increase of cost for airport concession fee is due to the € 0.07 additional tax per passenger departing which was introduced during 2005.

Staff costs

amount to	2005	€	16,269
	2004	€	15,839
	Var.		430

They consist of the following (values expressed in thousands of €):

	2005	*2004*	*Change*
• Wages and salaries	11,626	11,410	216
• Social security charges	3,738	3,466	272
• Termination benefits	731	840	-109
• Retirement benefits	11	12	-1
• Other costs	163	111	52
Total personnel costs	16,269	15,839	430

This item includes all expenses for salaried employees and included in them are category transitions, costs for vacation time accrued and not taken, provisions as per law and deriving from the application of collective contracts; the increase of cost for personnel is due in part to the renewal of the economic part of the contract of airport companies complying with Assaeroporti.
Personnel variations that took place during the year are shown in the table that follows:

PERSONNEL	*2005*		*2004*		*Change*	
	Full Time	*Part Time*	*Full Time*	*Part Time*	*Full Time*	*Part Time*
Executives	8		11		-3	
Middle managers	31		31			
White collars	153	14	149	13	4	1
Blue collars	127		132		-5	
TOTAL	319	14	323	13	-4	1
TOTAL PERSONNEL	333		336		-3	
AVERAGE EQUIVALENT FULL TIME	330.6		332.4		-1.8	

Amortisation and depreciation

amount to	2005	€	16,374
	2004	€	19,448
	Var.		-3,074

They are subdivided as follows:

	2005	*2004*	*Change*
• Amortization of intangible assets	2,103	574	1,529
• Amortization of owned assets	3,979	4,091	-112
• Amortization of freely transferable assets	7,049	7,908	-859
• Write-down of fixed assets	563	0	563
• Write-down of Current Assets	2,680	6,875	-4,195
Total Amortization and depreciation	16,374	19,448,	-3,074

The amount of amortisation/depreciation is due to the application of various rates given in Table "B", attached to this Supplementary Note.

The increase of amortisation of intangible fixed assets is connected to the capitalization of costs that derived from the stock market quotation process and which had an impact on the profit and loss account for € 1.3 millions; the increase is also due to the implementation of the new information system SAP which went into effect on 1 January 2005.
The item depreciation of fixed assets, amounting to € 563, is related to the AVL plants which will no longer be available to nor managed by SAVE S.p.A.
The item "Current receivables write-down" includes allocations to the provisions for bad debts; these allocations were made according to a prudent assessment of possible critical situations and the relative non-payment risks; in determining the allocation, a further evaluation was made regarding the capacity of the provision with respect to the total receivables overdue. See the breakdown of debtors illustrated earlier and refer to the comment on debtors for additional information.
In any case, compared to last year, the decrease is linked to contingent factors that characterised entries to the provision which were not repeated this year with regards to Volare's bankruptcy.

Variation in stocks

amounts to	2005	€	-22
	2004	€	27
	Var.		-49

Provisions for risks

amounts to	2005	€	767
	2004	€	1,819
	Var.		-1,052

Provisions for the year were prudently made to cover certain or probable losses whose amount or time were not known at year-end.
They mainly refer to:

- € 497 for potential liabilities deriving from legal disputes, from the risk of disputes with suppliers or customers for amounts to be defined.
- € 240 from legal fees for advise referring to issues still open at year-end,
- per € 30 for provision adjustment to the asset clearance provision.

Other provisions

amounts to	2005	€	830
	2004	€	825
	Var.		5

This item represents the provision to the Renewal Reserve for freely transferable assets defined on the basis of a special report by an outside firm.

Other operating costs

amount to	2005	€	687
	2004	€	969
	Var.		-282

They consist of:

OTHER OPERATING COSTS	*2005*	*2004*	*Change*
• Relevant association fees	145	135	10
• Taxes and duties	227	221	6
• Donations	52	59	-7
• Other operating costs	263	554	-291
Total Other Operating Costs	687	969	-282

Other operating costs include € 101 for non-recurring amortisation for costs not within the scope of the year.

C) FINANCIAL INCOME AND CHARGES

Financial income and charges amount to :	2005	€	314
	2004	€	-1,687
	Var.		2,001

They are subdivided as follows:

	2005	*2004*	*Change*
From investments			
• In subsidiary companies	1,318	932	386
• In associated companies	43	47	-4
Total income from investments	1,361	979	382
Income from negotiating of financial instruments	*1,037*	*0*	*1,037*
Other financial income	*1,234*	*258*	*976*
Total financial income	3,632	1,237	2,395
Financial costs	*-2,704*	*-2,920*	*-216*
Costs for negotiating financial instruments	*- 610*	*0*	*610*
Gains and losses on exchange	*-4*	*-4*	*0*
Total financial costs	-3,318	-2,924	-394
Total Financial Income/Costs	314	-1,687	2,001

The increase of income from investments is mainly due to greater dividends distributed by the subsidiary Marco Polo Park.
Income and charges for financial instruments negotiation are related to the company's work conducted on the *put* and *call* options, no longer existing as of year-end, thus generating a net income of € 427.
The other financial incomes include € 1,234 from interests on bank current accounts as they include other products from cash flow generated by the stock exchange quotation.
Financial charges totalling € 2,704 consist of:

- € 2,395 for liability interests on the current loan and they reflect the effect of the greater quote of long-term loans covered by IRS in order to stabilise the rate for the entire duration of the contract. The average hedging rate is 3.75% on 62% of the current loans.
- € 309 liability interests on bank current accounts and others.

There are no profits on unrealised currency exchanges.

D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS

amount to	2005	€	-227
	2004	€	-593
	var.		-366

	2005	*2004*	*Change*
• Nicelli S.p.A.	-80	-82	-2
• Aeroporto Civile di Padova S.p.A.	-147	-92	55
• N.Aitec S.r.l.	0	-419	-419
Tot. Adjustment to value of Fin. Activities	-227	-593	-366

Equity holdings in Nicelli S.p.A. and in the Aeroporto Civile di Padova S.p.A. have been written down for lasting losses in value.

E) EXTRAORDINARY INCOME AND CHARGES

amount to	2005	€	2,283
	2004	€	2,105
	Var.		178

They are subdivided as follows:

	2005	*2004*	*Change*
Extraordinary income			
• Capital gain for alienation and revaluation of investments	642	2,439	-1,797
• Out-of-period income	1,964	214	1,750
• Use of provisions for liabilities	0	6	-6
Total extraordinary income	2,606	2,659	-53
Extraordinary expenses			
• Extraordinary expenses	-323	-554	231
Total extraordinary expenses	-323	-554	231
Total extraordinary income/ expenses	2,283	2,105	178

Extraordinary income refer to:

- € 642 from capital gain deriving from selling the equity holding in the subsidiary Save International S.A.
- € 1,928 are contingent assets and they mainly refer to, for € 1,750, to the company having acquired into its capital a structure appraised due to the expiration of the concessione through a special report by an outside firm, with a value that is equal to the contingent asset.

Current income taxes

Current income taxes amounts to	2005 €	6,055
	2004 €	4,764
	Var.	1,291

They consist of:

	2005	2004	Change
Current taxes (IRES + IRAP)	*7,596*	*1,970*	*5,626*
Deferred taxes	*-1,540*	*2,794*	*-4,335*
Total income taxes for the year	6,055	4,764	*1,291*

The following table, expressed in thousands of Euro, shows the reconciliation of the tax rate:

Tax Rate Reconciliation (amounts in thousands of €)				
	2005	%	2004	%
Income before taxes	15,203		11,899	
Theoretical income taxes	5,017	33.00%	3,927	33.00%
Actual income taxes	6,055	39.83%	4,763	40.03%
Difference explained by:	1,039		837	
1) carried-forward tax losses deemed recoverable in the year				
2) tax benefits				
3) permanent differences:				
i) IRAP and other local taxes	1,504	9.9%	1,620	13.6%
iii) prior-year taxes				
ii) effect of tax reforms on the taxation of dividends	(448)	-2.9%	(322)	-2.7%
vii) other disallowed costs / untaxed income	246	1.6%	422	3.6%
vii) effect of tax rate change on deferred taxes				
ix) prepaid taxes on deductible future IRAP charges	(71)	-0.5%	(47)	-0.4%
vii) detaxation of capital gains	(193)	-1.3%	(324)	-2.7%
viii) neutralisation of tax effects on revaluation of investments	0		(495)	-4.2%
ix) adjustment of previous year taxes				
4) other	1	0.0%	(18)	-0.2%
Total difference	1,039		837	

Note: For matters concerning the tax situation, open fiscal years started as of the year 2000.
The reconciliation of the applicable notional tax rate for IRES/IRPEG (personal and corporate income tax) and the actual tax rates shows the effect of the IRAP tax to be significant. This effect is determined by the structure of characteristic costs which for about a third of these costs is represented by the cost of labour, an income subject to IRAP, and by the taxable financial charges and provisions.
The following table shows the economic effect of pre-paid and deferred taxes which rose and were cancelled during the year.

(amounts in thousands)

	IRES	IRAP	TOTAL
Deferred tax assets arising in 2005	-1,719	-89	-1,808
Deferred tax assets cancelled in 2005	580	34	614
Deferred tax assets arising in 2005	468	60	528
Deferred tax assets cancelled in 2005	-775	-100	-874
TOTAL	-1,446	-95	-1,540

The Company opted for the National Consolidated Tax return. Note that the effects of taxes, transferred by those companies within the Group that complied to filing the National Consolidated Tax return (CNM), have had no impact on the Save S.p.A. profit and loss account. These effects were only felt at capital level between the debts towards the Tax Authority and credits towards subsidiaries. The only exception being the potential acknowledgement of tax losses just as planned for by contractual agreements consenting to the CNM whose effects have impacts on extraordinary components of revenue.

Consolidated profit for the year - group

amounts to	2005	€	9,148
	2004	€	7,135
	Var.		2,013

Supplementary Tables

APPENDIX A

Statement of changes in intangible fixed assets and related amortizations

(amounts in Euro/1000)

			Changes over the year				Accumulated Technical Amortization				
	% amort.	Value at 31/12/04	Acquisitions	Decreases and Write-downs	Reclassifications	Value at 31/12/05	Value at 31/12/04	Increase for the year	Utilizations and/or Reclassifications	Value at 31/12/05	Net intangible fixed assets
1) Start-up and expansion costs	20%	456	9,719		1,417	11,592	273	1,390		1,664	9.928
3) Ind. patents and intellectual property rights (software)	33,3%	4,614	456		1,090	6,160	4.390	656		5,046	1.113
6) Intang. assets in prog. and adv.s		2,507	154		-2,507	154	0			0	154
7) Other:											
- Aerostation transaction	1.43%	721				721	339	10		349	372
- Motorway company agreement	1.76%	866				866	303	15		318	548
- Long-term costs	20%	135				135	93	21		114	21
- Brusutti convention	2.26%	408				408	66	9		75	333
All other intangible fixed assets		2,130	0	0	0	2,130	801	56	0	857	1.273
Tot. Intangible fixed assets		9.706	10,329	0	0	20,035	5,465	2,103	0	7,567	12,468

Appendix B

Statement of changes in tangible fixed assets and related depreciation/write-downs

(Values in thousands of Euro)

		Changes over the year						Depreciation provisions and Depreciation					
	Depr. Rate %	Value at 31/12/04	Acquisitions	Reclassification/Work in progress	Reclassifcn./Contributions	Decreases	Value at 31/12/05	Value at 31/12/04	Technical	Decrease	Reclassification and Write-down	Value at 31/12/05	Net tangible fixed assets
Owned assets													
1) Land and buildings	1%	**899**					**899**	**41**	**9**			**50**	**849**
2) Plant and machinery:													
- Runway equipment machinery	31.5%	5,694	232			-307	5,619	5,125	374	-307		5,192	427
- Operated machinery	10%	6,959	122				7,081	2,788	645			3,433	3.647
- Workshop machinery	12.5%	17	15				32	15	1			16	16
- Various machinery/other plant	15%	8,515	460			-74	8,901	3,216	1,294	-50		4,461	4.440
- Long distance signalling systems	25%	2,570	49			-511	2,108	2,191	227	-511		1,907	201
- Alarm systems	25%	0	1				1	0	0			0	1
Total plant and machinery		**23,755**	**878**	**0**	**0**	**-892**	**23,741**	**13,337**	**2,542**	**-868**	**0**	**15,010**	**8.731**
3) Industrial equipment:													
- Workshop equipment	35%	90	19				109	89	6			95	14
- Various equipment	15%	2,259	170				2,429	1,395	238			1,633	796
- Sanitary equipment	12.5%	74	21				95	65	8			73	21
Total industrial equipment		**2,423**	**210**	**0**	**0**	**0**	**2,633**	**1,549**	**252**	**0**	**0**	**1,801**	**832**
4) Other assets:													
- Cars and motor vehicles	20%	79					79	72	3			75	5
- Vehicles	20%	555	52			-3	603	447	59	-3		503	101
- Office machines	12%	16					16	10	1			11	5
- Furniture	15%	6,500	56				6,556	3,500	743	-0		4,243	2.314
- Electronic office machines and other	0% - 20%	3,290	69	33		-355	3,037	2,491	371	-350		2,512	525
- Works of art	0%	0	9				9	0	0			0	9
Total other assets		**10,440**	**187**	**33**	**0**	**-358**	**10,301**	**6,520**	**1,177**	**-353**	**0**	**7,344**	**2.958**
5) Assets under construction and advances		**1,792**	0		**0**	-1,792	0	**0**				**0**	**0**
Total owned assets		**39,310**	**1,274**	**33**	**0**	**-3,042**	**37,574**	**21,447**	**3,979**	**-1,221**	**0**	**24,205**	**13,370**

		Change over the year						Depreciation provisions and Depreciation					
	Amort. Rate %	Value at 31/12/04	Acquisitions	Reclassificn./Work in progress	Reclassifcn/Contributions	Decreases	Value at 31/12/05	Value at 31/12/04	Technical/Financial	Decreases	Reclassification and Write-downs	Value at 31/12/05	Net tangible fixed assets
Freely transferable assets													
6) Forecourts and roads		**25,547**	**3,860**	**896**	**-1,922**	**0**	**28,381**	**4,878**	**613**	**0**	**66**	**5,557**	**22.824**
- Runways and forecourts	1.34%-2.5%	15,649	1,933				17,582	3,350	385		66	3,801	13.781
- Forecourts and roads	1.34%-2.5%	9,898	1,927	896	-1,922		10,798	1,528	228			1,756	9.043
7) Buildings	4%-10%	**73,823**	**7,980**	**746**	**0**	**-4**	**82,545**	**10,476**	**3,133**	**-0**	**13**	**13,621**	**68.924**
8) Plant:													
- Runway electrical distribution system	4%	313					313	100	12			**113**	200
- Other runway plant	31.5%	14,159	530				14,689	12,094	1,924		497	**14,514**	175
- Heating/cooling systems	15%	2,159	166				2,325	1,997	71			**2,068**	258
- Alarm systems	30%	151					151	119	18			**137**	14
- Telephone systems	20%	1,473	7				1,480	1,026	184			**1,210**	270
- Electrical systems	4%	3,559	78				3,637	1,096	144			**1,240**	2.397
- Refrigeration systems	15%	51					51	23	6			**29**	22
- Air extraction systems	7.50%	31					31	15	2			**17**	14
- Other plant	15%	7,126	1,422	120		-31	8,637	3,332	942	-31		**4,242**	4.395
Total Plant		**29,020**	**2,204**	**120**	**0**	**-31**	**31,314**	**19,802**	**3,303**	**-31**	**497**	**23,570**	**7.743**
Subtotal		**128,390**	**14,044**	**1,761**	**-1,922**	**-35**	**142,239**	**35,155**	**7,049**	**-31**	**575**	**42,748**	**99.491**
Work in progress		6,919	5,017	-1,794			**10,142**					**0**	**10.142**
State contributions							0					**0**	**0**
9) Work in progress net of contributrions		**6,919**	**5,017**	**-1,794**	**0**	**0**	**10,142**					**0**	**10.142**
Total freely transferable assets		**135,309**	**19,061**	**-33**	**-1,922**	**-35**	**152,381**	**35,155**	**7,049**	**-31**	**575**	**42,748**	**109.633**
Total tangible fixed assets		**174.619**	**20,335**	**-0**	**-1,922**	**-3,077**	**189,955**	**56,602**	**11,028**	**-1,253**	**575**	**66,953**	**123,003**

Appendix B 1

Statement of changes in assets under construction

(Values in thousands of Euro)

	HISTORICAL COST					CONTRIBUTIONS				*Balance at date*
	31/12/2004	*Increase*	*Reclassificn.*	*Decrease*	*31/12/2005*	*31/12/2004*	*Increase*	*Decrease*	*31/12/2005*	
Other planned work	132	843	-149	-26	800					800
New air terminal	131	170			301					301
New dock	761		-28	-733						
New multi-storey car park and station	155		-155							
Internal mobility system	1,033	85	43		1,161					1,161
Expansion of Marco Polo Park	687			-687	0					0
Forecourt parking	165			-165						
Rainwater drainage system	30	8			38					38
Recovery of security strip (STRIP)	150			-150	0					0
New embarkation tower 6	0	913	91		1,004					1,004
New air terminal: Lifting apparatus										
Master plan	152	239	155		546					546
SOUTH side aircraft parking										
Relocation of E2 electrical cabin										
F.O.G. project	2,790		28		2,818					2,818
Rain water	145				145					145
R5 bail	11				11					11
New De-icing area	237	2,682			2,919					2,919
VVFF and GDF command	306	77	16		399					399
Advances to suppliers	33			-33						
Assets under construction (GD)	6,919	5,017		-1,794	10,142					10,142
Other works	1,792			-1,792						
Assets under constr (Group assets)	1,792			-1,792						
Total assets under construction	8,711	5,017		-3,586	10,142					10,142

Appendix C

List of directly or indirectly controlled and associated companies.
(values in Euro) as at 31 December 2005

Name	Registered Office		% owned	Latest financial statements	Share capital	Shareholders' Equity	Result for the year	Book value	Corresponding share capital & reserves	Difference
Subsidiary companies								B	A	A-B
MARCO POLO PARK S.r.l.	Tessera - Ve	Viale G. Galilei 30/1	100.00%	31/12/2005 (**)	516,460	1,693,098	1,054,912	715,792	1,693,098	977,306
AIRPORT ELITE S.r.l.	Tessera - Ve	Viale G. Galilei 30/1	100.00%	31/12/2005 (**)	80,000	3,413,354	1,115,679	80,000	3,413,354	3,333,354
SAVE SECURITY S.r.l. *****	Tessera - Ve	Viale G. Galilei 30/1	80.75%	31/12/2005 (**)	100,000	170,069	13,207	65,000	137,331	72,331
SAVE ENGINEERING S.p.A.	Tessera - Ve	Viale G. Galilei 30/1	97.00%	31/12/2005 (**)	520,000	449,196	94,154	500,963	435,720	-65,243
AEROPORTO CIVILE DI PADOVA S.p.A.	Padova	Via Sorio 89	60.32%	31/12/2004 (*)	363,155	450,922	(131,852)	104,500	272,016	167,516
N-AITEC S.r.l.	Tessera - Ve	Viale G. Galilei 30/1	51.00%	31/12/2005 (**)	50,000	144,626	124,626	20,000	73,759	53,759
ARCHIMEDE 1 S.p.A. (****)	Tessera - Ve	Viale G. Galilei 30/1	60.00%	31/12/2005 (**)	25,000,000	52,570,424	(904,617)	34,041,351	31,542,254	-2,499,097
CENTOSTAZIONI S.p.A. (****)	Rome	Via B.Eustachio, 8	24.00%	31/12/2005 (**)	8,333,335	40,799,893	3,225,170	92,404,970	9,791,974	-82,612,996
AERTRE S.p.A.	Treviso	Via Noalese 63	45.00%	31/12/2005 (**)	3,119,840	7,850,855	1,314,594	725,069	3,532,890	2,807,821
ARCHIMEDE 3 S.p.A	Venice	Viale G. Galilei 30/1	100.00%	31/12/2005 (**)	50,000	64,992	(4,419)	72,500	64,992	-7,508
ARCHIMEDE 2 S.r.l***	Catania	Aeroporto Fontanarossa	100.00%	31/12/2005 (**)	400,000	318,772	22,272	400,000	318,772	81,228
PIAZZA DI SPAGNA S.r.l.***	Fiumicino	Via dell'Aeroporto di Fiumicino	51.00%	31/12/2005 (**)	100,000	94,962	(3,945)	51,000	48,431	-2,569
AGRICOLA ALTINIA S.r.l.	Venice	Viale G. Galilei 30/1	100.00%	31/12/2005 (**)	423,500	997,757	(40,204)	9,313,691	997,757	-8,315,934
AGRICOLA CA'BOLZAN S.r.l.	Venice	Viale G. Galilei 30/1	100.00%	31/12/2005 (**)	98,800	1,719,223	268	7,160,645	1,719,223	-5,441,422
IDEA 2 S.r.l.	Venice	Viale G. Galilei 30/1	100.00%	31/12/2005 (**)	50,000	13,466	(3,212)	17,525	13,466	-4,059
Total subsidiary companies					39,205,090	110,751,609	5,876,633	145,699,486	54,055,037	-91,617,970
Associated companies										
NICELLI S.p.A.	Venice Lido	Aeroporto G. Nicelli	48.00%	31/12/2005 (**)	1,987,500	1,282,865	(167,413)	615,775	615.775	0
G.A.P. S.p.A.	Pantelleria	Via Venezia, 32	30.26%	31/12/2004 (*)	386,250	316,768	(44,441)	178,439	95.854	-82.585
VENEZIA TERMINAL PASSEGGERI SPA	Venice	Marittima Fabbricato 248	21.00%	31/5/2005 (*)	3,120,000	8,968,638	1,374,555	697,217	1.883.414	1.186.197
GEMINA S.P.A.	Milan	Via Turati , 16/18	12.031%	31/12/2004 (*)	368,240,080	543,812,000	2,692,000	94,538,090	65.426.022	-29.112.068
Total associated companies					373.733.830	554.380.271	3.854.701	96.029.521	68.021.065	+28.008.456

(*): latest annual financial statements approved by Shareholders' Meeting
(**): latest annual financial statements approved by Board of Directors or the director
(***): controlled through Airport Elite S.r.l.
(****) the company Archimede 1 holds 40% of Centostazioni Spa; the remaining 60% is with the Ferrovie dello Stato (National Railways) Group. The percentage net of the interest of SAVE Spa in Centostazioni is equal to 24%.
(****) Save S.p.a. holds 65% of Save Security S.r.l.; Aertre S.p.a. holds the remaining 35%. The percentage net of the interest of SAVE Spa in Save Security is equivalent to 80.75%..

APPENDIX "D"
Cash flow statement for cash and cash equivalents for the period
(in thousands of Euro)

Activity for the year	2005	2004
Operating Profit	+9,148	+7,135
- Amortization of tangible and intangible fixed assets	+13,131	+12,573
- Appropriation (utilization) of Employee Severance Indemnity	-226	+227
- Appropriation (utilization) of risks and charges provision	+191	4,475
(Capital Gains) Capital Losses disposal of assets / investments	+0	-1,066
(Revaluation) Write-down of investments	+227	-907
Subtotal of self-finance (A)	+22,470	+22,436
Decrease (increase) of trade receivables	+1,546	+6,909
Decrease (increase) of trade receivables from subsidiaries and associated	-1,489	-608
Decrease (Increase) of third party receivables and tax credits	-2,383	-2,531
Decrease (Increase) of inventories	-22	+27
Decrease (increase) of accrued income and prepaid expenses	-2	+13
Decrease (increase) of non-fixed financial assets		+84
Increase (decrease) in trade payables	+3,721	-11,361
Increase (decrease) of trade payables from subsidiaries and associated companies	-1,773	-1,302
Increase (decrease) in taxes payables	+5,536	+828
Increase (decrease) in amounts due to social security institutions	+486	+169
Increase (decrease) in accrued expenses and deferred income	-75	-18
Subtotal (B)	+5,546	-7,791
CASH FLOW FROM YEAR'S ACTIVITY (A+B)=(C)	+28,016	+14,646
Investment activity		
(Net acquisition) of intangible fixed assets	-14,759	-6,649
Contributions on tangible fixed assets	+0	+0
(Increase) decrease of financial fixed assets	-100,438	-1,740
Decrease (increase) of non-fixed financial assets	-12,852	
(Acquisition) of intangible fixed assets	-10,328	-2,699
Realised value of assets disposed of	-1,253	-353
CASH FLOW FROM INVESTMENT ACTIVITIES (D)	-139,631	-11,442
Finance activity		
Increase (decrease) of non fixed financial liabilities	+0	+0
Acquisition (decrease/refund) of medium-long term finance	-9,625	-9,625
Decrease (increase) of financial receivables from subsidiaries for "cash pooling"	+5,401	+1,457
Dividends paid	-5,500	-6,500
Dividends reimbursed by shareholders	+0	+1,254
Increase in capital due to IP	+160,310	

CASH FLOW FROM FINANCE ACTIVITIES (E)	+150,586	-13,414
NET FINANCIAL FLOW FOR THE YEAR (C+D+E)	+38,971	-10,211
LIQUIDITY / (short-term debt) net at YEAR START	-31,905	-21,695
LIQUIDITY / (short-term debt) net at YEAR END	+7,066	-31,905

* For 2005 refers to investments in associated companies completed after the close of the year.

APPENDIX E SAVE SPA

Statement of changes in shareholders' equity accounts occurring in the years closed at 31/12/2004 and prior years and at 31/12/2005 (In thousands of Euro)

	Share Capital	Additional Paid-in Capital	Legal Reserve	Extra. Reserve	Reval. Reserve.	Accel. Deprec. Reserve	Avail Earnings Reserve	Result for Year	Total
Balances at 31 December 2002	13,000		2,499	28,652	6,065		8,122	8,464	66,800
Distribution of earnings in 2002									
- to the extraordinary reserve				363				-363	
- to shareholders								-8,000	-8,000
- to legal reserve			101					-101	
Reversed econ/technical amortized effect on tax-amortized assets						141	-141		
Effect of asset disposal									
Net earnings for 2003								6,522	6,522
Balances at 31 December 2003	13,000		2,600	29,015	6,065	141	7,981	6,522	65,322
Distribution of earnings in 2003									
- to the extraordinary reserve				22				-22	
- to shareholders								-6,500	-6,500
- to legal reserve									
Reversed econ/technical amortized effect on tax-amortized assets						-141	141		
Effect of asset disposal									
Net earnings for the period								7,135	7,135
Balances at 31 December 2004	13,000		2,600	29,037	6,065		8,122	7,135	65,957
Distribution of earnings for 2004									
- to share capital									
- share premium reserve									
- to the extraordinary reserve									
- to shareholders								-5,500	-5,500
- to legal reserve									
Reversed econ/technical amortized effect on tax-amortized assets									
Capital increase from IPO	4,985	155,325							160,310
Earnings/losses from previous years				1,635				-1,635	-0
Net earnings for the period								9,148	9,148
Balances at 31 December 2005	17,985	155,325	2,600	30,671	6,065		8,122	9,148	229,915

The following statement contains the capital values deriving from the above-mentioned commercial relationships; values expressed in thousands of Euro

Appendix F1

	Save Spa		Marco Polo		Airport Elite		Save Engineering		Save Security		N-aitec		Aer-Tre		Archimede 1	Archimede 2	Archimede 3	Centostazioni		Cà Bolzan	Finanziaria Internazionale Holding		Total	
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Debit	Debit	Debit	Credit	Debit	Debit	Credit	Other	Credit	Debit
Save Spa			2,968	1,592	619	1,289	1,756	449	1,594	603	292	78		2,203	9	42	2,384		75	2,500	809		8,038	11,224
Marco Polo	1,592	2,968			11	2			18	2													1,621	2,972
A.Elite	1,291	619	2	9						2			255	9		325		104	88		64		1,716	1,052
S.Engineering	449	1,755											74	497				60	194				583	2,446
S.Security	603	1,594	2	16	2									475									607	2,085
N-aitec	79	292																					79	292
Aer-Tre	2,205				9	255	497	74	475														3,186	329
Archimede 1	9																	2,050					2,059	
Archimede 2	43				325																		368	
Archimede 3	2,384																						2,384	
Centostazioni	75				88	104	194	60							2,050								357	2,214
Agr.Cà Bolzan	2,500																						2,500	
Fin. Internaz.		809				64																11		873
Vat undeductible																						11		11
Totals	11,230	8,037	2,972	1,617	1,054	1,714	2,447	583	2,087	607	292	78	329	3,184	2,059	367	2,384	2,214	357	2,500	873	11	23,498	23,498

The following statement lists the economic values deriving from the above-mentioned commercial relationships; values expressed in thousands of Euro

Appendix F2

	Save Spa		Marco Polo		Airport Elite		Save Engineering		Save Security		N-aitec		Aer-Tre		Archimede 1		Archimede 2		Archimede 3		Centostazioni		Cà Bolzan		Finanziaria Internazionale Holding		Other	TOTAL	
	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue	Costs	Rev.ue		**Costs**	**Rev.ue**
Save Spa			3,731	96	4,563	844	235	1,879	519	5,251	43	197	220		10		30				30	3				830		**9,381**	**9,100**
Marco Polo	109	3,731			18				12	11																		**139**	**3,742**
A.Elite	848	4,563		15			7						20	334			40				1	141				71		**916**	**5,024**
S.Engineering	1,879	235				7							727								303							**2,909**	**242**
S.Security	5,251	519	11	10									950															**6,212**	**529**
N-aitec	197	43											5															**202**	**43**
Aer-Tre		220			334	20		727		950		5																**334**	**1,922**
Archimede 1		10																				45							**55**
Archimede 2		30				40																							**70**
Archimede 3																													
Centostazioni	3	30			141	1		303							45													**189**	**334**
Cà Bolzan																													
Fin. Internaz.	830				71																							**901**	
Undeductible VAT																											22		**22**

NB: the costs indicated are also inclusive of capitalisation or assets in construction and of costs that will be capitalised on stipulation of the contract.

APPENDIX "G"

Statement of Origin, Availability, Distributability and utilization of the Shareholders' Equity before 2005 profits

Origin	Amounts 31/12/2004 (a+b)	Quota not avail. (a)	Quota available (b) (*)	Quota distributable of b	Summary of utilizations Of the three previous periods			
					Capital Increase	Cover of Losses	Distrib. To partners	Other
Capital	17.986	17.986						
Capital Reserve:								
Additional Paid-in Capital	155,325		155,325	154,328				
Reserves:								
Revaluation reserve *	6,065		6,065	6,065				
Legal reserve	2,600	2,600						101
Extraordinary reserve	38,792		38,792	19,315				1,352
Reserve for accelerated depreciation								0
							20,000	
	220,768	20,586	200,182	179,708	0	0	20,000	1,453

Report of the Board of Statutory Auditors to the Ordinary Shareholders' Meeting on the Financial Statements for the year ending on 31.12.2005

REPORT OF THE INDEPENDENT AUDITOR

Report of the Board of Statutory Auditors to the Ordinary Shareholders' Meeting on the Financial Statements for the year ending on 31.12.2005

During the year ending on December 31 2005 we performed our surveillance tasks as required by law on the basis of the Behavioural Standards for Boards of Auditors recommended by the National Council of Chartered Accountants and Bookkeepers, also taking into account Consob memorandum n. DEM/1025564 dated April 6 2001. Please note that:

- we have ensured compliance with the law and with the company's deed of establishment and compliance with the principles of correct administration;

- we have obtained information from the Directors on general trends in management, predictable future developments and the most important operations, and we may reasonably guarantee that the actions resolved and implemented comply with the law and the company's statute and that there have been no actions which are clearly imprudent, risky, in conflict with resolutions passed by the shareholders' meeting or likely to compromise the integrity of the company's assets;

- we have obtained information and supervised, to the extent falling under our authority, the adequacy of the company's organisational structure and compliance with the principles of correct administration, with the aid of meetings with the independent auditor to exchange significant information. We have no particular comments to make in this regard;

- we have assessed and supervised the adequacy of the company's internal auditing system and administrative/accounting organisation and its ability to correctly represent events in management by obtaining information from the people in charge of the areas concerned, examining company documents and analysing the results of the independent auditor's work, and we have no comments to make in this regard;

- we have held meetings with representatives of the independent auditor and no significant information or figures have emerged requiring discussion in this report; likewise, we have no particular comments to make on the report prepared by the independent auditor on March 14 2006 pursuant to art. 2409-ter of the civil code;

- we have not noted any significant atypical and/or unusual transactions conducted with Group companies or third parties; the Management Report contains sufficient information on transactions conducted within the group as part of the company's regular business under market conditions;

- no accusations have been made during the year pursuant to art. 2408 of the civil code, and no complaints have been filed by third parties;

- we have checked that the actions resolved on and implemented by the company involving subsidiary companies comply with the law and that adequate information on them has been provided to the subsidiary companies;

- the Management Report also adequately describes the company's economic, equity and financial situation and management trends during the year, and provides significant information on companies included in the scope of consolidation, commenting on economic trends of operating companies and on transactions with related parties, particularly Finanziaria Internazionale Holding Spa;

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- the management report provides information on the dispute pending with the shareholders Municipality and Province of Venice;

- the company has adhered to the Corporate Governance Code for stock exchange listed companies;

- the Board has identified an episode of failure to comply with the Corporate Governance Code by a significant person during a black-out period. Borsa Italiana S.p.A. and CONSOB have been notified of the occurrence.

The surveillance tasks described above were performed in 10 meetings held with the Board of Statutory Auditors and by attending the Board of Directors' 13 meetings.
During the surveillance work, and on the basis of information obtained by the independent auditor, no omissions, censurable events and/or irregularities and no significant events requiring mention in this report were noted.

* * *

We have examined the annual Financial Statements for the year ending on 31.12.2005, and have the following comments to make in this regard.

The Statement of Assets and Liabilities may be summed up as follows:

STATEMENT OF ASSETS AND LIABILITIES

ASSETS		
Intangible assets	€	12,467,835
Tangible assets	€	123,002,436
Financial assets	€	140,890,652
Working capital	€	74,135,681
Deferred charges and accrued income	€	231,040
TOTAL ASSETS	€	350,727,644

LIABILITIES		
Shareholders' equity	€	229,914,513
Provisions for risks and charges	€	10,841,832
Provision for severance indemnity	€	4,817,029
Debts and other payables	€	104,897,833
Accrued expenses and accrued liabilities	€	256,437

TOTAL LIABILITIES	€	350,727,644

The Profit and Loss Account appears as follows:
PROFIT AND LOSS ACCOUNT

A) Value of production	€.	78,567,929
B) Production costs	€	- 65,735,136
DIFFERENCE BETWEEN VALUE AND		
COST OF PRODUCTION	€.	12,832,793
C) Financial income and charges	€.	314,127
D) Value adjustments to financial assets	€.	- 226,838
E) Extraordinary income and charges	€.	2,282,922
Profit or loss before income taxes	€.	15,203,004
Income taxes on the income of the period	€.	- 6,055,499
NET PROFIT OF THE YEAR 2005	€.	9,147,505

Memorandum accounts totalling €81,089,808 appear at the foot of the Statement of Assets and Liabilities.
We have supervised the general set-up of the Statement of Assets and Liabilities and its overall conformity with the law in terms of formation and structure, and we have no particular comments to make in this regard.
We have checked for compliance with the legislation governing preparation of the Management Report and have no particular comments to make in this regard.
We are not aware of any exceptions to the provisions of the law pursuant to art. 2423, paragraph four of the civil code made by the Directors in preparation of the financial statements.
Taking into account the results of the work of the independent auditor and the results contained in the report accompanying the financial statements, we suggest that the Shareholders approve the financial statements for the year ending on 31.12.2005 in the form prepared by the Directors.

Venice Tessera, March 29 2006

Chairman of the Board of Statutory Auditors
Giuseppe Diana

ERNST & YOUNG

REPORT OF THE INDEPENDENT AUDITOR
under art. 156 of Legislative Decree n. 58 dated 24.2.1998

To Aeroporto di Venezia Marco Polo S.p.A. (SAVE) shareholders,

1. We have audited the annual financial statements of the company Aeroporto di Venezia Marco Polo S.p.A. (SAVE) for the year closing on December 31, 2005. The directors of Aeroporto di Venezia Marco Polo S.p.A. (SAVE) remain responsible for the preparation of the financial statements. Our task is to provide a professional opinion on the financial statements based on auditing of the accounts.

2. We conducted our audit in accordance with the auditing principles and criteria recommended by CONSOB. In accordance with these principles and criteria, the audit has been planned and conducted with the aim of acquiring all information required to determine whether the financial statements contain any significant errors and if they are, on the whole, dependable. The auditing procedure includes examination of samples of evidence demonstrating the balances and information contained in the financial statements, and assessment of the adequacy and correctness of the accounting criteria used and the reasonability of the directors' estimates. We believe that the work performed provides a reasonable basis for expression of our professional judgement.

   For judgement of the financial statements for the previous year, figures from which are presented for comparative purposes as required by the law, please refer to our March 16, 2005 report.

3. It is our opinion that the December 31, 2005 annual financial statements of Aeroporto di Venezia Marco Polo S.p.A. (SAVE) comply with the regulations governing preparation of financial statements, have been clearly written and truthfully and accurately represent the equity, financial situation and economic result of the Company.

Treviso, March 14, 2006

Reconta Ernst & Young S.p.A.

signature
Michele Graziani
(Partner)