Autogrill S.p.A.

2012 Annual Report

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Translation from the Italian original which remains the definitive version

Boards and Officers

Board of Directors[1]

Chairman[2, 3]	Gilberto Benetton
CEO[2, 3, 4]	Gianmario Tondato Da Ruos[E]
Directors	Alessandro Benetton Tommaso Barracco [5, I-1, I-2] Marco Jesi [5, I-1, I-2] Marco Mangiagalli [6, 7, I-1, I-2] Stefano Orlando [6, 7, I-1, I-2] Arnaldo Camuffo [8, I-1, I-2] Francesco Giavazzi [I-1, I-2] Alfredo Malguzzi [7, 8, I-1, I-2, L] Gianni Mion [5] Paolo Roverato [6, 8] Massimo Fasanella d'Amore di Ruffano [9, I-1, I-2]
Secretary	Paola Bottero

Board of Statutory Auditors[10]

Chairman	Marco Rigotti [11]
Standing auditor	Luigi Biscozzi [11]
Standing auditor	Eugenio Colucci [11]
Alternate auditor	Giuseppe Angiolini
Alternate auditor	Pierumberto Spanò
Independent auditors[12]	KPMG S.p.A.

1 Elected by the annual general meeting of 21 April 2011; in office until approval of the 2013 financial statements
2 Appointed at the Board of Directors' meeting of 21 April 2011
3 Powers assigned by law and the company's by-laws, particularly legal representation with individual signing authority
4 Powers of ordinary administration, with individual signing authority, per Board resolution of 21 April 2011
5 Member of the Strategies and Investments Committee
6 Member of the Internal Control, Risks and Corporate Governance Committee
7 Member of the Related Party Transactions Committee
8 Member of the Human Resources Committee
9 Appointed by the Board of Directors' meeting of 7 March 2012 and confirmed by the annual general meeting of 19 April 2012; in office until approval of the 2013 financial statements
10 Elected by the annual general meeting of 19 April 2012; in office until approval of the 2014 financial statements
11 Certified auditor
12 Engagement granted by the annual general meeting of 27 April 2006; in office until the approval of 2014 financial statements
E Executive Director
I-1 Independent Director as defined by the listed Companies' Code of Conduct adopted by resolution of the Corporate Governance Committee of December 2011 and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria
I-2 Independent Director pursuant to articles 147-*ter* (4) and 148 (3) of Legislative Decree 58/1998
L Lead Independent Director

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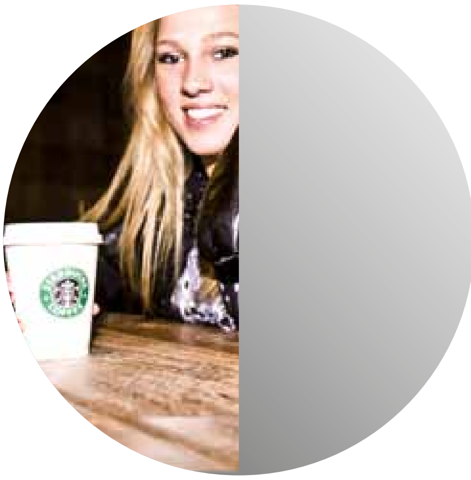


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1. Directors' Report

Definitions and symbols

Revenue: in the directors' report this refers to operating revenue, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis.

EBITDA: this is the sum of EBIT (earnings before interest and tax) and depreciation, amortization and impairment losses, and can be gleaned directly from the financial statements, as supplemented by the notes thereto. Because it is not defined in the IFRS, it could differ from and therefore not be comparable with EBITDA reported by other companies.

Capital expenditure: this excludes investments in non-current financial assets and equity investments.

Comparable basis: this refers to revenue generated only by locations open throughout the comparison period as well as the period under review, without any significant change in products sold or services provided.

1.1 Operations and strategy

Autogrill S.p.A. operates in the Food & Beverage and Travel Retail segments at major travel facilities (from airports to motorway rest stops and railway stations), serving a local and international clientele. All of its direct operations take place in the domestic market. Its offerings strongly reflect the local setting, with the use of mostly proprietary brands, as well as a more global reach through the use of well-known international brands under license.

About 20% of total Group revenue is earned in the Italian market, where Food & Beverage operations are run primarily by Autogrill S.p.A.

Autogrill S.p.A. operates in the various travel channels: airports, motorways and railway stations. In the airport and railway channels, a growth strategy will be pursued in addition to improving on existing results. Autogrill also works in other channels, with high street and shopping center locations, and temporary outlets during trade fairs and other events. In all of its channels, it strives to improve efficiency, optimize investments, and innovate products and processes while ensuring the utmost quality.

Listed on the Milan Stock Exchange, Autogrill S.p.A. heads up the world's leading provider of food and beverage and retail services for people on the move. Through its subsidiaries, it operates in Food & Beverage, Travel Retail and Duty-Free in 38 countries around the world, and is especially active in the United States, Great Britain, Spain and France.

1.2 Performance

1.2.1 General business context and traffic trends

In 2012 the Italian economy suffered a marked downturn, with rising unemployment and a general decline in consumer confidence.

Motorway traffic in 2012 was down by 7.1% [1] (from January to December), and grew progressively lighter throughout the year. Once again, the trend was influenced not only by the macroeconomic context but also by the price of fuel at the tank, which reached record highs during the year (+11% compared with 2011) [2].

In Italy, airport traffic fell by 1.3% [3], contrasting with the growth reported worldwide by the air transport industry.

1.2.2 Income statement results

Condensed income statement[4]

(€m)	2012	% of revenue	2011	% of revenue	Change
Revenue	1,162.0	100.0%	1,292.2	100.0%	(10.1%)
Other operating income	73.2	6.3%	75.2	5.8%	(2.7%)
Total revenue and other operating income	**1,235.2**	**106.3%**	**1,367.4**	**105.8%**	**(9.7%)**
Raw materials, supplies and goods	(548.7)	(47.2%)	(611.2)	(47.3%)	(10.2%)
Personnel expense	(304.4)	(26.2%)	(322.5)	(25.0%)	(5.6%)
Leases, rentals, concessions and royalties	(178.5)	(15.4%)	(183.2)	(14.2%)	(2.6%)
Other operating expense	(146.3)	(12.6%)	(158.4)	(12.3%)	(7.6%)
EBITDA	**57.3**	**4.9%**	**92.1**	**7.1%**	**(37.8%)**
Depreciation and amortization	(61.7)	(5.3%)	(58.1)	(4.5%)	6.2%
Operating Profit (EBIT)	**(4.4)**	**(0.4%)**	**34.0**	**2.6%**	**(112.9%)**
Net financial income (expense)	58.5	5.0%	76.3	5.9%	(23.3%)
Impairment losses on financial assets	(72.3)	(6.2%)	(65.1)	(5.0%)	11.1%
Pre-tax profit (loss)	**(18.2)**	**(1.6%)**	**45.2**	**3.5%**	**(140.3%)**
Income tax	3.6	0.3%	(13.3)	(1.0%)	(127.1%)
Profit (loss) for the year	**(14.6)**	**(1.3%)**	**31.9**	**2.5%**	**(145.8%)**

1. Source: AISCAT, January-December 2012
2. Federazione Italiana Gestori Impianti Stradali Carburanti (www.figisc.it/osservatorio.html)
3. Source: AssoAirports, January-December 2012
4. "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the income statement primarily because they do not include revenue from the sale of fuel and the related cost, the net amount of which is classified as "Other operating income" in accordance with Autogrill's protocol for the analysis of figures. This revenue came to € 5.2m in 2012 (€ 15m in 2011) and the cost to € 4.9m (€ 14.3m the previous year)

Revenue

Autogrill S.p.A. closed 2012 with revenue of € 1,162.0m, a decrease of 10.1% on the previous year's € 1,292.2m. Below is the breakdown by channel:

(€m)	2012	2011	Change
Revenue	1,162.0	1,292.2	(10.1%)
Sales to end consumer	1,132.8	1,256.5	(9.8%)
Motorway	854.0	964.2	(11.4%)
Airports	88.1	91.0	(3.1%)
Other	190.7	201.4	(5.3%)
Other sales *	29.2	35.7	(17.6%)

* Including sales to franchisees

In the motorway channel, sales decreased from € 964.2m in 2011 to € 854.0m (-11.4%). With traffic down by 7.1%[5] on the motorway network, after adjusting for the number of locations, the main forms of sale (Food & Beverage and market) fell by 11.2% on the previous year. This reflects both the loss of traffic and the decline in consumption caused by the difficult economy.

More specifically, there was a decrease of 9.5% in Food & Beverage sales and of 15.2% in revenue from market purchases, while sales of complementary goods (lottery tickets, newspapers & magazines and tobacco products) dropped by 10.7%.

Revenue in the airport channel came to € 88.1m, compared with € 91.0m the previous year (-3.1%), with a 1% decrease in the main forms of sale (Food & Beverage and market). Complementary sales were down by 14.9%. Adjusting for the closure of some locations at Rome Fiumicino, Milan Malpensa and Brescia, the decrease comes to 0.5%.

In other channels revenue fell by 5.3%, from € 201.4m in 2011 to € 190.7m in 2012, as detailed below:

- Railway stations and shipboard catering: at € 43.7m, revenue increased by 5.1% with respect to 2011. Sales at railway stations improved by 11.7%, thanks in part to new openings, while shipboard catering decreased by 4.9% due to the different mix of routes served and a general decline in passengers;
- Shopping centers and high streets: revenue from these two channels came to € 124.3m, down 7.8% on the previous year's € 134.8m as a result of some closings;
- Trade fairs and events: revenue in 2012 was € 22.7m, down by 9.0%, compared with € 25.0m the previous year, due to the smaller number of events and the closure of certain locations.

Raw materials, supplies and goods

In 2012 the cost of product as a percentage of sales was in line with the previous year. The rise in the cost of product, caused by the inflation of food raw material prices, was offset by a decrease in wastage and by a more favorable sales mix.

5. Source: AISCAT, January-December 2012

Personnel expense

Personnel expense in 2012, at € 304.4m, decreased by 5.6% on the previous year. The change reflects a smaller average workforce and lower reorganization and stock option costs, partly offset by an increase in the unit cost of labor due to the renewal of the national collective bargaining agreement.

Leases, rentals, concessions and royalties

These show a decrease of 2.6% on the previous year, reflecting the decline in Food & Beverage and Travel Retail sales. Due to the significant decrease in sales, rental costs rose by 1.1 points as a percentage of revenue on 2011.

EBITDA

EBITDA in 2012 came to € 57.3m, a decrease of about 38% with respect to the previous year, and the EBITDA margin fell from 7.1% to 4.9% of revenue. The main reason for this trend is the steep decline in sales, reflecting the drop in motorway traffic, which led to the reduced absorption of the less flexible cost components such as labor and rent.

Depreciation, amortization and impairment losses

In 2012 depreciation, amortization and impairment losses came to € 61.7m, up from € 58.1m in 2011, as a result of greater investments. Impairment losses of € 3.8m were recognized on property, plant & equipment and intangible assets, compared with € 2.6m in 2011.

Financial income

Net financial income came to € 58.5m, down from € 76.3m in 2011, due mainly to the reduction in dividends received from subsidiaries.

Impairment losses on financial assets

During the year, impairment losses totaling € 82.3m were recognized on the equity investments in Autogrill Austria A.G., Autogrill Schweiz A.G., Autogrill Iberia S.L.U., Nuova Sidap S.r.l., Autogrill Polska Sp.zo.o. and Autogrill Hellas E.p.E. Conversely, the € 10.0m impairment loss previously recognized on Autogrill Deutschland GmbH was reversed.

Income tax

There was a net tax refund of € 3.6m in 2012, compared with a tax charge of € 13.3m the previous year. This is explained by a non-recurring IRES (corporate income tax) refund due to the retroactive deduction of IRAP (regional tax) pertaining to personnel expense for the years 2007 through 2011, pursuant to art. 2 of Decree Law 201/2011.

Profit (loss) for the year

The year closed with a loss of € 14.6m, compared with a profit of € 31.9m in 2011.

1.2.3 Reclassified statement of financial position[6]

(€m)	31.12.2012	31.12.2011	Change
Intangible assets	120.1	120.7	(0.6)
Property, plant and equipment	214.5	217.2	(2.7)
Financial assets	1,082.8	1,152.6	(69.8)
A) Non-current assets	**1,417.4**	**1,490.5**	**(73.1)**
Inventories	44.2	50.3	(6.1)
Trade receivables	30.1	27.4	2.7
Other receivables	94.0	92.8	1.2
Trade payables	(239.3)	(237.7)	(1.6)
Othe payables	(91.2)	(95.4)	4.2
B) Working capital	**(162.2)**	**(162.6)**	**0.4**
C) Invested capital, less current liabilities	**1,255.2**	**1,327.9**	**(72.7)**
D) Other non-current non-financial assets and liabilities	**(83.8)**	**(100.1)**	**16.3**
E) Net invested capital	**1,171.4**	**1,227.8**	**(56.4)**
F) Equity	**686.4**	**769.8**	**(83.4)**
Non-current financial liabilities	535.3	612.9	(77.6)
Non-current financial assets	(121.4)	(201.0)	79.6
G) Non-current financial indebtedness	**413.9**	**411.9**	**2.0**
Current financial liabilities	118.9	134.0	(15.1)
Cash and cash equivalents and current financial assets	(47.8)	(87.9)	40.1
H) Current net financial indebtedness	**71.1**	**46.1**	**25.0**
Net finalcial position (G + H)	**485.0**	**458.0**	**27.0**
I) Total as in E)	**1,171.4**	**1,227.8**	**(56.4)**

The statement of financial position shows a decrease of € 56.4m in net invested capital due mainly to the € 69.8m reduction in financial fixed assets, caused by the impairment losses recognized on various equity investments.

Capital expenditure in 2012 came to € 62.9m (€ 62.1m the previous year), and was concentrated mostly in the motorway channel.

Net financial position at 31 December 2012 was € 485m, a slight increase on the previous year.

6. "B) Working capital" includes the items "III. Other receivables", "IV. Trade receivables", "V. Inventories", "XII. Trade payables", "XIII. Tax liabilities" and "XIV. Other payables".
"D) Other non-current non-financial assets and liabilities" include the items "XI. Other receivables", "XVII. Other payables", "XIX. Deferred tax liabilities", "XX. Post-employment benefits and other employee benefits" and "XXI. Provisions for risks and charges".
"Current financial liabilities" are comprised of "XV. Due to banks" and "XVI. Other financial liabilities".
"Cash and cash equivalents and current financial assets" include "I. Cash and cash equivalents" and "II. Other financial assets".

1.2.4 Performance of key subsidiaries

HMSHost Corporation (formerly Autogrill Group Inc.)

Through subsidiaries, this company oversees mostly Food & Beverage operations in North America, as well as at Schiphol Airport in Amsterdam and various airports in the Asia/Pacific region.

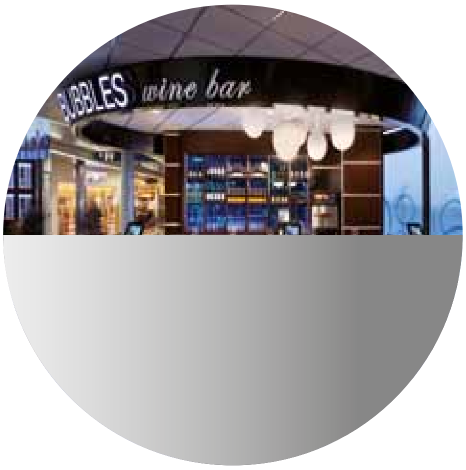
In 2012 it earned revenue of $ 2,730.0m, an increase of 1.9% on the previous year's $ 2,679.0m, while EBITDA fell from $ 312.5m to $ 291.5m (-6.7%).

World Duty Free Group S.A.U. (formerly Autogrill España S.A.U.)

The subsidiaries of World Duty Free Group S.A. operate in the Travel Retail & Duty-Free business, with a strong presence at European airports (particularly in the UK and Spain) and around the world: Canada, Mexico, Jamaica, Chile, Peru, Cape Verde, Kuwait, Jordan, India and Sri Lanka.

Revenue in 2012 came to € 2,002.8m, up from € 1,820.8m the previous year (+10%), and EBITDA rose by 14.9% from € 228.3m to € 262.3m.

1.3 Outlook



In the first two months of 2013, sales continued to go down and showed a decrease of 3.3% on 2012. This trend, along with the poor economy, suggest that it will be a difficult year for Autogrill's Italian operations. Prospects are better for its main subsidiaries in the United States, in some other European countries, and especially in the Travel Retail & Duty-Free business segments.

Events after the reporting period

Since 31 December 2012, no events have occurred that if known in advance would have entailed an adjustment to the figures reported or required additional disclosures.

On 17 January 2013, the subsidiary HMSHost Corporation (formerly Autogrill Group Inc.) contracted a new bond loan for a total amount of $ 150m, guaranteed by Autogrill S.p.A., maturing January 2023 with a six-month coupon at a fixed 5.12%. The proceeds were used to partially repay the bond loan issued in 2003. The bond regulations include the determination of economic and financial ratios to be met by HMSHost Corporation and its subsidiaries.

On 1 February, Autogrill announced that it had begun to study the feasibility of a possible industrial and corporate reorganization designed to separate its two business segments, Food & Beverage and Travel Retail & Duty-Free. This could potentially involve the demerger of the Travel Retail operations currently held by Autogrill.

After being assigned of the Travel Retail concessions in Spanish airports in December 2012, on 14 February 2013 the subsidiary World Duty Free Group S.A.U., through its subsidiaries World Duty Free Group España S.A. and Sociedad de Distribución Aeroportuaria de Canarias S.L., and AENA signed a contract for the operation of these businesses until 2020. As agreed in the contract, the company then paid an advance of about € 280m plus VAT covering part of the concession fees as well as € 26m as a guarantee deposit. The advance payment will be deducted from scheduled instalments over the duration of the contract.

1.4 Other information

1.4.1 Corporate Social Responsibility

Afuture

For Autogrill, sustainability is a business philosophy, clearly defined in its mission statement: to provide quality catering and retail services to people on the move, with a view to creating value for all stakeholders, while prizing environmental and cultural diversity.

Publication of the first Sustainability Report in 2005 launched a series of sustainability projects within Autogrill S.p.A. and the Group. In 2007, Afuture was established with the goal of building innovative Autogrill locations that would be both environmentally friendly and economically efficient. Over the years, the project has evolved into an international breeding ground for ideas, design concepts and best practices to be shared throughout the Group. The Afuture experience has allowed the business to grow and its people to achieve a greater awareness of sustainability issues, including the value of a process that has now entered a new development phase.

Indeed, in 2011 Autogrill created a "Sustainability Roadmap" for the period 2012-2015. This is a strategic plan to integrate the sustainable approach with the management of day-to-operations in the two business segments. It is also a guide to innovation, in order to plan and implement actions in keeping with the improvement objectives set by the Group, which are divided into the three strategic areas of sustainability: "People", "Product" and "Planet".

The Afuture Roadmap is an integral part of the Group's Sustainability Policy. The document defines the framework for Autogrill's operations; the strategic sustainability plan for the ongoing improvement of performance (including the CSR toolkit, with its practical suggestions divided by People, Product and Planet); sustainability governance, monitoring and reporting; and training, information and communication.

Keeping tabs through the Sustainability Report

Since 2006 we have published a Sustainability Report, prepared on the basis of international standards set by the Global Reporting Initiative (GRI-G3). The information provided below is further detailed in that report, which can be downloaded from the Sustainability section at www.autogrill.com.

"People": Autogrill's policy for employees and consumers

Over the last few years, Autogrill has strengthened its leadership of the Food & Beverage business and (through its subsidiaries) the Travel Retail sector thanks to significant international expansion, through which its human capital has grown not only numerically but in terms of nationalities, cultures and abilities.

At any given location, in the act of serving a customer, each employee represents the company and its philosophy, its know-how and the way it treats the environment. By the same token, a satisfied customer is the best advertisement a company can have. That's why the relationship between Autogrill and its employees is a strategic asset, fundamental for the creation of value enjoyed by all parties.

Labor relations, too, are especially important in this vein: Autogrill has established a constructive dialogue with the trade unions of each country in which it operates, to foster solutions that will reconcile individual needs with those of the business.

"Feel Good?" and "Do you Feel good?"

In the interests of efficient and effective management, Autogrill is always interested in the opinions and suggestions of its stakeholders. Four years ago it launched "Feel Good?", an annual worldwide customer satisfaction program designed to achieve a snapshot of the Autogrill customer's needs and wants and to come up with the right solutions.

In light of that program's success, in 2012 an online survey called "Do you Feel good?" was created for the measurement of employee engagement. The survey involved 14 countries in Autogrill's European Food & Beverage business, as well as all of the countries served by the subsidiary World Duty Free Group (already participants in a similar program), to identify areas in need of improvement and the most effective ways of getting employees more engaged in their work. More than 15,000 people took advantage of this opportunity to make themselves heard.

Work-life balance

A healthy relationship between company and staff is rooted in care for the individual and his or her wellbeing, both on and off the job. For Autogrill, this means working on various themes and initiatives involving employees in their role as workers and as individuals.

For this reason Autogrill commits to a mindful selection process, training and development programs tailored to its employees' profiles, and international job rotation programs.

It also provides its employees with a broad range of initiatives designed to increase leisure time and spending power (discounts on products and services that differ from country to country: from insurance to online shopping).

Health and safety

Autogrill's commitment to the health and safety of all employees and consumers translates into prevention, technology, training, and day-to-day monitoring. Autogrill performs preventive assessments of workplace hazards so it can take the most suitable measures, such as new operating procedures or the purchase of individual protection devices that will eliminate or minimize the risks. To make sure these measures are effective, the number and type of accidents that occur are constantly monitored, along with the steps taken to mitigate the hazards. Comparable data shows that there has been a significant reduction in accidents over the last three years.

Social certification

Autogrill's effort to obtain important certifications regarding employee health and safety is another reflection of its philosophy that each worker is a prized individual:

- in Italy, in 2012 Autogrill renewed its ISO 9001 (quality management systems) and UNI 10854 certification, while its ISO 22000 (food safety) certification (for Milan headquarters, the Giovi Ovest location and Orio al Serio airport) and SA 8000 (Autogrill S.p.A.) are still valid;
- OHSAS 18001 certification, obtained in 2012 for all World Duty Free Group shops in Great Britain, promotes a safe and healthy workplace by maintaining an infrastructure that allows the group to systematically monitor health and safety risks, reduce hazards, foster regulatory compliance and improve overall standards.

"Planet": Autogrill and the environment

Environmental issues – climate change, access to clean water, waste disposal, etc. – concern people, organizations and institutions all over the world.

Autogrill believes it is the personal contribution of each individual that makes the difference. Simple, everyday habits can help reduce emissions without sacrificing quality of life. Although Autogrill's impact on the environment is relatively minor, we feel a responsibility to reduce our consumption of energy, water and raw materials in favor of clean, renewable energies and recycled materials that are friendly to our Earth. We do this by designing green facilities, properly managing resources and processes, monitoring performance and, above all, enlisting the help of our employees.

Conservation awareness

Protecting the environment and conserving energy and water means, first and foremost, consuming less. And consuming less means a commitment from everyone, from those who design our buildings and their plants & systems to those who run our operations day to day. Our workers are involved in ongoing awareness programs to learn, for example, the proper use of equipment, which can lead to major savings if turned off at slow times of day. Our restaurants in the U.S. share best practices through conference call seminars to which all employees are invited; World Duty Free Group encourages its workers to do something for the environment and gathers the best ideas through its input program "Hear Me".

Innovation and environmental efficiency

Every Autogrill customer, whether at a food & beverage outlet or a travel retail store, begins his or her experience with a first impression of the facility. Autogrill's commitment to innovation, however, goes beyond the customer's immediate shopping experience to focus on energy efficiency, better plants and systems, reduced water consumption, and recycling.

Below is a summary of some of the projects carried out in 2012 that are especially important in terms of environmental sustainability.

In Italy, efforts to reduce power consumption led to the completion of two photovoltaic systems on the roofs of the central storage facilities in Pieve Emanuele (MI) and Anagni (FR). Together, the plants produce about 2.4 GWh of power, for self-consumption of between 70 and 90 percent. Also, thanks to the increasingly widespread use of LED lighting technology, the Pieve Emanuele warehouse has reduced its consumption by around 58%, or 250 MWh per year.

The Villoresi Est location opened in early 2013 represents the Group's best international practices for sustainable innovation, by gathering together a number of virtuous solutions that can be reproduced individually at other Autogrill locations around the world. This is a 360° sustainability program that is thoroughly compliant with the energy and carbon footprint standards of the Leadership in Energy and Environmental Design (LEED) Protocol and with the accessibility standards of Dasa-Rägister and Design for All. Of particular note are the geothermal plant with thermal battery and 420 underground probes; the 350 square meter collector roof that captures solar energy or cold, depending on the season; indoor/outdoor LED lighting; and the rainwater and groundwater collection system.

In the United States, the subsidiary HMSHost was recognized by the Chicago Department of Aviation for its active contribution to making O'Hare International Airport more sustainable every day, through initiatives like composting kitchen waste and coffee grounds, buying food produced locally, avoiding the use of polystyrene containers, and donating leftover food to charities. In 2011 at O'Hare, in collaboration with the Chicago Department of Aviation, HMSHost had opened an aeroponic garden: a growing method that does not require soil because the plants, grown on special supports, are nourished by misting the roots with nutrient enriched water. Lettuce, basil, oregano, beans, and parsley are just a few examples of the foods that are grown and then used in the kitchens of the HMSHost restaurants at the airport.

The subsidiary World Duty Free Group UK Ltd. is a founding member of the Heathrow Sustainability Partnership, together with airport management and other companies operating at Heathrow. In 2012 the Group was involved in several projects befitting its interests and areas of expertise: Energy Metering & Monitoring, Energy Reduction, and Energy Communication.

Environmental certification

Autogrill's possession of environmental certification is a natural consequence of its commitment to the world around us. In 2012:

- ISO 14001 certification was renewed for the environmental management systems of headquarters, the Brianza Sud location and the outlets at Turin airport, and EMAS certification was renewed for HQ and Brianza Sud;
- the subsidiary World Duty Free Group UK Ltd. received the internationally recognized ISO 14001:2004 certification for all of its stores, attesting to the effectiveness of its environmental management system.

1.4.2 Risks and uncertainties faced by Autogrill

Autogrill is exposed to external risks and uncertainties arising from general economic conditions or those specific to the industries in which it works, from the financial markets and from frequent changes in legislation, as well as to risks generated by strategic decisions and operating procedures.

The Risk Management department ensures the uniform handling of risks across the different organizational units by way of a model based on the systematic identification, analysis and assessment of the risk areas that may hinder the achievement of strategic goals. It helps evaluate the company's overall exposure to risks, orient the necessary mitigation efforts, and reduce the volatility of business objectives.

The updated risk matrix essentially confirms the risks identified in 2011.

The main business risks and financial risks are presented below. Regarding the former, we describe the main risks common to all of our business segments — given their common denominator, the traveler — followed by the specific risks faced by each one.

Business risks: all segments

Traffic statistics

Operations in the Food & Beverage and Travel Retail & Duty-Free segments are influenced by traffic trends. Any factor with the potential to reduce traffic flows significantly in the countries and channels served by the Company and the Group constitutes a threat to the production of value.

Exogenous (hence uncontrollable) factors that may affect the flow of traffic and travelers' inclination to spend include the general economy, the rising price of oil, and the increased cost of travel in general.

The impact of this risk is mainly economic, leading to a reduction in sales and profitability.

One strategic factor that helps mitigate this risk is the diversification of the Group's activities in terms of:
- channels (airports, motorways and railway stations);
- geographical areas served.

Autogrill also has the following tools available to counter recessions or soften the impact of any concentration of its businesses in channels or areas hit by a downturn:
- constant revision of products and customer services, to keep them competitive in terms of quality and price and adapt to consumers' different spending habits in difficult economic times;
- focus on the profitability of sales, by cutting costs without sacrificing menus and catalogues or the quality of service;
- modulation of investments in order to limit the impact on cash flow.

Reputation

Loss of reputation may occur with customers and/or concession grantors. In the first case, the cause is perceived deterioration of service, which can drive dissatisfied customers away, while in the second it is an inability to satisfy contractual commitments that threatens good business relations and the prospect of extending contracts.

To counter that risk, Autogrill constantly monitors the quality of the service it provides to customers (in terms of perceived satisfaction and product safety) and to the grantor (in light of the quantitative and qualitative standards defined in the concession contract), by way of:
- the constant monitoring of procedures and processes, both internally and by outside firms, to keep service efficient and customers and workers safe;
- portfolio reviews to make sure the company's brands, concepts and products remain appealing;
- training programs to ensure high standards of service.

Loss of reputation can also have indirect causes beyond our control. In Italy, for example, the fact that many travelers use the Company's and the Group's name to refer to highway rest stops in general ("let's stop at the autogrill") exposes the Food & Beverage operations in this channel to reputation risk caused by any shortcomings on the part of competitors. Suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill. Likewise, for operations involving the sale of third-party brands under license, any reputation damage suffered by the licensor may expose Autogrill to a potential loss of business.

Consumption habits

A change in consumption habits can be a risk if Autogrill is unable to react in time by adapting its service model and products to what the customer desires.

An extensive portfolio of brands and commercial formulas helps to mitigate this risk.

In developing its concepts and offerings, Autogrill puts a high premium on innovation and flexibility, so that it can quickly respond to changes in consumers' purchasing habits and tastes. To that end the Company and the Group conduct specific market research and customer satisfaction surveys.

Concession fees

Most Food & Beverage and Travel Retail & Duty-Free operations are conducted under long-term contracts awarded through competitive bidding by the holder of the infrastructure management concession (airport, motorway). Over time, contractual terms have changed so that more of the risk is transferred to the operator of the business.

The risk in question is significant, as it can expose the Group to long-term losses in profitability, especially if it coincides with a wane in traffic or consumer confidence.

In general, the Group mitigates this risk by focusing on the profitability of its contracts and not bidding at all for those considered to offer poor returns, and by following an approach aimed at building and maintaining a long-term partnership arrangement with the concession grantor, based in part on the development of concepts and commercial solutions that maximize the overall gain.

Personnel expense

Labor is a significant production factor in the Food & Beverage segment. The need to maintain service standards acceptable to customers and to the concession grantor, and the complexity of international labor laws, limit the flexibility of HR management.

Major increases in the cost per employee or more stringent regulations can have a significant impact on the Company's and the Group's profitability.

One of Autogrill's top priorities is to maintain a constructive dialogue with personnel and trade unions, to ensure that processes are effective and efficient.

This risk is mitigated through the constant review of operating procedures in order to make the most efficient use of labor, increase flexibility and reduce occupational hazards.

Regulatory compliance

Autogrill's business segments are highly regulated in terms of operating practices and customer and worker safety, which involves personal protections as well as product quality. Any violation of the norms for each segment would not only expose the Group to legal consequences but could diminish its reputation with concession grantors and customers, possibly leading to reduced sales, the loss of existing contracts or the failure to acquire new ones.

To mitigate this risk, with the help of outside specialists, Autogrill stays constantly abreast of legal developments so it can adapt its processes, procedures and controls to the new requirements and bring personnel up to date. It also relies on constant monitoring and frequent audits of service quality with respect to contractual and legal obligations.

Further risks may arise from new legislation in the segments and channels served by Autogrill, which sometimes introduce procedures, regulations, or controls more restrictive that can influence the consumer's propensity to buy, most typically in the airport channel.

These risks are lessened by constantly monitoring consumer behavior when new rules come into force and by incorporating suitable countermeasures into the business model.

Business risks: Food & Beverage

Customer satisfaction

The most significant risk specific to the Food & Beverage segment is the failure to keep service standards and products in line with customers' expectations. This has a direct impact on sales and reputation.

The constant innovation of concepts and products, efforts to thwart the risk of reputation loss and regulatory non-compliance (concerning the quality of Food & Beverage preparation and service), and quality controls on raw materials successfully mitigate this threat.

Business risks: Travel Retail & Duty-Free

Shop effectiveness

Customer satisfaction depends on the Company's and the Group's ability to provide an assortment that is always modern and appealing. Effective and efficient supply chain management are therefore crucial for this segment: a well-balanced core assortment that captures the attention of consumers, along with effective sales personnel, are top priorities for achieving a profitable location while optimizing the investment in stocks.

Exchange rates

Impulse buying at an airport is strongly influenced by the exchange rate between the passenger's country of origin and the destination country of the point of sale. To increase sales, it is therefore essential to monitor the price perceived by the customer as a result of exchange rate fluctuations.

The widespread operations of the Group and its subsidiaries around the globe mitigate the threat that unfavorable exchange rates may pose to sales in a given region. Meanwhile, its constant attention to product supply and demand in countries of origin and destination help it identify the advantage customers will perceive from favorable rates of exchange.

Financial risks

Autogrill manages its financial risks by defining Group-wide guidelines that inform the financial management of its operating units, as part of an overall policy of financial independence between its two business segments: Food & Beverage and Travel Retail. To that end, in late 2011 the two segments arranged separate credit lines to cover their borrowing needs. Intergroup lending between the two is therefore of marginal importance.

The Finance department ensures that the segments' financial risk management policies are harmonized, indicating the most suitable financial instruments and monitoring the results achieved. The Autogrill Group does not allow the use of speculative derivative instruments.

The Group also strives for a certain financial flexibility, maintaining enough cash and syndicated committed credit lines to cover its refinancing needs for at least 12 to 18 months.

Regarding the management of financial risks, consisting mostly of interest rate, exchange rate and liquidity risk, see the financial risk management section of the notes.

1.4.3 Corporate governance

All information on corporate governance is included in the Corporate Governance Report (prepared in accordance with art. 123-*bis* of the Consolidated Finance Act), part of this Annual Report. It is also available online on the company's website (www.autogrill.com).

1.4.4 Management and coordination

At its meeting of 27 April 2004, the Board of Directors decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the parent, Edizione S.r.l. (formerly Edizione Holding S.p.A.), pursuant to art. 2497-*bis* of the Italian Civil Code. Following Edizione S.r.l.'s transfer of its entire investment in Autogrill to its wholly-owned subsidiary Schematrentaquattro S.r.l., on 18 January 2007 the Board of Directors agreed that there were still no conditions whereby Autogrill would be subject to the management and coordination of its parent, Schematrentaquattro S.r.l. Specifically, at those meetings the Board of Directors verified that there were no indicators of effective dominant influence by the controlling shareholder, given Autogrill's extensive managerial, organizational and administrative autonomy and the lack of instructions or directives from Edizione S.r.l. and Schematrentaquattro S.r.l. that might be evidence of management or coordination.

1.4.5 Related party transactions

Transactions with the Company's related parties do not qualify as atypical or unusual and fall within the normal sphere of operations. They are conducted on an arm's length basis.

See the section "Other information" in the Notes for further information on related party transactions, including the disclosures required by Consob Resolution 17221 of 12 March 2010 (amended with Resolution 17389 of 23 June 2010). The "Procedure for related party transactions" is available online at www.autogrill.com.

1.4.6 Statement pursuant to art. 2.6.2(10) of the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A.

In respect of art. 36 of Consob Regulation no. 16191 of 29 October 2007 on conditions for the listing of companies that control entities formed or governed under the laws of countries outside the European Union that are of material significance to the financial statements, we report that two of the Company's direct or indirect subsidiaries fall under these provisions (HMSHost Corporation and Host International Inc.), that suitable procedures have been adopted to ensure full compliance with said rules, and that the conditions stated in art. 36 have been satisfied.

1.4.7 Research and development

In relation to the nature of its activities, the Company invests in innovation, product development, and improvements to the quality of service. It does not conduct technological research as such.

1.4.8 Data protection

For internal purposes, Autogrill S.p.A. has decided to update the Data Protection Document based on its particular business needs, although the document is no longer mandatory in accordance with the "Simplification and Development Decree" (D.L. 5/2012). The measures taken by Autogrill and its subsidiaries during the course of 2012 can be summarized as follows:

- PCI DSS certification on credit card payment systems was renewed for Autogrill S.p.A. and its Italian subsidiary Nuova Sidap S.r.l.;
- an agreement was signed with the subsidiary Autogrill Schweiz governing Autogrill S.p.A.'s processing of employee data for the Aconnect portal;
- three ICT security policies were adopted for all of the Group's European companies, regarding cloud computing (the remote provision of computing services), network segmentation, and the software development life cycle (SDLC) process;
- changes were made to the means and frequency of data protection training. The course, with a new layout and audio content, is now available to employees over the e-learning platform Moodle. At the end of this process, training took place for all headquarters personnel and store managers;
- having recently switched to Gmail, the Company revised its policies by adding rules for the use of online collaboration systems and referencing the Google Privacy Policy, to raise users' awareness of data protection issues in a "2.0" world;
- the online payslip system was implemented, allowing headquarters employees to view their payslips through the Aconnect portal.

1.4.9 Shares held by directors, statutory auditors, general managers and executives with strategic responsibilities

The following table shows the shares of Autogrill S.p.A. and its subsidiaries held by directors and statutory auditors of Autogrill S.p.A., general managers and executives with strategic responsibilities, and their spouses (unless legally separated) and minor children.

	Shares in	Number of shares held at the end of 2011	Number of shares purchased	Number of shares sold	Number of shares held at the end of 2012
Gianmario Tondato Da Ruos	Autogrill S.p.A.	14,700	-	-	14,700
Gianni Mion	Autogrill S.p.A.	5,000	-	-	5,000
Tommaso Barracco *	Autogrill S.p.A.	12,587	-	-	12,587

* Shares already held before the Board of Director assignment (21 April 2011)

1.4.10 Treasury shares

At 31 December 2012 Autogrill S.p.A. held 1,004,934 treasury shares, or 0.395% of the share capital, with no movements taking place during the year; it does not own equity or other instruments representing the share capital of its parent, and did not at any time during the year, either directly or through trust companies or other intermediaries.

Autogrill S.p.A. does not own equity or other instruments representing the share capital of the ultimate parents, and did not at any time during the year, either directly or through subsidiaries, trust companies or other intermediaries.

1.4.11 Significant non-recurring events and transactions

In 2012, there were no significant non-recurring events or transactions as defined by Consob's Resolution no. 15519 and Communication DEM/6064293.

1.4.12 Atypical or unusual transactions

No atypical or unusual transactions, as defined by Consob Communications DEM/6037577 of 28 April 2006 and DEM/6064293 of 28 July 2006, were performed in 2012.

1.5 Annual General Meeting

The Board of Directors, in accordance with art. 2364(2) of the Italian Civil Code and art. 21 of the by-laws, has decided to call the Annual General Meeting of shareholders within the extended deadline of 180 days after the end of the business year, in consideration of needs and obligations relating to the preparation of the consolidated financial statements and taking account of any reorganizations and other extraordinary transactions currently being considered.

1.6 Proposal for approval



Proposal for approval of the financial statements and allocation of the 2012 loss

Dear Shareholders,

the year ended 31 December 2012 closed with a loss of € 14,577,721.

Recommending, for all further details, consultation of the financial statements published and made available according to the protocol set by law, the Board of Directors submits for your approval the following

motion

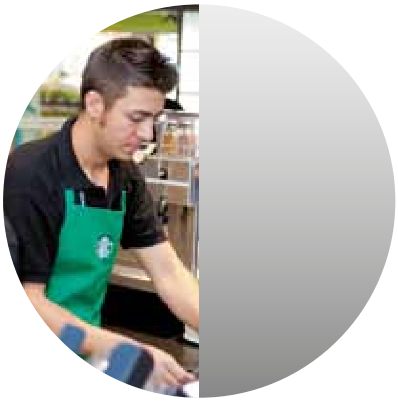
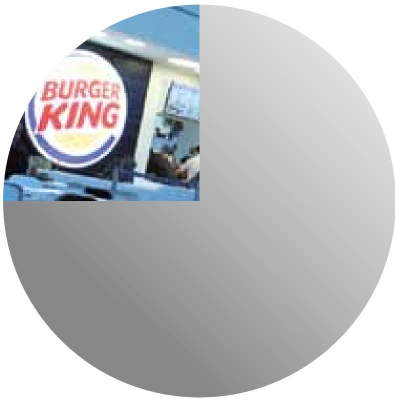
"The Annual General Meeting of shareholders:
- having examined the financial statements at and for the year ended 31 December 2012, which close with a loss of € 114,577,721;
- having noted, based on the Company's 2012 financial statements, that the minimum legal reserve balance required by Italian Civil Code art. 2430 has been met;
- having acknowledged the reports of the Board of Statutory Auditors and of the independent auditors, KPMG S.p.A.;

hereby resolves

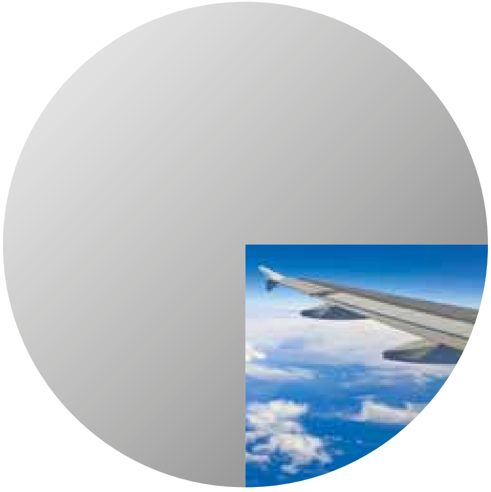
a) to approve the financial statements of Autogrill S.p.A. at and for the year ended 31 December 2012, showing a loss of € 14,577,721;
b) to carry forward the loss for the year, in the amount of € 14,577,721."

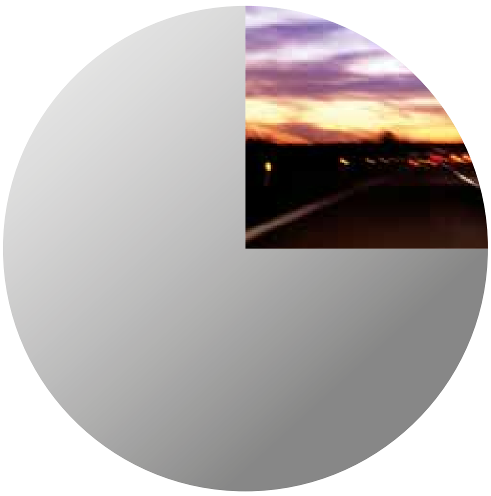
7 March 2013

The Board of Directors

2. Separate Financial Statements





2.1 Autogrill S.p.A. Separate Financial Statements

2.1.1 Statement of financial position

Note	(€)	31.12.2012	31.12.2011	Change
	ASSETS			
I	Cash and cash equivalents	31,007,638	31,768,725	(761,087)
II	Other financial assets	16,753,709	56,099,614	(39,345,905)
III	Other receivables	93,987,896	92,761,370	1,226,526
IV	Trade receivables	30,092,383	27,417,661	2,674,722
V	Inventories	44,193,851	50,337,984	(6,144,133)
	Total current assets	**216,035,477**	**258,385,354**	**(42,349,877)**
VI	Property, plant and equipment	214,520,031	217,209,929	(2,689,897)
VII	Goodwill	83,631,225	83,631,225	-
VIII	Other intangible assets	36,499,265	37,089,366	(590,102)
IX	Investments	1,082,786,743	1,152,638,308	(69,851,565)
X	Other financial assets	121,414,767	201,000,660	(79,585,893)
XI	Other receivables	7,259,422	9,765,166	(2,505,744)
	Total non-current assets	**1,546,111,453**	**1,701,334,654**	**(155,223,201)**
	TOTAL ASSETS	1,762,146,930	1,959,720,008	(197,573,078)
	LIABILITIES AND EQUITY			
	LIABILITIES			
XII	Trade payables	239,264,353	237,659,014	1,605,339
XIII	Tax liabilities	4,035,460	10,039,808	(6,004,348)
XIV	Other payables	87,234,496	85,356,411	1,878,085
XV	Due to banks	28,351,934	78,261,695	(49,909,761)
XVI	Other financial liabilities	90,564,391	55,781,959	34,782,432
	Total current liabilities	**449,450,634**	**467,098,887**	**(17,648,253)**
XVII	Other payables	-	12,454,890	(12,454,890)
XVIII	Loans, net of current portion	535,295,735	612,904,628	(77,608,893)
XIX	Deferred tax liabilities	21,546,716	18,685,598	2,861,118
XX	Post-employment benefits and other employee benefits	63,330,118	65,112,710	(1,782,592)
XXI	Provisions for risks and charges	6,162,144	13,659,328	(7,497,184)
	Total non-current liabilities	**626,334,713**	**722,817,154**	**(96,482,441)**
XXII	EQUITY	686,361,583	769,803,967	(83,442,384)
	TOTAL LIABILITIES AND EQUITY	1,762,146,930	1,959,720,008	(197,573,078)

2.1.2 Income statement

Note	(€)	2012	2011	Change
XXIII	**Revenue**	**1,167,189,201**	**1,307,200,494**	**(140,011,293)**
XXIV	Other operating income	72,997,236	74,166,374	(1,169,138)
	Total revenue and other operating income	**1,240,186,437**	**1,381,366,868**	**(141,180,431)**
XXV	Raw materials, supplies and goods	553,600,475	625,200,675	(71,600,200)
XXVI	Personnel expense	304,403,180	322,544,481	(18,141,301)
XXVII	Leases, rentals, concessions and royalties	178,499,473	183,222,212	(4,722,739)
XXVIII	Other operating expense	146,326,685	158,235,460	(11,908,775)
XXIX	Depreciation and amortization	61,693,737	58,089,233	3,604,504
	Operating profit	**(4,337,113)**	**34,074,807**	**(38,411,920)**
XXX	Financial income	105,219,846	185,366,940	(80,147,094)
XXXI	Financial expense	(46,762,813)	(109,095,088)	62,332,275
XXXII	Impairment losses on financial assets	(72,308,300)	(65,071,833)	(7,236,467)
	Pre-tax profit (loss)	**(18,188,380)**	**45,274,826**	**(63,463,206)**
XXXIII	Income tax	3,610,659	(13,348,626)	16,959,285
	Profit (loss) for the year	**(14,577,721)**	**31,926,200**	**(46,503,921)**

2.1.3 Statement of comprehensive income

Note	(€)	2012	2011	Change
	Profit (loss) for the year	**(14,577,721)**	**31,926,200**	**(46,503,921)**
XXII	Effective portion of fair value change in cash flow hedges	1,020,365	(922,514)	1,942,879
XXII	Net change in fair value of cash flow hedges reclassified to profit or loss	4,161,162	42,173,873	(38,012,711)
XXII	Income tax on comprehensive income	(1,424,920)	(11,344,123)	9,919,203
	Total comprehensive income (expense) for the year	**(10,821,114)**	**61,833,436**	**(72,654,550)**

2.1.4 Statement of changes in equity

(€k)	Share capital	Legal reserve	Hedging reserve	Other reserves and retained earnings	Treasury shares reserve	Profit (loss) for the year	Equity
31.12.2010	**132,288**	**26,458**	**(43,696)**	**495,598**	**(944)**	**164,352**	**774,056**
Total comprehensive income for the year							
Profit (loss) for the year	-	-	-	-	-	31,926	31,926
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	29,907	-	-	-	29,907
Total comprehensive income for the year	-	-	**29,907**	-	-	**31,926**	**61,833**
Transactions with owners of the parent, recognized directly in equity							
Allocation of 2010 profit	-	-	-	103,326	-	(103,326)	-
Dividend distribution	-	-	-	-	-	(61,026)	(61,026)
Treasury shares	-	-	-	-	(6,780)	-	(6,780)
Stock options	-	-	-	1,721	-	-	1,721
Total contributions by and distributions to owners of the parent	-	-	-	**105,047**	**(6,780)**	**(164,352)**	**(66,085)**
31.12.2011	**132,288**	**26,458**	**(13,789)**	**600,645**	**(7,724)**	**31,926**	**769,804**
Total comprehensive income (expense) for the year							
Profit (loss) for the year	-	-	-	-	-	(14,578)	(14,578)
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	3,757	-	-	-	3,757
Total comprehensive income (expense) for the year	-	-	**3,757**	-	-	**(14,578)**	**(10,821)**
Transactions with owners of the parent, recognized directly in equity							
Allocation of 2011 profit	-	-	-	31,926	-	(31,926)	-
Dividend distribution	-	-	-	(70,951)	-	-	(70,951)
Treasury shares	-	-	-	-	-	-	-
Stock options	-	-	-	(778)	-	-	(778)
Total contributions by and distributions to owners of the parent	-	-	-	**(39,802)**	-	**(31,926)**	**(71,729)**
Differences from cancellation of investments in subsidiaries	-	-	-	(892)	-	-	(892)
31.12.2012	**132,288**	**26,458**	**(10,032)**	**559,951**	**(7,724)**	**(14,578)**	**686,361**

2.1.5 Statement of cash flows

(€k)	2012	2011
Opening net cash and cash equivalents	**26,961**	**33,927**
Pre-tax profit and net financial expense for the year	(4,337)	34,075
Amortization, depreciation and impairment losses on non-current assets, net of reversals	61,694	58,089
(Gain)/losses on disposal of non-current assets	38	(856)
Change in working capital in the year	15,687	(45,370)
Net change in non-current non-financial assets and liabilities	(19,581)	475
Cash flow from operating activities	**53,501**	**46,413**
Net interest paid	(18,961)	(56,612)
Taxes paid	(10,392)	(19,438)
Net cash flow used in operating activities	**24,148**	**(29,637)**
Acquisition of property, plant and equipment and intagible assets	(67,559)	(62,096)
Proceeds from sale of non-current assets	988	1,863
Acquisition in investments in subsidiaries	(1,827)	(7,572)
Dividends received	96,605	99,199
Net change in financial assets	1,500	(5,060)
Net cash flow from investing activities	**29,708**	**26,335**
Net change in intercompany loans and borrowings	147,564	437,375
Repayment of non-current loans, net of new loans	(78,921)	(357,829)
Repayment of current loans, net of new loans	(73,454)	(17,672)
Dividends paid	(70,948)	(61,023)
Other cash flows	(2,401)	(4,515)
Net cash flow used in financing activities	**(78,160)**	**(3,664)**
Cash flow used in the year	**(24,304)**	**(6,967)**
Closing net cash and cash equivalents	**2,656**	**26,961**

(€k)	2012	2011
Opening - net cash and cash equivalents - balance as of 31 December 2011 and as of 31 December 2010	**26,961**	**33,927**
Cash and cash equivalents	31,769	37,002
Current account overdrafts	(4,808)	(3,075)
Closing - net cash and cash equivalents - balance as of 31 December 2012 and as of 31 December 2011	**2,656**	**26,961**
Cash and cash equivalents	31,008	31,769
Current account overdrafts	(28,352)	(4,808)

2.2 Notes to the financial statements

2.2.1 Accounting policies

Company operations

Autogrill S.p.A. operates in the Food & Beverage business in Italy and in the Travel Retail and Food & Beverage segments, through its subsidiaries, in other countries. Most of its business takes place at airports, motorway rest stops and railway stations by way of concession contracts. Autogrill is the only company among the main players in its market that operates almost exclusively under concession.

Operations in Italy, performed directly by Autogrill S.p.A. and by its wholly-owned subsidiary Nuova Sidap S.r.l., consist mostly of catering for people on the move and quick-service restaurants in busy locations. Food & Beverage units along motorways also sell groceries and non-food products and distribute fuel to the public.

General standards

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union. IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).

The financial statements are also compliant with the rules on reporting formats adopted by Consob in accordance with art. 9 of Legislative Decree 38/2005 and with the other Consob regulations on financial reporting.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2012:

- Amendments to IFRS 7, Financial Instruments: Disclosures - Transfers of financial assets.

The application of this standard had no significant impact on the financial statements.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning after 1 January 2013:

- Amendments to IAS 1 Presentation of financial statements - Presentation of items of other comprehensive income;
- Amendments to IAS 19 Employee benefits;
- Amendments to IAS 12 Income taxes - Deferred taxation: recovery of underlying assets;
- Amendments to IAS 32 Financial instruments: Presentation in financial statements – offsetting financial assets and liabilities;
- Amendments to IFRS 7 Financial instruments: Additional information - offsetting financial assets and liabilities;
- IFRS 13 Fair value measurement.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2014:

- IAS 27 Separate financial statements.

More in detail IAS 19 changes the definition of short-term benefits and other long-term employee benefits in order to clarify the difference between the two. Under defined contribution plans, the biggest change introduced by the new accounting standard is that the actuarial gains and losses should be recognized in the statement of comprehensive income; the corridor approach used by the Company and described in greater detail below will no longer be allowed. Management believes that the different way of recognizing actuarial gains and losses will increase liabilities by approximately € 9.0m as of 1 January 2013 and have an impact on the statement of comprehensive income, net of the tax effect, of some € 6.5m.

Management is also measuring the effects of the amendments to IFRS 13, but believes that the changes to IAS 1 would not affect the financial statements to an extent requiring mention in these Notes. The future impact of the amended IAS 27 is likewise being studied.

The separate financial statements were prepared on a going-concern basis using the euro as the preservation currency. The statement of financial position, income statement, and statement of comprehensive income are presented in euros, while the statement of changes in equity, the statement of cash flows and the amounts in the notes, unless otherwise specified, are expressed in thousands of euros (€k).

Structure, format and content of the separate financial statements

In accordance with IAS 1 Revised and IAS 7, the formats used in the Company's 2012 financial statements are as follows:

- Statement of financial position, with assets and liabilities split between current and non-current items;
- Income statement, with costs classified by nature;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of Cash flows, using the indirect method to determine cash flows from operating activities.

The financial statements are clearly presented and give a true and fair view of the Company's financial position, results of operations and cash flows. Formats and standards are consistent over time, save for the exceptions mentioned above.

Accounting policies

The Company follows the historical cost principle, except for items that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies below.

Business combinations

Business combinations carried out since 1 January 2008

Since 1 January 2008, the Company has followed the rules of IFRS 3 (2008) - Business combinations.

Business combinations are accounted for using the purchase method. The consideration transferred in a business combination includes the fair value, as of the acquisition date, of the assets and liabilities transferred and of the interests issued by the Company, as well as the fair value of any contingent consideration and of the incentives included in share-based payments recognized by the acquiree that have to be replaced in the business combination. If the business combination settles a pre-existing relationship between the Company and the acquiree, the lesser of the settlement amount, as established by contract, and the off-market price of the element is deducted from the consideration transferred and recognized under other costs.

The identifiable assets acquired and the identifiable liabilities assumed are measured at their respective acquisition-date fair values.

A contingent liability of the acquiree is assumed in a business combination only if this liability represents a current obligation deriving from past events and when its fair value can be reliably measured.

Goodwill arising from the acquisition is recognized as an asset and is initially measured as the excess between the consideration transferred and the acquisition-date net amount of the identifiable assets acquired and the identifiable liabilities assumed.

The costs relating to the acquisition are recognized in profit or loss in the period in which the costs are incurred and the services received; the sole exception is for the cost of issuing debt securities or equities.

Business combinations carried out from 1 January 2004 to 31 December 2007

Business combinations are accounted for using the purchase method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Any costs directly attributable to a business combination also form part of its overall cost.

The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognized under IFRS 3 - Business Combinations are posted at their fair value on the date of acquisition.

Goodwill arising from the acquisition is recognized as an asset and measured initially at cost, i.e., the amount by which the acquisition cost exceeds the Company's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognized on acquisition.

Business combinations carried out before 1 January 2004

On first-time adoption of IFRS (1 January 2005), the Company decided not to apply IFRS 3 - Business Combinations retrospectively to the acquisitions made prior to the date of changeover to IFRS (1 January 2004). Consequently, goodwill arising on acquisitions made prior to that date has been maintained at the previous amount determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

Recognition of revenue and costs

Purchases and sales of goods are recognized on transfer of title at fair value, i.e., the price paid or received net of returns, rebates, sales discounts and year-end bonuses.

Revenue is recognized when the risks and the benefits connected to ownership of the goods are transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of the revenue can be accurately measured. If it is probable that discounts will be granted and the amount can be measured reliably, the discount is recognized as a reduction of revenue when the sale is recognized.

The transfer of the risks and benefits varies with the type of sale made. In the case of a retail sale, the transfer generally takes place when the goods are delivered and the consumer has paid the consideration asked. In the instance of wholesale transactions, the transfer usually coincides with the arrival of the products in the client's warehouse.

Service revenue and costs are recognized according to the stage of completion at year end. Stage of completion is determined according to measurements of the work performed. When the services covered under a single contract are provided in different years, the consideration will be broken down by service provided on the basis of the relative fair value.

When the Company is acting as an agent and not as a principal in a sales transaction, the revenue recognized is the net amount of the Company's commission.

Recoveries of costs borne on behalf of others are recognized as a deduction from the related cost.

Recognition of financial income and expense

Financial income includes interest on invested liquidity (including financial assets available for sale), dividends received, proceeds from the transfer of financial assets available for sale, fair value changes in financial assets recognized in profit or loss, income arising from a business combination due to the remeasurement at fair value of the interest already held, gains on hedging instruments recognized in profit or loss, and the reclassification of net gains previously recognized in other comprehensive income. Interest income is recognized on an accruals basis using the effective interest method. Dividends are recognized when the Group is entitled to receive payment.

Financial expense includes interests on loans, discounting on provisions and deferred income, losses from the transfer of financial assets available for sale, fair value changes in financial assets recognized in profit or loss and in contingent consideration, impairment losses on financial assets (other than trade receivables), losses on hedging instruments recognized in profit or loss, and the reclassification of net losses previously recognized in other comprehensive income.

Borrowing costs that are not directly attributable to the purchase, construction or production cost of an asset that justifies capitalization are recognized in profit or loss for the year using the effective interest method.

Net foreign exchange gains or losses on financial assets/liabilities are shown under financial income and expense on the basis of the net gain or loss produced by foreign currency transactions.

Employee benefits

All employee benefits are recognized and disclosed on an accruals basis.

The Company provides for post-employment benefits through defined-contribution and/or defined-benefit plans.

Post-employment benefit plans are formalized and non-formalized agreements whereby the Company provides post-employment benefits to one or more employees.

Defined-contribution plans are post-employment benefit plans under which the Company pays pre-determined contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions should the fund have insufficient assets to pay all benefits to employees.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined benefit plans may be unfunded or entirely or partly funded by contributions paid by the employer, and sometimes by the employee, to a company or fund which is legally separate from the company that pays the benefits.

The amount accrued is projected forward to estimate the amount payable on termination of employment and is then discounted using the projected unit credit method, to account for the time that will elapse before actual payment occurs.

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Company, the amount of the asset recognized is limited to the sum of any unrecognized cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. To establish the present value of these economic benefits, the minimum funding requirements applicable to any Company plan are considered. An economic benefit is available to the Company when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities. Actuarial valuations are made by actuaries external to Company. Regarding the actuarial gains and losses arising from the calculation of plan liabilities, the Company uses the "corridor" approach, by which actuarial gains and losses are not reported as long as they are within ±10% of the greater of the plan assets or the present value of the plan obligations.

Any excess is recognized in profit or loss on a straight-line basis over the average remaining service lives of the beneficiaries, under the item "personnel expense," except for the financial component which is included under financial expense.

Due to changes in the system of post-employment benefits (Trattamento di fine rapporto or TFR) brought about by Law 296 of 27 December 2006 and by the decrees and regulations issued in early 2007 (the "Social security reform"):

- TFR accrued at 31 December 2006 is treated as a defined benefit plan in accordance with IAS 19. The benefits promised to employees in the form of TFR, which are paid upon termination of service, are recognized in the period in which the right vests;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognized as costs. The portion not yet paid into the funds is listed under current liabilities ("Other payables").

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market conditions at the vesting date. For share-based payments with non-vesting performance conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for difference between expected and actual conditions.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as employee benefit expenses in the income statement.

Income tax

Tax for the year is the sum of current and deferred taxes recognized in profit or loss for the year, with the exception of items recognized directly in equity or in other comprehensive income.

Current tax is calculated on taxable income for the year. Taxable income differs from the result reported in the income statement because it excludes costs and income that will be deducted or taxed in other years, as well as items that will never be deducted or taxed. Current tax liabilities are determined using the tax rates in effect (on an official or de facto basis) on the reporting date.

For the period 2010-2012, Autogrill S.p.A. and its direct or indirect Italian subsidiaries Nuova Sidap S.r.l. and World Duty Free Group Italia S.r.l., have joined the domestic tax consolidation scheme of the ultimate parent Edizione S.r.l., as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for payment in full of the amount corresponding to the transferred losses or profits times the IRES (corporate tax) rate, as well as the transfer of any tax assets. The net current tax asset or liability for the year, in respect of IRES only, is therefore recognized as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "Other receivables" or "Other payables".

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that future taxable income is likely to be earned allowing use of the deductible temporary differences. Specifically, the carrying amount of deferred tax assets is reviewed at each reporting date based on the latest forecasts as to future taxable income.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or, for transactions other than business combinations, of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income.

Deferred tax liabilities are recognized on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Company is able to monitor the reversal of the temporary differences and they are unlikely to be reversed in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rate expected to apply at the time the asset is realized or the liability is settled, taking account of the tax rates in force at the close of the year.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax balances, when they pertain to the same tax authorities, and when the Company plans to settle its current tax assets and liabilities on a net basis.

Non-current assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is shown separately in the statement of financial position.

Goodwill is not amortized, but is subject to impairment testing on a yearly basis or when specific events or changed circumstances indicate the possibility of a loss in value. After its initial recognition, goodwill is measured at cost net of any accumulated impairment losses.

Upon the sale of a company or part of a company whose previous acquisition gave rise to goodwill, account is taken of the residual value of the goodwill in determining the gain or loss from the sale.

Other intangible assets

Other intangible assets are recognized at purchase price or production cost, including ancillary charges, and amortized over their useful life when it is likely that use of the asset will generate future economic benefits.

The Company reviews the estimated useful life and amortization method of these assets at each year end and whenever there is evidence of possible impairment losses.

If impairment losses arise — determined in accordance with the section "Impairment losses on assets" — the asset is impaired accordingly.

The following are the amortization periods used for the various kinds of intangible assets:

Concessions, licenses, trademarks and similar rights:	
Software licenses	3-6 years
License to sell state monopoly goods	Term of license
Brands	20 years
Other:	
Application software	3-6 years
Other costs to be amortised	5 years or term of underlying contract

Property, plant and equipment

Property, plant and equipment are recognized when it is probable that use of the asset will generate future benefits and when the cost of the asset can be reliably determined.

They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs to the extent that can reasonably be attributed to the assets.

On transition to IFRS, any revaluations carried out in accordance with monetary revaluation laws were maintained in the financial statements as they are consistent with IFRS 1.

Property, plant and equipment are systematically depreciated on a straight-line basis at rates deemed to reflect their estimated useful lives. The Company systematically reviews the useful life of each asset at every year end. Cost includes reasonably estimated expenses (if compatible with IAS 37) that are likely to be incurred on expiry of the relevant contract to restore the asset to the contractually agreed condition, assuming that maintenance will continue to be carried out properly and with the usual frequency. Components of significant value (in excess of € 500k) or with a different useful life (50% longer or shorter than that of the asset to which the component belongs) are considered separately when determining depreciation.

Depreciation rates are as follows:

Industrial buildings	3%
Plant and machinery	8%-33%
Industrial and commercial equipment	20%-33%
Furniture and fittings	10%-20%
Motor vehicles	25%
Other	12%-20%

Land is not depreciated.

For "Assets to be transferred free of charge", these rates, if higher, are replaced by those corresponding to the term of the concession contract.

An asset's useful life is reviewed annually, and is changed when maintenance work during the year has involved enhancements or replacements that materially alter its useful life.

Regardless of depreciation already recognized, if there are impairment losses (determined as described under "Impairment losses on assets"), the asset is impaired accordingly.

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalized and increase the carrying amount of the asset. Routine maintenance costs are taken directly to the income statement.

Leasehold improvements are included in property, plant and equipment on the basis of the type of cost incurred. They are depreciated over the asset's residual useful life or the term of the contract, whichever is shorter.

The gain or loss from the sale of property, plant or equipment is the difference between the net proceeds of the sale and the asset's carrying amount, and is recognized under "Other income" or "Other operating costs".

Leased assets

Lease contracts are classified as finance leases if the terms of the contract are such to transfer all risks and benefits of ownership to the lessee. All other lease contracts are treated as operating leases.

Assets acquired under finance leases are recognized at fair value as of the commencement date of the contract less ancillary charges and any expenses for replacing another party in the lease, or, if lower, at the present value of the minimum payments due under the contract. The corresponding liability to the lessor is charged to "Other financial liabilities". Lease payments are divided into principal and interest, using a constant interest rate over the life of the contract. Financial expense is recognized in the income statement.

Operating lease payments are calculated over the term of the lease. Benefits received or to be received, and those given or to be given, as incentives for taking out operating leases, are also recognized on a straight-line basis over the term of the lease.

Investments

Investments in subsidiaries and other companies are measured at cost adjusted for impairment losses, as described below.

Impairment of assets

At each reporting date, the Company tests whether there are internal or external indicators of impairment of its property, plant and equipment, intangible assets and equity. If so, the recoverable amount of the assets is estimated to determine any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs; a cash-generating unit is a group of assets that generates cash flows broadly independent from other assets or groups of assets. With regard to property, plant and equipment used in the sales network, this minimum aggregation unit is the point of sale or points of sale covered by a single concession agreement.

Goodwill and assets under development are tested for impairment at each year end and any time there is evidence of possible impairment.

The cash-generating units to which goodwill has been allocated are grouped so that the level of detection of impairment reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the synergies of the combination.

The recoverable amount is the higher of market value (fair value less costs to sell) and value in use. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Because the fair value of investments in subsidiaries and associates cannot be readily determined, their recoverable amount is taken as their estimated value in use, calculated by discounting the cash flows associated with their forecast results.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, it is reduced to the recoverable amount. Impairment losses are recognized in the income statement.

Impairment losses on cash-generating units are first deducted from the carrying amount of any goodwill attributed to the unit; any remainder is deducted from the other assets of the unit (or group of units) in proportion to their carrying amount.

If the reason for the impairment loss no longer exists, the asset (or cash-generating unit) is reversed to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the carrying amount net of depreciation/amortization that the asset would have had if the impairment loss had not been charged. The reversal of impairment is taken to the income statement.

Current assets and current & non-current liabilities

Inventories

Inventories are recognized at the lower of purchase or production cost and market value. Purchase or production cost includes directly attributable expenses, net of discounts, rebates, annual bonuses and similar contributions from suppliers, calculated using the FIFO method. When the carrying value of inventories is higher than their net realizable value, they are written down and an impairment loss is charged to the income statement. The recoverability of inventories is tested at the end of each year. If the reasons for the impairment loss cease to apply, they are reversed to an amount not exceeding purchase or production cost.

Financial assets and liabilities

Trade and other receivables

Trade receivables and other receivables are initially recognized at fair value, and subsequently at amortized cost using the effective interest method. They are impaired to reflect estimated impairment losses.

In accordance with IAS 39, factored receivables are derecognized if the contract entails the full transfer of the associated risks and rewards (contractual rights to receive cash flows from the asset). The difference between the carrying amount of the asset transferred and the amount received is recognized in the income statement.

Other financial assets

Other financial assets are recognized or derecognized on the trade date and are initially measured at fair value, including direct acquisition costs.

Subsequently, the financial assets that the Company has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortized cost net of impairment losses.

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each year end at fair value. If the financial assets are held for trading, gains and losses arising from changes in fair value are recognized in that year's income statement. Fair value gains and losses on other financial assets available for sale are recognized directly in comprehensive income and presented under equity until they are sold or impaired. In this case total gains or losses previously recognized in equity are taken to the income statement.

Share capital and purchase of treasury shares

The share capital is comprised wholly of ordinary shares, which form part of equity.

If treasury shares are purchased, the amount paid — including directly attributable expenses and net of tax effects — is deducted from equity. The shares thus purchased are classified as treasury shares and reduce the amount of total equity. The amount received from the subsequent sale or re-issue of treasury shares is added back to equity. Any positive or negative difference from the transaction is transferred to or from retained earnings.

Cash and cash equivalents

Cash and cash equivalents include cash and current accounts with banks and post offices, as well as demand deposits and other highly liquid short-term financial investments (maturity of three months or less on the acquisition date) that are immediately convertible to cash; they are stated at face value as they are subject to no significant risk of impairment.

Loans and borrowings

Interest-bearing loans and bank account overdrafts are initially recognized at fair value taking account of the amounts received, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest method.

Trade payables

Trade payables are initially recognized at fair value (normally the same as face value), net of discounts, returns and billing adjustments, and subsequently at amortized cost, if the financial effect of payment deferral is material.

Derivative financial instruments and hedge accounting

Autogrill's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates.

To manage these risks the Company uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. Company policy is to convert part of floating-rate debt into fixed-rate. The use of derivatives is governed by Company policies approved by the Board of Directors, which establish precise written procedures concerning the use of derivatives in accordance with Autogrill's risk management strategies. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. The Company does not use derivatives for purely trading purposes, but rather to hedge identified risks.

See the policy described in section 2.2.5. Financial risk management.

In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only if: (i) at the inception of the hedge there is formal designation and documentation of the hedging relationship, and the hedge is assumed to be effective; (ii) effectiveness can be reliably measured; (iii) the hedge is effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are initially measured at fair value, with the related transaction costs recognized in profit or loss when incurred. They are subsequently carried at fair value. More specifically, the fair value of forward exchange contracts is based on the listed market price, where available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current spot rate for the residual maturity of the contract using a risk-free interest rate.

For interest rate swaps, fair value is determined using the cash flows estimated on the basis of the conditions and remaining life of each contract, and according to the year-end market interest rates of comparable instruments.

Fair value changes are measured as described below.

When financial instruments qualify for hedge accounting, the following rules apply:

- Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a recognized asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts its carrying amount and is recognized in profit or loss.
- Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognized asset or liability or a forecast transaction that is highly probable and could affect profit or loss, the effective portion of the gain or loss on the financial instrument is recognized in comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reversed from comprehensive income and recognized in profit or loss in the same year in which the hedged transaction is recognized. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognized in the income statement immediately. If a hedge or a hedging relationship is terminated, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the

gains or losses not yet realized that have been included in comprehensive income are reclassified immediately to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the financial derivative are immediately recognized in the income statement.

Provisions for risks and charges

Provisions are recognized when the Company has a present obligation as a result of a past event and will likely have to use resources in order to produce economic benefits that satisfy that obligation, and when the amount of the obligation can be reliably determined. Provisions are based on the best estimate of the cost of fulfilling the obligation as of the reporting date, and when the effect is material, are discounted to their present value.

An onerous contracts provision is recognized when the unavoidable costs necessary to fulfil the obligations of a contract are greater than the economic benefits the Company can expect to obtain therefrom. The provision is measured at the present value of the lower of the cost of terminating the contract and the net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment losses on the assets associated with the contract.

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been publicly announced. Future operating costs are not provided for.

Foreign currency transactions

Transactions in foreign currencies are converted into the presentation currency at the exchange rate in effect on the transaction date. Foreign currency assets and liabilities are converted at the year end exchange rate. Exchange rate gains and losses arising from translation are recognized in the income statement.

Use of estimates

The preparation of the separate financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at year end. Actual results may differ. Estimates are used to determine the fair value of financial instruments, allowances for impairment and inventory obsolescence, depreciation, amortization, impairment losses on assets, employee benefits, tax, and other provisions. Estimates and assumptions are periodically reviewed and the effect of any change is immediately taken to the income statement of the current and future years.

2.2.2 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

This item decreased by € 761k. See the statement of cash flows for details.

The components of this item are summarized below:

(€k)	31.12.2012	31.12.2011	Change
Bank and post office deposits	4,247	2,393	1,854
Deposits in transit	23,206	23,625	(419)
Cash at sales outlets and HQ	3,555	5,751	(2,196)
Total	**31,008**	**31,769**	**(761)**

II. Other financial assets

Other financial assets are as follows:

(€k)	31.12.2012	31.12.2011	Change
Financial receivables from subsidiaries			
Autogrill Austria A.G.	1	96	(95)
Autogrill Czech S.r.o.	4	1,110	(1,106)
Autogrill Deutschland GmbH	86	86	-
Autogrill Iberia S.L.U.	15	800	(786)
Autogrill Hellas E.p.E.	12	1,752	(1,740)
Autogrill D.o.o.	2	459	(457)
Nuova Sidap S.r.l.	15,472	15,144	328
World Duty Free Group S.A.U.	30	121	(91)
Holding de Participations Autogrill S.a.s.	280	31,759	(31,479)
HMSHost Ireland Ltd.	14	2,237	(2,223)
Autogrill Nederland B.V.	51	8	43
Autogrill Polska Sp.zo.o.	3	900	(897)
Autogrill Europe Nord Ouest S.A.	-	306	(306)
HMSHost Corporation (previously named Autogrill Group Inc.)	330	1,259	(929)
Autogrill Catering UK Ltd.	15	-	15
Fair value of exchange rate hedging derivatives	414	43	371
Other financial assets	25	20	5
Total	**16,754**	**56,100**	**(39,346)**

"Financial receivables from subsidiaries" consist of € 15,472k in current loans, including accrued interest.

Most of the change in this item was due to the subsidiaries' partial or complete repayment of non-revolving loans when Autogrill granted them new committed revolving loans, as described in note X. "Other financial assets".

Most of the "Fair value of exchange rate hedging derivatives" refers to derivative instruments in Swiss francs with a notional amount of Chf 64.1m (€ 44.9m).

III. Other receivables

"Other receivables", totaling € 93,988k at 31 December 2012, are made up as follows:

(€k)	31.12.2012	31.12.2011	Change
Suppliers	36,985	37,718	(733)
Lease and concession advance payments	5,662	6,034	(372)
Inland revenue and government agencies	12,573	14,805	(2,232)
Receivables from credit card companies	168	338	(170)
Personnel	367	598	(231)
Other	38,233	33,268	4,965
Total	**93,988**	**92,761**	**1,227**

"Suppliers" refers chiefly to amounts receivable for promotional contributions and supplier bonuses.

"Inland revenue and government agencies" consists mainly of a VAT receivable of € 12,071k.

"Other" refers primarily to € 10,742k ($ 14.2m) due from the subsidiary HMSHost Corporation (formerly Autogrill Group Inc.) for dividends approved at the end of 2012 and not received by the close of the year. The amount is shown net of withholding tax. The dividends were received in January 2013.

The heading "Other" also includes:

- € 12,467k due from Edizione S.r.l., the consolidating company for IRES (corporate income tax) purposes, in connection with the refund claimed in February 2013 following the recognition for IRES purposes of the deductibility of IRAP (as per Decree Law 201/2012) pertaining to personnel expense for the years 2007 through 2011;
- € 2,024k due from Edizione S.r.l., the consolidating company for IRES purposes, in connection with the refund claimed for the deduction of the portion of IRAP paid from 2004 to 2007 that pertains to personnel expense (as per Decree Law 185/2008).

IV. Trade receivables

Trade receivables of € 30,092k at 31 December 2012 are detailed below:

(€k)	31.12.2012	31.12.2011	Change
Third parties	27,706	24,536	3,170
Disputed receivables	7,706	7,603	103
Due from subsidiaries	3,195	3,030	165
Allowance for impairment	(8,515)	(7,751)	(764)
Total	**30,092**	**27,418**	**2,674**

"Third parties" refers mainly to catering service agreements and accounts with affiliated companies. Most of the latter, amounting to € 5,144k at the close of the year, are secured by bank guarantees totaling € 4,832k.

"Disputed receivables" concern accounts being pursued through the courts.

"Due from subsidiaries" relate to trade transactions with Group companies, specifically for the sale of goods to the subsidiary Nuova Sidap S.r.l.

The "Allowance for impairment" changed as follows:

Allowance for impairment at 31.12.2011	**7,751**
Allocations	764
Utilizations	-
Allowance for impairment at 31.12.2012	**8,515**

V. Inventories

Inventories consist of:

(€k)	31.12.2012	31.12.2011	Change
Food & Beverage items	27,400	30,160	(2,760)
State monopoly goods, lottery tickets and newspapers	14,793	17,689	(2,896)
Fuel and lubricants	61	325	(264)
Sundry merchandise and other items	1,940	2,164	(224)
Total	**44,194**	**50,338**	**(6,144)**

and are shown net of the allowance for inventory write-down, which changed as follows:

Balance at 31.12.2011	**538**
Allocations	170
Utilizations	(200)
Balance at 31.12.2012	**508**

The decrease for the year is due to the decline in sales, the closure of certain locations, and the implementation of plans designed to reduce inventories.

Non-current assets

VI. Property, plant and equipment

As follows:

	31.12.2012				31.12.2011			
(€k)	Gross amount	Accumulated depreciation	Accumulated impairment losses	Carrying amount	Gross amount	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land and buildings	41,875	(19,236)	(69)	22,570	40,346	(18,431)	(70)	21,845
Leasehold improvements	252,519	(192,911)	(11,556)	48,052	250,487	(183,473)	(10,653)	56,361
Plant and machinery	55,731	(42,080)	(900)	12,751	48,613	(39,782)	(701)	8,130
Industrial and commercial equipment	300,932	(252,154)	(3,018)	45,760	288,950	(238,017)	(3,049)	47,884
Assets to be transferred free of charge	196,198	(141,086)	(3,198)	51,914	177,609	(125,123)	(2,535)	49,951
Other	30,944	(28,435)	(122)	2,387	30,941	(28,016)	(122)	2,803
Assets under construction and payments on account	31,086	-	-	31,086	30,236	-	-	30,236
Total	**909,285**	**(675,902)**	**(18,863)**	**214,520**	**867,182**	**(632,842)**	**(17,130)**	**217,210**

Details of changes in all items are given in the table further on.

The increase of € 54,490k stems primarily from the modernization and renovation of stores and the replacement of obsolete plant, equipment and furnishings. Net decreases of € 4,441k mostly concern disposals associated with the streamlining of the business portfolio.

Impairment testing led to the recognition of € 3,781k in impairment losses (€ 2,546k in 2011).

VII. Goodwill

"Goodwill" shows a balance of € 83,631k, unchanged since the previous year.

The recoverability of goodwill is tested by estimating its value in use, defined as the present value of estimated future cash flows discounted at a rate reflecting the time value of money and specific risks as of the measurement date.

Future cash flows have been estimated on the basis of the 2013 budget and projections for 2014-2017, by applying a nominal growth rate ("g"), which does not exceed the sector's long-term growth projections in Italy, to the final year of the explicit forecast period.

The basic terms of impairment testing include an explicit forecast horizon of five years, use of the perpetuity method to calculate terminal value, and an assumed "g" rate of 1%.

The discount rate after taxes used in 2012 was 8.7% (8.18% the previous year). Before taxes the rate would be 14.53% (13.14% in 2011).

To estimate cash flows for the period 2013-2017, the Company made various assumptions, including an estimate of motorway and air traffic volumes and thus of the future changes in sales, operating costs and investments and the related changes in working capital. Specifically, motorway traffic is assumed to slow in 2013 and enjoy a moderate recovery in the following years, while the renewal rate for expiring contracts should be similar to Autogrill's track record. Operating costs, in particular rent, as a percentage of revenue have been revised in accordance with the expiration of leases and concession contracts.

On the basis of these assumptions, the recognized amount of goodwill was found to be fully recoverable.

An analysis of sensitivity to changes in the growth rate for terminal value and in the discount rate has confirmed that the carrying amount of goodwill is fully recoverable even when using extremely prudent rates.

VIII. Other intangible assets

	31.12.2012				31.12.2011			
(€k)	Gross amount	Accumulated amortization	Accumulated impairment losses	Carrying amount	Gross amount	Accumulated amortization	Accumulated impairment losses	Carrying amount
Concessions, licenses, trademarks and similar rights	47,104	(26,351)	(191)	20,562	46,702	(23,521)	(198)	22,983
Assets under development and payments on account	7,487	-	-	7,487	5,934	-	-	5,934
Other	54,644	(44,807)	(1,387)	8,450	50,119	(40,560)	(1,387)	8,172
Total	**109,235**	**(71,158)**	**(1,578)**	**36,499**	**102,755**	**(64,081)**	**(1,585)**	**37,089**

"Concessions, licenses, trademarks and similar" refer mainly to licenses for the sale of goods held under state monopoly and to proprietary brands. Most of the change stems from the renewal of expired licenses (€ 454k) and the purchase/renewal of software licenses (€ 90k).

"Assets under development and payments on account" refer to investments in new software applications that are not yet in use.

The item "Other" relates mainly to software programs produced as part of the Company's IT development plan.

With the exception of goodwill, no intangible assets have an indefinite useful life.

Changes in other intangible assets and property, plant and equipment

Intangible assets

(€k)	31.12.2011 Gross amount	Accumulated amortization	Carrying amount	Changes in gross carrying amount Increases	Decreases	Other movements	Total
Concessions, licenses, trademarks and similar rights	46,702	(23,719)	22,983	487	(171)	86	402
Assets under development and payments on account	5,934	-	5,934	6,727	(74)	(5,100)	1,553
Other	50,119	(41,947)	8,172	1,228	(13)	3,310	4,525
Total	**102,755**	**(65,666)**	**37,089**	**8,442**	**(258)**	**(1,704)**	**6,480**

Property, plant and equipment

(€k)	31.12.2011 Gross amount	Accumulated depreciation & impairment losses	Carrying amount	Changes in gross carrying amount Increases	Decreases	Other movements	Total
Non-industrial land	5,421	-	5,421	5	-	-	5
Industrial land and buildings	34,925	(18,501)	16,424	1,263	(11)	272	1,524
Leasehold improvements	250,487	(194,126)	56,361	6,889	(7,233)	2,376	2,032
Plant and machinery	48,613	(40,483)	8,130	4,944	(247)	2,421	7,118
Industrial and commercial equipment	288,950	(241,066)	47,884	9,207	(1,859)	4,634	11,982
Assets to be transferred free of charge	177,609	(127,658)	49,951	11,498	(109)	7,200	18,589
Other	30,941	(28,138)	2,803	587	(754)	170	3
Assets under construction and payments on account	30,236	-	30,236	20,097	(3,878)	(15,369)	850
Total	**867,182**	**(649,972)**	**217,210**	**54,490**	**(14,091)**	**1,704**	**42,103**

Amortization/Impairment losses					31.12.2012		
Increase							
Amortization	Impairment	Decreases	Other movements	Total	Gross amount	Accumulated amortization & impairment losses	Carrying amount
(2,988)	-	164	-	(2,824)	47,104	(26,542)	20,562
-	-	-	-	-	7,487	-	7,487
(4,262)	-	15	-	(4,247)	54,644	(46,194)	8,450
(7,250)	**-**	**179**	**-**	**(7,071)**	**109,235**	**(72,736)**	**36,499**

Depreciation/Impairment losses					31.12.2012		
Increase							
Depreciation	Impairment	Decreases	Other movements	Total	Gross amount	Accumulated depreciation & impairment losses	Carrying amount
-	-	-	-	-	5,426	-	5,426
(812)	-	8	-	(804)	36,449	(19,305)	17,144
(14,638)	(2,873)	7,170	-	(10,341)	252,519	(204,467)	48,052
(2,462)	(245)	210	-	(2,497)	55,731	(42,980)	12,751
(15,608)	-	1,502	-	(14,106)	300,932	(255,172)	45,760
(15,986)	(663)	23	-	(16,626)	196,198	(144,284)	51,914
(1,156)	-	737	-	(419)	30,944	(28,557)	2,387
-	-	-	-	-	31,086	-	31,086
(50,662)	**(3,781)**	**9,650**	**-**	**(44,793)**	**909,285**	**(694,765)**	**214,520**

IX. Investments

Investments at 31 December 2012 were worth € 1,082,787k: € 1,082,767k in subsidiaries and € 20k in other companies.

Movements during the year are shown below:

	31.12.2011		
(€k)	Cost	Impairment losses	Carrying amount
Nuova Sidap S.r.l.	3,353	-	3,353
World Duty Free Italia S.r.l.	900	-	900
Autogrill Austria A.G.	18,971	(18,971)	-
Autogrill Belux N.V.	46,375	-	46,375
Autogrill Catering UK Limited	2,851	-	2,851
Autogrill Czech S.r.o.	4,889	(3,031)	1,858
Autogrill D.o.o.	4,764	(4,764)	-
Autogrill Deutschland GmbH	35,435	(10,057)	25,378
Autogrill Iberia S.L.U.	47,629	-	47,629
World Duty Free Group S.A.U.	428,833	-	428,833
Autogrill Europe Nord-Ouest S.A.	168,606	-	168,606
Autogrill Hellas E.p.E.	2,791	-	2,791
HMSHost Corporation (previously named Autogrill Group Inc.)	217,406	-	217,406
Autogrill Polska Sp.zo.o.	2,352	-	2,352
Autogrill Schweiz A.G.	243,031	(52,250)	190,781
HMSHost Ireland Ltd.	13,500	(6,000)	7,500
HMSHost Sweden A.B.	6,005	-	6,005
Holding de Participations Autogrill S.a.s.	-	-	-
Autogrill Nederland B.V.	-	-	-
Others	20	-	20
Total	**1,247,711**	**(95,074)**	**1,152,638**

Increases/decreases

The more important changes concern:

- the sale of all interests held in WDFG Italia S.r.l. (formerly Alpha Retail Italia S.r.l.) to the subsidiary WDFG España S.A. for € 900k in January 2012;
- a capital injection of € 600k for Autogrill Austria A.G., the waiver of € 8,100k in debt from this subsidiary and the conversion of that amount into capital, and partial impairment the write-down of the investment by € 7,122k;
- a capital injection of € 1,159k (Czk 28,464k) for Autogrill Czech S.r.o.;
- a capital injection of € 968k (Pln 4,000k) for Autogrill Polska Sp.zo.o.;
- the full contributions of the French company Holding de Participations Autogrill S.a.s. and the Dutch company Autogrill Nederland B.V., both of them formerly indirect wholly-owned subsidiaries, due to the liquidation of the Luxembourg subsidiary Autogrill Europe Nord-Ouest S.A.

	Changes			31.12.2012		
	Increases	Decreases	Impairment (losses)/ reversals	Cost	Impairment losses	Carrying amount
	-	-	(3,353)	3,353	(3,353)	-
	-	(900)	-	-	-	-
	8,700	-	(7,122)	27,671	(26,093)	1,578
	-	-	-	46,375	-	46,375
	-	-	-	2,851	-	2,851
	1,159	-	-	6,048	(3,031)	3,017
	-	-	-	4,764	(4,764)	-
	-	-	10,057	35,435	-	35,435
	-	-	(35,400)	47,629	(35,400)	12,229
	45	-	-	428,878	-	428,878
	-	(168,606)	-	-	-	-
	-	-	(2,791)	2,791	(2,791)	-
	25	-	-	217,431	-	217,431
	968	-	(3,000)	3,320	(3,000)	320
	-	-	(30,700)	243,031	(82,950)	160,081
	-	-	-	13,500	(6,000)	7,500
	-	-	-	6,005	-	6,005
	119,694	-	-	119,694	-	119,694
	41,372	-	-	41,372	-	41,372
	-	-	-	20	-	20
	171,963	**(169,506)**	**(72,309)**	**1,250,168**	**(167,382)**	**1,082,787**

Impairment losses

The recoverable amount of investments is tested by estimating their value in use, defined as the present value of estimated future cash flows (based on the 2013 budget and projections for 2014-2017) discounted at rates calculated using the capital assets pricing model (from 4.3% to 26.1%). Cash flows beyond 2017 have been projected by extrapolating information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of each company's sector and country of operation (from 1% to 2%).

During the year, the following investments showed signs of impairment:

- Nuova Sidap S.r.l. by € 3,353k;
- Autogrill Austria A.G. for € 7,122k;
- Autogrill Iberia S.L.U. for € 35,400k;
- Autogrill Hellas E.p.E for € 2,791k;

- Autogrill Polska Sp.zo.o. for € 3,000k;
- Autogrill Schweiz A.G. for € 30,700k.

Impairment testing (by means of discounting the cash flows from projected earnings) showed that their recoverable amounts had fallen below their carrying amounts, which were therefore reduced accordingly. The combined impairment loss of € 82,366k was recognized in the income statement.

Reversals of impairment losses

Based on the same considerations, the recoverable amount of the investment in Autogrill Deutschland GmbH is now estimated to be fully recoverable, so the impairment loss of € 10,057k has been reversed.

The following table provides key data on subsidiaries at 31 December 2012 (see the Annex for a full list of subsidiaries held indirectly):

Name	Registered office	Currency	Share capital/ quota	Number of shares/ quotas *	Equity at 31.12.2012 *	2012 profit (loss) *	% held Directly	% held Indirectly	Carrying amount (€) *
Nuova Sidap S.r.l.	Novara	Euro	100,000	0.001	946	(2,454)	100.00	0.00	-
Autogrill Austria A.G.	Gottlesbrunn (Austria)	Euro	7,500,000	7,500	1,126	(1,846)	100.00	0.00	1,578
Autogrill Belux N.V.	Merelbeke (Belgium)	Euro	10,000,000	8,883	20,397	2,528	99.999	0.001	46,375
Autogrill Catering UK Limited	Bedfont Lakes (UK)	Gbp	2,154,572	500	(3,138)	(1,585)	100.00	0.00	2,851
Autogrill Czech S.r.o.	Prague (Czech Republic)	Czk	154,463,000	-	42,271	(6,130)	100.00	0.00	3,017
Autogrill D.o.o.	Lubiana (Slovenia)	Euro	1,342,670	1,343	723	30	100.00	0.00	-
Autogrill Deutschland GmbH	Munich (Germany)	Euro	205,000	-	26,179	(777)	100.00	0.00	35,435
Autogrill Iberia S.L.U.	Madrid (Spain)	Euro	7,000,000	7,000	16,672	(10,222)	100.00	0.00	12,229
World Duty Free Group S.A.U.	Madrid (Spain)	Euro	1,800,000	300	593,104	81,248	100.00	0.00	428,878
Autogrill Hellas E.p.E.	Avlona Attikis (Greece)	Euro	1,696,350	57	(134)	(1,482)	100.00	0.00	-
HMSHost Corporation (formerly Autogrill Group Inc.)	Wilmington (USA)	Usd	33,793,055	1	351,927	76,101	100.00	0.00	217,431
Autogrill Polska Sp. zo.o.	Wroclaw (Poland)	Pln	14,050,000	6,100	4,989	(2,123)	100.00	0.00	320
Autogrill Schweiz A.G.	Olten (Switzerland)	Chf	23,183,000	23	36,412	1,581	100.00	0.00	160,081
HMSHost Ireland Ltd.	Lee View House (Ireland)	Euro	13,600,000	13,600	186	(302)	100.00	0.00	7,500
HMSHost Sweden A.B.	Stockholm (Sweden)	Sek	2,500,000	25	26,591	6,653	100.00	0.00	6,005
Holding de Participations Autogrill S.a.s.	Marseille (France)	Euro	84,581,920	556	79,923	172	100.00	0.00	119,694
Autogrill Nederland B.V.	Oosterhout (Holland)	Euro	41,371,500	82,743	20,528	1,151	100.00	0.00	41,372
Others									20
Total									**1,082,787**

* Amounts in local currency, in thousands

X. Other financial assets

These consist mainly of non-current loans due from Group companies:

(€k)	31.12.2012	31.12.2011	Change
Loans granted to subsidiaries:			
Autogrill Austria A.G.	1,080	-	1,080
World Duty Free Group S.A.U.	70,000	185,127	(115,127)
Autogrill Polska Sp.z.o.o.	74	-	74
Autogrill Nederland B.V.	10,350	12,550	(2,200)
Holding de Participations Autogrill S.a.s.	27,700	-	27,700
Autogrill Hellas E.p.E.	2,395	-	2,395
HMSHost Ireland Ltd.	1,500	-	1,500
Autogrill Catering UK Ltd.	6,127	-	6,127
Autogrill D.o.o.	365	-	365
Guarantee deposits	1,524	1,857	(333)
Interest-bearing sums with third parties	285	1,453	(1,168)
Other financial receivables from third parties	15	14	1
Total	**121,415**	**201,001**	**(79,586)**

All of these loans charge interest at market rates.

Most of the change in this item reflects new non-current revolving credit facilities granted to subsidiaries to replace the previous non-revolving facilities (note II - "Other financial assets"), and the repayment by World Duty Free Group S.A.U. and Autogrill Nederland B.V. of some loans outstanding at 31 December 2011.

XI. Other receivables

Most of the balance of € 7,259k (€ 9,765k at 31 December 2011) consists of concession fees paid in advance, primarily for motorway food & beverage operations.

The change is explained by the reclassification to current receivables of the amount pertaining to 2013 (€ 2,827k) and the increase for rent paid in advance on new concession contracts (€ 321k).

Current liabilities

XII. Trade payables

These amount to € 239,264k, as follows:

(€k)	31.12.2012	31.12.2011	Change
Due to suppliers	237,392	237,017	375
Due to subsidiaries	1,872	642	1,230
Total	**239,264**	**237,659**	**1,605**

XIII. Tax liabilities

The balance of € 4,035k is shown net of offsettable tax credits and refers chiefly to IRAP (regional business tax).

XIV. Other payables

With a balance of € 87,234k (€ 85,356k at 31 December 2011), these are made up as follows:

(€k)	31.12.2012	31.12.2011	Change
Personnel expense	26,943	21,828	5,115
Due to suppliers for investments	17,062	21,688	(4,626)
Social security and defined contribution plans	16,841	15,644	1,197
Indirect taxes	1,471	1,548	(77)
Withholding taxes	7,219	7,158	61
Due to pension funds	2,320	2,740	(420)
Other	15,378	14,750	628
Total	**87,234**	**85,356**	**1,878**

The decrease in amounts due to suppliers for the purchase of fixed assets reflects the trend in capital expenditure for the upgrading and restyling of stores.

The increase in personnel expense concerns the amount due for long-term incentives and bonuses for the period 2010-2012 (€ 12.4m), payable in 2013 and classified the previous year as "Other non-current liabilities"; these were partially offset by the reduction in the workforce in 2012.

"Indirect taxes" refer mainly to local taxes for waste collection and environmental health.

XV. Due to banks

(€k)	31.12.2012	31.12.2011	Change
Unsecured bank loans	-	73,454	(73,454)
Current account overdrafts	28,352	4,808	23,544
Total	**28,352**	**78,262**	**(49,910)**

Totaling € 28,352k at 31 December 2012, this item consists solely of current account overdrafts. The decrease since the previous year is due to the full repayment, upon maturity in June 2012, of the remaining drawdowns from the multicurrency revolving credit facility originally obtained in December 2010 for € 150m.

See note XVIII for details of outstanding borrowings.

XVI. Other financial liabilities

(€k)	31.12.2012	31.12.2011	Change
Fair value of interest rate hedging derivatives	14,381	15,035	(654)
Loans received from:			
Host Canada Ltd.	38,330	-	38,330
Autogrill Deutschland GmbH	14,244	16,313	(2,069)
Autogrill Belux N.V.	15,001	12,504	2,497
Autogrill Schweiz A.G.	3,396	9,546	(6,150)
HMSHost Sweden A.B.	2,914	253	2,661
Accrued expenses and deferred income for interest on loans	646	1,290	(644)
Fair value of exchange rate hedging derivatives	845	505	340
Other financial accrued expenses and deferred income	807	335	472
Liabilities due to others	-	-	-
Total	**90,564**	**55,781**	**34,782**

The change in this item was caused primarily by three new revolving facilities received from the indirect subsidiary Host Canada Ltd. for a total of Cad 50m (€ 38m) and the partial repayment of loans from the subsidiaries Autogrill Deutschland GmbH and Autogrill Schweiz A.G.

The item "Fair value of exchange rate hedging derivatives" refers to derivative instruments in Cad and Gbp with respective notional amounts of Cad 50m (€ 38m) and Gbp 26m (€ 32m).

For further information on derivative financial instruments, see Section 2.2.5 Financial risk management.

Non-current liabilities

XVII. Other payables

This item amounts to zero due to the reclassification to other current liabilities of its previous balance, consisting of bonuses to personnel that are payable in 2013.

XVIII. Loans, net of current portion

Amounting to € 535,296k (€ 612,905k at 31 December 2011), this item consists of € 540,986k in bank loans net of € 5,690k in charges and fees (€ 619,126k and € 6,221k at 31 December 2011). More specifically, at 31 December 2012 the Company had the following credit facilities:

Credit line	Expiry	Amount (€k)	Drawdowns In €k	Drawdowns In currency (£k)	Drawdowns In currency ($k)	Total in €k *	Amount available (€k)
Term Loan - 2005 Syndicated line	June 2015	200,000	200,000	-	-	200,000	-
2005 Syndicated line		**200,000**	**200,000**	-	-	**200,000**	-
Multicurrency Revolving Facility - Tranche 1	July 2016	124,000	106,000	-	-	106,000	18,000 **
Multicurrency Revolving Facility - Tranche 2	July 2016	576,000	197,000	31,000	-	234,986	132,586
2011 Syndicated line		**700,000**	**303,000**	**31,000**	-	**340,986**	**150,586**
Revolving Facility Agreement	November 2013	200,000	-	-	-	-	200,000
2012 Syndicated line		**200,000**	-	-	-	-	**200,000**
Total lines of credit		**1,100,000**	**503,000**	**31,000**	-	**540,986**	**350,586**

* Drawdowns in currency are measured based on exchage rates at 31 December 2012.
** Multicurrency and multiborrower tranche. At 31 December 2012 the U.S. subsidiary HMSHost Corporation used $ 275,000k (€ 208,428k).

During the year Autogrill S.p.A. repaid a multicurrency revolving credit facility obtained in December 2010 for an original amount of € 150m.

In June 2012 the Company was granted a new, 18-month revolving credit facility of € 200m maturing on 30 November 2013.

Bank debt at 31 December 2012 and 31 December 2011 is broken down in the table below:

		31.12.2012		31.12.2011	
Credit line	**Expiry**	**Amount (€k)**	**Drawdowns in €k ***	**Amount (€k)**	**Drawdowns in €k ***
2005 Syndicated line - Term Loan	June 2015	200,000	200,000	200,000	200,000
2005 Syndicated line		**200,000**	**200,000**	**200,000**	**200,000**
Multicurrency Revolving Facility	June 2012	-	-	150,000	73,454
2010 line		-	-	**150,000**	**73,454**
Multicurrency Revolving Facility - Tranche 1	July 2016	124,000	106,000	124,000	124,000
Multicurrency Revolving Facility - Tranche 2 **	July 2016	576,000	234,986	576,000	295,126
2011 Syndicated line		**700,000**	**340,986**	**700,000**	**419,126**
Revolving Facility Agreement	November 2013	200,000	-	-	-
2012 Syndicated line		**200,000**	-	-	-
Total lines of credit		**1,100,000**	**540,986**	**1,050,000**	**692,580**
Current portion		***200,000***	-	***150,000***	***73,454***
Total lines of credit net of current portion		**900,000**	**540,986**	**900,000**	**619,126**

* Drawdowns in currency are valued based on exchage rates at 31 December 2012 and 31 December 2011
** Multicurrency and multiborrower tranche (can be drawn also by HMSHost Corporation and Host International Inc.)

At 31 December 2012 the credit facilities maturing after one year had been drawn down by about 50%. Floating interest is charged on all bank loans. The average remaining term of bank loans is about two years and nine months, compared with four years and four months at 31 December 2011.

The main non-current loan agreements require regular monitoring of financial ratios relating to debt coverage and interest coverage.

Referring to the Autogrill Group as a whole, they call for maintenance of a leverage ratio (net debt/ EBITDA) of 3.5 or less and interest coverage (EBITDA/net financial expense) of at least 4.5. For the calculation of these ratios, net indebtedness, EBITDA and net financial expense are measured according to definitions in the loan contracts and therefore differ from the amounts in the financial statements or aggregation thereof.

At 31 December 2012, as in all previous observation periods, these covenants were fully satisfied.

XIX. Deferred tax liabilities

These amount to € 21,547k, as follows:

(€k)	31.12.2012 Temporary differences	Tax effect	31.12.2011 Temporary differences	Tax effect	Change
Trade receivables	8,687	2,389	7,547	2,075	(314)
Property, plant and equipment and intangible assets	(57,097)	(15,575)	(59,287)	(16,520)	(945)
Investments	(57,268)	(15,749)	(57,268)	(15,749)	-
Total temporary differences on assets	**(105,678)**	**(28,935)**	**(109,009)**	**(30,193)**	**(1,258)**
Other payables	2,947	829	3,841	1,073	244
Post-employment benefits and other employee benefits	(3,956)	(1,088)	(3,956)	(1,088)	-
Provisions for risks and charges	12,553	3,805	20,080	6,133	2,329
Retained earnings	132	36	575	158	122
Hedging reserve (equity)	13,841	3,806	19,022	5,231	1,425
Total temporary differences on liabilities and equity	**25,517**	**7,388**	**39,563**	**11,508**	**4,119**
Total temporary differences		**(21,547)**		**(18,686)**	**2,861**

XX. Post-employment benefits and other employee benefits

Movements during the year were as follows:

(€k)	
Defined benefit plans at 31.12.2010	**68,552**
Current service costs	875
Interest expense	3,749
Actuarial gains (losses)	(1,391)
Benefits paid	(6,906)
Other	234
Defined benefit plans at 31.12.2011	**65,113**
Current service costs	509
Interest expense	2,192
Actuarial gains (losses)	-
Benefits paid	(5,252)
Other	769
Defined benefit plans at 31.12.2012	**63,330**

At 31 December 2012 the gross liability for post-employment benefits (art. 2120 of the Italian Civil Code) was € 70,484k.

Below, the present value of plan obligations is reconciled with the liability recognized in 2012 and the previous two years:

(€k)	31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008
Present value of plan obligations	72,309	49,022	59,914	68,734	78,665
Actuarial gains (losses) not recognized	(8,979)	16,091	8,638	2,807	(3,036)
Net liability recognized	**63,330**	**65,113**	**68,552**	**71,541**	**75,630**

The actuarial loss for the year, € 8,979k, was above the corridor of ±10% of the increased present value of the plan obligations.

Any amount in excess of that corridor, beginning in 2013, is recognized on a straight-line basis over the average remaining service lives of the beneficiaries. As reported in section 2.2.1 "Accounting policies", however, the amendment to IAS 19 will result in actuarial gains and losses being recognized in the statement of comprehensive income as of 1 January 2013.

The actuarial assumptions used to calculate TFR are summarized in the table below:

	31.12.2012	31.12.2011
Discount rate	2.7%	6.6%
Inflation rate	2.2%	2.3%
Average frequency of termination	6.0%	6.0%
Average frequency of advances	2.0%	2.0%
Mortality table	IPS 55	RG 48
Annual TFR increase	**3.2%**	**3.3%**

The 2012 discount rates were determined based on the yield of high grade corporate bonds at the date of these financial statements.

XXI. Provisions for risks and charges

These amounted to € 6,162k at the end of 2012. Movements during the year are shown below:

(€k)	31.12.2011	Other movements	Allocations	Utilizations	Reclassifi-cations	31.12.2012
Provision for other risks and charges	9,150	(7,759)	809	(94)	(527)	1,579
Onerous contracts provision	1,765	(337)	500	-	-	1,928
Provision for legal disputes	2,744	-	845	(1,024)	90	2,655
Total	**13,659**	**(8,096)**	**2,154**	**(1,118)**	**(437)**	**6,162**

The "Provision for other risks and charges" refers chiefly to contract litigation.

The "Onerous contracts provision" refers to long-term rental or concession agreements for commercial units that are not profitable enough to cover the rent.

The "Provision for disputes" concerns outstanding disputes with employees and trading partners.

The column "Other movements" includes the release of provisions made in prior years due to the settlement of contractual litigation with a concession grantor, as well as the effects of discounting provisions to present value.

XXII. Equity

Equity at 31 December 2012 amounts to € 686,361k.

The Annual General Meeting of 19 April 2012 voted to distribute the entire 2011 profit of € 31,926k as dividends, in the amount of € 0.13 per share; a further € 39,024k from other reserves was also allocated to dividends in the amount of € 0.15 per share, for a total payout of € 70,951k (€ 0.28 per share), settled on 24 May 2012.

The following table details permissible uses of the main components of equity:

(€k)	31.12.2012	Eligibility for use	Amount available	Summary of utilizations in the past three years: For loss coverage	Summary of utilizations in the past three years: For other reasons
Share capital:	132,288	-	-	-	-
Income-related reserves:					
Legal reserve	26,458	A, B	-	-	-
Hedging reserve	(10,032)	-	(10,032)	-	-
Other reserves and retained earnings	559,951	A, B, C	559,818	-	39,024
Treasury shares	(7,724)	-	-	-	-

Key:
A: For share capital increases
B: For loss coverage
C: For dividends

The share capital, fully subscribed and paid up at 31 December 2012, consists of 254,400,000 ordinary shares with a par value of € 0.52 each. This item is unchanged with respect to the previous year.

During the extraordinary part of the Annual General Meeting of 20 April 2010 the shareholders authorized a share capital increase to service the stock option plan approved on the same date, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441(5) and (8) of the Italian Civil Code and art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum par value of € 1,040,000 (plus share premium) to be carried out no later than 30 May 2015 through the issue of up to 2,000,000 ordinary shares in one or more tranches. At 31 December 2012, options convertible into a maximum of 1,329,294 ordinary shares had been granted.

During the extraordinary part of the AGM of 21 April 2011, the shareholders authorized a share capital increase to service the stock option plan approved on the same date, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441(5) and (8) of the Italian Civil Code and art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum par value of € 1,820,000 through the issue on or before 31 July 2018 of up to 3,500,000 ordinary shares with a par value of € 0.52 each to be granted free of charge to the plan's beneficiaries.

See the section "Information on stock option plans" for further details.

Legal reserve

The "Legal reserve" amounts to € 26,458k, unchanged since the previous year as the required minimum of 20% of the share capital has been reached.

Other reserves/Retained earnings

This item amounts to € 559,951k and decreased by € 39,024k used to pay dividends to the shareholders. The amount covering stock option plans is € 1,017k.

Treasury shares

The Annual General Meeting of 19 April 2012, after revoking the authorization granted on 21 April 2011 and pursuant to arts. 2357 *et seq.* of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares with a par value of € 0.52 each up to a maximum of 12,720,000 shares.

At 31 December 2012 the Company owned 1,004,934 treasury shares with a carrying amount of € 7,724k and an average carrying amount of € 7.69 per share.

Other comprehensive income

The following table shows movements in other comprehensive income and the relative tax effect:

	2012			2011		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Effective portion of the fair value change of derivatives designated as cash flow hedges	1,020	(281)	740	(923)	254	(669)
Net change in fair value of cash flow hedges reclassified to profit or loss	4,161	(1,144)	3,017	42,174	(11,598)	30,576
Total other comprehensive income	**5,182**	**(1,425)**	**3,757**	**41,251**	**(11,344)**	**29,907**

2.2.3 Notes to the income statement

XXIII. Revenue

"Revenue" decreased by 10.7% to € 1,167,189k and can be broken down as follows:

(€k)	2012	2011	Change
Food & beverage and retail sales	1,132,787	1,256,492	(123,705)
Fuel sales	5,162	14,992	(9,830)
Sales to affiliates, third parties and subsidiaries	29,240	35,716	(6,476)
Total	**1,167,189**	**1,307,200**	**(140,011)**

"Food & beverage and retail sales" were down by 9.8% and are comprised chiefly of catering revenue of € 649,359k (€ 707,950k the previous year), sales of retail goods for € 168,416k (€ 198,111k in 2011), and sales of tobacco products, newspapers & magazines, and lottery tickets for € 311,879k (€ 350,171k the previous year).

The decline in fuel sales is explained primarily by the transfer of one location to the subsidiary Nuova Sidap S.r.l. during the course of 2012.

XXIV. Other operating income

"Other operating income" of € 72,997k was essentially in line with the previous year.

(€k)	2012	2011	Change
Bonuses from suppliers	44,021	40,000	4,021
Income from business leases	6,957	7,790	(833)
Affiliation fees	4,620	5,190	(570)
Gains on sales of property, plant and equipment	195	1,181	(986)
Other revenue	17,204	20,005	(2,801)
Total	**72,997**	**74,166**	**(1,169)**

XXV. Raw materials, supplies and goods

The cost of "Raw materials, supplies and goods" decreased by € 71,601k, consistently with the reduction in sales:

(€k)	2012	2011	Change
Total purchases relating to food & beverage and retail sales:	**527,138**	**593,525**	**(66,387)**
- Merchandise and ingredients	237,699	259,962	(22,263)
- State monopoly products, newspapers and lottery tickets	284,456	319,227	(34,771)
- Fuel for resale	4,984	14,336	(9,352)
Products for sale to affiliates, third parties and subsidiaries	**26,462**	**31,676**	**(5,214)**
Total	**553,600**	**625,201**	**(71,601)**

XXVI. Personnel expense

Personnel expense totaled € 304,403k, a decrease of 5.6% on the previous year:

(€k)	2012	2011	Change
Wages and salaries	219,104	231,790	(12,686)
Social security contributions	66,848	69,290	(2,442)
Employee benefits	15,170	13,163	2,007
Other costs	3,281	8,301	(5,020)
Total	**304,403**	**322,544**	**(18,141)**

Most of the change results from:

- a decrease in the workforce, partially offset by a rise in the average unit cost due to the renewal of the national collective bargaining agreement;
- a decrease in "Other costs", due chiefly to the reduction in reorganization expenses (€ 2,562k) and in stock option costs (€ 1,249k).

The year's share of the cost of the stock option plans came to € 422k. See the section "Information on incentive plans for directors and executives with strategic responsibilities" for a description of these plans.

The year-end numbers of full-time and part-time employees are shown below.

	31.12.2012			31.12.2011		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	66	-	66	67	-	67
Junior managers	570	8	578	585	7	592
White collars	764	151	915	772	161	933
Blue collars	3,440	5,664	9,104	3,638	6,020	9,658
Total	**4,840**	**5,823**	**10,663**	**5,062**	**6,188**	**11,250**

The above costs include 50 white collar employees and one executive seconded to Italian and foreign subsidiaries.

The average headcount, expressed in terms of equivalent full-time employees, was 8,458 in 2012 (8,746 the previous year). The decrease is explained by the reduced number of locations managed and by the adjustment of day-to-day staffing to the changed market conditions.

XXVII. Leases, rentals, concessions and royalties

The decrease of € 4,723k with respect to the previous year only partially mirrors the negative trend in sales, due to the fixed component of rent. For this reason, the item increased as a percentage of revenue.

(€k)	2012	2011	Change
Leases, rentals and concessions	176,926	181,657	(4,731)
Royalties for use of brands	1,573	1,565	8
Total	**178,499**	**183,222**	**(4,723)**

XXVIII. Other operating expense

Amounting to € 146,327k, these showed a decrease on 2011 as shown in the table below:

(€k)	2012	2011	Change
Utilities	36,215	37,488	(1,273)
Maintenance	15,379	15,589	(210)
Cleaning and disinfestations	19,932	21,302	(1,370)
Consulting services	17,579	13,197	4,382
Commissions on credit card payments	1,283	1,239	44
Storage and transport	12,459	12,644	(185)
Advertising and market research	8,082	8,866	(784)
Travel expenses	5,342	5,103	239
Telephone and postal charges	2,457	2,325	132
Equipment hire and lease	3,788	3,780	8
Insurance	2,079	2,055	24
Surveillance	1,547	1,327	220
Transport of valuables	1,808	1,434	374
Banking services	976	1,064	(88)
Sundry materials	3,840	4,390	(550)
Other services	8,812	13,771	(4,959)
Costs for materials and services	**141,578**	**145,574**	**(3,996)**
Impairment losses on receivables	**327**	**332**	**(5)**
For legal disputes	845	(208)	1,053
For onerous contracts	163	1,347	(1,184)
For other risks	(7,302)	11	(7,313)
Provisions for risks	**(6,294)**	**1,150**	**(7,444)**
Indirect and local taxes	**6,511**	**5,762**	**749**
Losses on disposals	232	325	(93)
Other charges	3,973	5,092	(1,119)
Other operating expense	**4,205**	**5,417**	**(1,212)**
Total	**146,327**	**158,235**	**(11,908)**

The most significant changes concerned:
- Consulting services, which increased as a result of new strategic projects launched during the year;
- Other services, which decreased due mainly to the release of provisions made in prior years and no longer deemed necessary following the settlement of a commercial dispute with a concession grantor;
- Impairment provisions for other risks, as explained in note XXI above.

XXIX. Depreciation, amortization and impairment

The total of € 61,694k is broken down below:

(€k)	2012	2011	Change
Other intangible assets	7,251	8,898	(1,647)
Property, plant and machinery	34,676	33,734	942
Assets to be transferred free of charge	15,986	12,894	3,092
Total amortization/depreciation	**57,913**	**55,526**	**2,387**
Impairment losses on property, plant and machinery	3,781	2,563	1,218
Total	**61,694**	**58,089**	**3,605**

In 2012 there were impairment losses of € 3,781k on leasehold improvements and assets to be transferred free of charge, further to impairment testing based on the future estimated cash flow of stores, as explained in note VI.

XXX. Financial income

Financial income amounted to € 105,220k, as follows:

(€k)	2012	2011	Change
Dividends from subsidiaries	85,886	132,477	(46,591)
Interest from subsidiaries	4,680	24,578	(19,898)
Bank interest income	7,314	221	7,093
Ineffective portion of hedging instruments	43	837	(794)
Exchange rate gains	6,957	20,799	(13,842)
Other financial income	340	6,455	(6,115)
Total	**105,220**	**185,367**	**(80,147)**

"Dividends from subsidiaries" consist of the following dividends:
- World Duty Free Group S.A.U. for € 70,000k;
- Autogrill Schweiz A.G. for € 4,579k (Chf 5.5m);
- HMSHost Corporation (formerly Autogrill Group Inc.) for € 11,307k (Usd 15m).

"Interest from subsidiaries" stems from the financing provided by Autogrill S.p.A. to subsidiaries. The decrease is due primarily to the reduction in loans granted to World Duty Free Group S.A.U. in the Travel Retail & Duty-Free division.

Exchange rate gains, totaling € 6,957k, refer mostly to the bank loan denominated in British pounds for € 2,135k, the loan granted to the subsidiary World Duty Free Group S.A.U. for € 1,426k, and the loan granted by Host Canada Ltd, for € 1,040k.

"Other financial income" refers mainly to gains on forward currency swaps and interest rate swaps.

XXXI. Financial expense

"Financial expense" decreased by € 62,332k.

(€k)	2012	2011	Change
Interest expense	15,868	19,200	(3,332)
Discounting of long-term liabilities	352	148	204
Exchange rate losses	7,362	22,610	(15,248)
Financial expense on post-employment benefits	2,192	3,749	(1,557)
Interest paid to subsidiaries	486	1,146	(660)
Commissions	141	2,676	(2,535)
Other financial expense	20,362	59,566	(39,204)
Total	**46,763**	**109,095**	**(62,332)**

"Exchange rate losses" refer to bank loans and intercompany loans denominated in currencies other than the euro. The decrease on the previous year reflects the different trend in exchange rates and the reduced exposure in British pounds.

Most of the amount shown for "Other financial expense" concerns rate spreads on interest rate swaps. In 2011 this item included non-recurring charges of € 40,149k, for the early termination of interest rate hedges as a result of the Group-wide refinancing carried out in July 2011.

XXXII. Impairment losses on financial assets

This item in 2012 amounts to € 72,308k and refers to impairment losses and the reversals of impairment losses described in note IX. Investments.

XXXIII. Income tax

The negative total of € 3,611k stems mostly from current taxes for regional business tax (IRAP) of € 7,631k, deferred tax assets of € 156k, and a corporate income tax (IRES) refund of approximately € 12.5m due as a result of art. 2 of Decree Law 201/2011, which recognized the deductibility of IRAP pertaining to personnel expense paid from 2007 to 2011.

Reconciliation of effective tax and theoretical tax for 2012:

	2012			2011		
(€k)	IRES 27.50%	IRAP 3.90%	Total 31.40%	IRES 27.50%	IRAP 3.90%	Total 31.40%
Pre-tax profit (loss)			(18,188)			**45,275**
Theoretical tax	(5,002)	(709)	(5,711)	12,451	1,766	14,216
Permanent differences:						
- Personnel expense	-	7,203	7,203	-	8,305	8,305
- Dividends and other financial items	(22,593)	(2,280)	(24,873)	(34,610)	(2,697)	(37,307)
- Impairment losses on equity investments	19,885	2,820	22,705	17,895	2,260	20,155
- Other	1,485	12	1,497	7,178	217	7,395
Net effect of unrecognized tax losses, of utilization of unrecognized tax losses carried-forward and the revision of estimates on the taxability/deductibility of temporary differences	7,609	-	7,609	-	-	-
Increase in regional tax rate	-	**427**	**427**	-	**584**	**584**
Reversal of previous years' temporary differences	(2,193)	182	(2,011)	9,655	558	10,213
Taxed temporary differences deductible in future years	1,879	(24)	1,855	2,084	(99)	1,985
Current taxes	**1,069**	**7,631**	**8,700**	**14,653**	**10,893**	**25,546**
Adjustment of prior years' provision for temporary differences	(12,467)	-	(12,467)	-	-	-
Net temporary differences	**314**	**(158)**	**156**	**(11,740)**	**(458)**	**(12,198)**
Income tax	**(9,584)**	**7,473**	**(3,611)**	**2,914**	**10,435**	**13,349**

In 2010 and 2011 Autogrill S.p.A. was audited by the tax authorities for, respectively, the year 2007 and the years 2008-2009, leading to preliminary assessment reports that mostly address the subject of "transfer prices".

After providing documentation of its proper conduct to the tax authorities (which agreed with its theoretical arguments), for the sole purpose of concluding the issue without a legal battle, Autogrill opted to pay the assessments but under considerably more favorable terms than those initially proposed.

2.2.4 Net financial position

Net financial position at the end of 2012 and 2011 is detailed below:

Note	(€m)		31.12.2012	31.12.2011	Change
I	A)	Cash on hand	(31.0)	(31.8)	0.8
	B)	Cash equivalents	-	-	-
	C)	Securities held for trading	-	-	-
	D)	**Cash and cash equivalents (A + B + C)**	**(31.0)**	**(31.8)**	**0.8**
II	**E)**	**Current financial receivables**	**(16.8)**	**(56.1)**	**39.3**
	F)	Due to banks, current	28.4	4.8	23.6
	G)	Due to others	-	-	-
	H)	Other financial liabilities	90.5	129.2	(38.7)
XV-XVI	**I)**	**Current financial indebtedness (F + G + H)**	**118.9**	**134.0**	**(15.1)**
	J)	**Net current financial indebtedness (I + E + D)**	**71.1**	**46.1**	**25.0**
XVIII	K)	Due to banks, net of current portion	535.3	612.9	(77.6)
	L)	Bonds issued	-	-	-
	M)	Due to others	-	-	-
	N)	**Non-current financial indebtedness (K + L + M)**	**535.3**	**612.9**	**(77.6)**
	O)	**Net indebtedness (J + N) ***	**606.4**	**659.0**	**(52.6)**
X		**Non-current financial assets**	**(121.4)**	**(201.0)**	**79.6**
		Net financial position	**485.0**	**458.0**	**27.0**

* As defined in the CESR recommendation of 10 February 2005

The change in other financial liabilities, non-current bank loans and borrowings and non-current financial assets relate to the Group refinancing completed in July 2011, which allowed the subsidiaries in the Travel Retail & Duty-Free segment and the US Food & Beverage subsidiaries to take out bank loans directly, thereby reducing their exposure to Autogrill S.p.A. and the Company's own exposure to the banking system.

For further details, see the notes indicated above for each item.

2.2.5 Financial risk management

Autogrill S.p.A. is exposed to the following categories of risk:
- market risk;
- credit risk;
- liquidity risk.

This section describes the Company's exposure to each of the risks listed above, its risk objectives and policies, and its means of managing and assessing these risks.

Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument may fluctuate due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to monitor these risks and keep them within acceptable levels, along with their potential impact on the Company's financial position, results of operations and cash flows.

Autogrill's financial policy places a strong emphasis on the management and control of market risk, in particular with respect to interest rates and exchange rates, given the extent of the Company's borrowings and its international profile.

There is a single, centralized risk management unit for all Group companies.

Interest rate risk

The aim of interest rate risk management is to control finance cost within a risk limit, i.e., a range of variability of the amount of liabilities and/or the finance cost itself. This entails, through a mix of fixed- and floating-rate liabilities, the predetermination of a portion of financial expense out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, this is achieved by using derivatives of amounts and with maturities in line with those of the liabilities that are subject to this risk. The instruments used are mainly interest rate swaps.

Currently, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) must as a matter of policy be in the range of 40 to 60% with reference to the Autogrill Group as a whole. At 31 December 2012 the ratio was about 42%.

When applying the policy and procedures described above, interest rate risk management instruments were accounted for as cash flow hedges, and thus recognized as financial assets and liabilities with a specific balancing entry in the hedging reserve under equity. With regard to the instruments that tested effective, in 2012 Autogrill recognized a fair value gain of € 740k (net of the tax effect).

The details of interest rate swaps outstanding at 31 December 2012 are as follows:

Underlying	Notional amount (in currency)	Expiry	Average fixed rate paid	Floating rate received	Fair value (€k)
Term Loan € 200m	€ 120,000k	24.06.2015	4.66%	Euribor 3 months	(14,381)

The fair value of derivatives is measured using techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy, with no change on the previous year.

Currency risk

The objective of currency risk management is to neutralize this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the euro. The derivatives used for these hedges are mainly bank loans contracted in the same currency, and to a minor degree, forward currency sales and purchases.

The transactions shown below are stated at their current amount and any change is charged to the income statement, against corresponding changes in the amount of the related assets or liabilities.

The fair value of hedges outstanding at 31 December 2012 is as follows:

Notional amount (currency/000)		Expiry	Spot rate	Forward rate	Fair value (€k)
Cad	12,500	28.01.2013	1.2852	1.2876	(201)
Cad	10,000	28.01.2013	1.2950	1.2966	(107)
Cad	27,500	28.01.2013	1.2850	1.2874	(445)
Gbp	10,000	22.01.2013	0.8130	0.8133	(45)
Gbp	10,000	22.01.2013	0.8147	0.8149	(20)
Gbp	6,000	22.01.2013	0.8130	0.8132	(27)
Chf	30,000	23.01.2013	1.2003	1.1997	155
Chf	30,000	23.01.2013	1.2000	1.1993	161
Chf	2,100	22.01.2013	1.2088	1.2082	2
Chf	2,000	04.01.2013	1.2090	1.2087	1
Usd	14,250	10.01.2013	1.3266	1.3270	60
Sek	25,000	22.01.2013	8.6845	8.6935	35

The fair value of derivatives is measured using techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy, with no change on the previous year.

Credit risk

Credit risk is the risk that a customer or a financial instrument counterparty may cause a financial loss by defaulting on an obligation. It arises principally in relation to trade receivables and financial investments.

The carrying amount of the financial assets is the Company's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties.

Carrying amounts are shown below with prior-year figures for comparison:

(€k)	31.12.2012	31.12.2011	Change
Cash and cash equivalents	31,008	31,769	(761)
Other current financial assets	16,754	56,100	(39,346)
Trade receivables	30,092	27,418	2,674
Other current receivables	93,988	92,761	1,227
Other non-current financial assets	121,415	201,001	(79,586)
Other non-current receivables	7,259	9,765	(2,506)
Total	**300,516**	**418,814**	**(118,298)**

Exposure to credit risk depends on the specific characteristics of each customer. Autogrill's business model, centered on the relationship with the end consumer, means that trade receivables and thus the relative degree of risk is of little significance in relation to total financial assets, since most sales are paid for in cash.

In most cases, the Company's trade receivables stem from catering service agreements and commercial affiliations.

Other receivables consist mainly of amounts due from inland revenue and other government agencies, fees paid in advance, and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.

Financial assets are recognized net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to procedures that may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or generic impairment calculated on the basis of historical and statistical data.

Other current and non-current financial assets stem from loans granted to direct and indirect subsidiaries.

The geographical breakdown is as follows:

Current financial assets

	€k	%
Spain	45	0.3%
France	280	1.7%
Holland	51	0.3%
Italy	15,497	94.8%
Ireland	14	0.1%
Greece	12	0.1%
Sweden and Denmark	15	0.1%
Czech Republic	4	0.0%
Slovenia	2	0.0%
Austria	1	0.0%
Germany	86	0.5%
Poland	3	0.0%
USA	330	2.0%
Total	**16,340**	**100.0%**

Non-current financial assets

	€k	%
Spain	70,000	57.7%
UK	6,127	5.0%
Holland	10,350	8.5%
Italy	1,824	1.5%
Poland	74	0.1%
Czech Republic	0	0.0%
Slovenia	365	0.3%
France	27,700	22.8%
Greece	2,395	2.0%
Ireland	1,500	1.2%
Austria	1,080	0.9%
Total	**121,415**	**100.0%**

Trade receivables are mainly governed by affiliation contracts with motorway partners and others under special agreement. The Company's business model, focused on the final consumer, means that trade receivables are not materially significant in that sales are generally settled in cash. Affiliation entails the supply of merchandise and payment of royalties on the management of stores in Italy.

Motorway partnerships involve the sharing of expenses and capital expenditure on shared concession areas.

The following table shows the aging of invoiced trade receivables by class of debtor at 31 December 2012.

(€k)	Incidence on total receivables	Receivables	Overdue	0-30 days	31-60 days	61-90 days	Over 90 days
Affiliates	13%	3,831	1,411	276	144	99	892
Special agreements	16%	4,848	2,838	1,733	597	154	354
Motorway partners	16%	4,948	4,008	555	7	8	3,438
Intercompany	11%	3,196	3,085	3,085	-	-	-
Other	44%	13,269	1,577	448	168	35	926
Total		**30,092**	**12,919**	**6,097**	**916**	**296**	**5,610**

First-demand bank guarantees are required on entering into affiliation agreements to cover exposure. At 31 December 2012 these guarantees amounted to € 4,832k.

All current receivables are analyzed monthly to determine potential collection problems, any action to be taken, and the adequacy of the allowance for impairment. The allowance for impairment is deemed sufficient with respect to existing credit risk.

There is no significant concentration of credit risk: the top 10 customers account for 33% of total trade receivables, and the largest customer (ENI S.p.A.) for 10%.

Liquidity risk

Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities.

The elements that make up the Company's liquidity are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, and market conditions.

Autogrill S.p.A. has acted promptly to ensure adequate financial coverage with respect to amounts and maturities, and has no significant imminent payments to meet on existing loans.

Exposure and maturity data at the close of 2012 and 2011 were as follows:

	31.12.2012						
		Contractual cash flows					
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-5 years	Over 5 years
Bank accounts overdrafts	28,352	28,352	28,352	-	-	-	-
Unsecured bank loans	540,986	540,986	-	-	-	540,986	-
Trade payables	237,392	237,392	237,392	-	-	-	-
Total	**806,730**	**806,730**	**265,744**	-	-	**540,986**	-

(€k)	Carrying amount	31.12.2011 Contractual cash flows Total	1-3 months	3-6 months	6 months-1 year	1-5 years	Over 5 years
Bank accounts overdrafts	4,808	4,808	4,808	-	-	-	-
Unsecured bank loans	692,581	692,581	73,454	-	-	619,127	-
Trade payables	237,017	237,017	237,017	-	-	-	-
Total	**934,406**	**934,406**	**315,279**	-	-	**619,127**	-

The Company's and its subsidiaries' loan contracts and bond loans at 31 December 2012 include covenants requiring the satisfaction of certain economic and financial ratios, specifically, the leverage ratio (net indebtedness/EBITDA) and interest coverage (EBITDA/net financial expense).

These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole; the subsidiary World Duty Free Group S.A.U. has loans for which they are calculated with reference to the sub-consolidated group of Travel Retail & Duty-Free companies; and the subsidiary HMSHost Corporation (formerly Autogrill Group Inc.) has loans for which the perimeter considered when calculating these ratios is the sub-consolidated entity HMSHost Corporation.

For all loans, the leverage ratio must be less than 3.5 each time it is measured (normally every six months). Over the last two years it has stayed within the range of 2-3. Interest coverage, measured with the same frequency, must be higher than 4.5. Over the last two years it has stayed within the range of 6.9-18.9.

In February 2013 the Group made an outlay in excess of € 300m when the subsidiary World Duty Free Group España S.A. signed a contract with AENA, Spain's airport management entity, after winning a contract to operate travel retail shops for the period 2013-2020. The contract calls for the advance payment of part of the fixed portion of rent, which will be deducted from future payments throughout the term of the contract, until 2020. The advance payment to AENA will significantly raise the leverage ratio for a period of 12 to 24 months. It is likely, however, that the ample cash generated by the Travel Retail business will soon bring financial leverage back to entirely safe levels for the loans granted to World Duty Free Group S.A.U. and its subsidiaries.

For the loans held at 31 December 2012 by Autogrill S.p.A., whose boundary for these ratios is the entire Autogrill Group, if the increased leverage of Travel Retail due to the contract with AENA were to be compounded in 2013 by a further significant decline in Food & Beverage revenue in Europe, then the leverage ratio could, for a limited period of time, come very close to the limit of 3.5 - all the more so given the seasonal nature of Food & Beverage whereby the net generation of cash is concentrated in the second and especially the third quarter of the year.

Management believes that the Company and the Group have enough flexibility in timing their investments and cutting structural costs to manage any resulting financial tension and continue to satisfy their covenants.

As for exposure to trade payables, there is no significant concentration of suppliers: the top six account for 29.4% of the total, the largest (Autostrade per l'Italia S.p.A.) for 12.9%, and the second largest (Consorzio Lotterie Nazionali) for 6.0%.

2.2.6 Seasonal patterns

The Company's performance is related to travel trends. Business activity is above average in the second half of the year, mainly due to summer holiday traffic.

2.2.7 Guarantees given, commitments and contingent liabilities

Guarantees given and commitments come to € 813,279k, a decrease of € 3,343k on 2011:

(€k)	31.12.2012	31.12.2011	Change
Sureties and personal guarantees in favor of third parties	172,900	174,406	(1,506)
Sureties and personal guarantees in favor of subsidiaries	620,675	622,731	(2,055)
Other commitments and guarantees	19,704	19,486	218
Total	**813,279**	**816,623**	**(3,343)**

Sureties and personal guarantees in favor of third parties were issued in accordance with customary market practice.

Sureties and personal guarantees in favor of subsidiaries were issued to financial backers of direct or indirect subsidiaries, and relate primarily to the private placement bond of HMSHost Corporation (formerly Autogrill Group Inc.). They were in line with the previous year.

Other commitments and guarantees refer to the value of third-party assets used by the Company.

2.2.8 Operating leases

The various kinds of contract through which the Company runs its commercial units are defined as operating leases.

The management and provision of catering services along motorways or in airports is assigned by the motorway or airport operator to specialized companies, mostly under sub-concession arrangements. In railway stations, in addition to this kind of contract, there are also commercial leases. For operations conducted at trade fairs, shopping centers, and urban locations, the most common type of contract is a property lease or business lease.

It frequently occurs that a sub-concession for all the services of an entire motorway service area or airport terminal is assigned to a single entity, which then sub-assigns each individual service to a number of specialized firms.

The most common forms of agreement are the following:

1) **Access concession:** ownership of the land and buildings along the motorway is in the hands of a private firm (e.g. Autogrill S.p.A.), which negotiates access rights with the motorway company with the commitment to sell fuel and lubricants and/or food and beverages to motorway users. The firm accepts the obligation to pay rent to the motorway as well as certain stipulations regarding the way the services are to be provided and the hours of operation.

2) **Area concession:** the motorway company authorizes an entity (i) to build a service station and/or shop/restaurant on land which it owns and (ii) to carry on this business against payment of a fee based on revenue, with certain stipulations regarding the way the services are to be provided and the hours of operation.
On expiry of the contract, the assets built for provision of services are to be transferred free of charge to the motorway company.
Usually the holder of an area concession is a petrol company, which in turn can assign management of restaurant services to a specialized firm, generally through a business lease.

3) **Service concession:** the motorway operator authorizes separate contractors by means of separate independent contracts to (i) build a service station and/or shop/restaurant on land which it owns and (ii) carry on this business against payment of a fee based on turnover, with certain stipulations regarding the way the services are to be provided and the hours of operation. On expiry of the contract, the assets built for this purpose are to be transferred free of charge to the motorway company.
Service concessions are also used in airport terminals where the contractor is authorized to sell food and beverages after installing the necessary equipment and furnishings at its own expense, against payment of a fee - usually based on revenue - and an agreement to guarantee service during the opening hours specified by the concession grantor. The contractor may have to transfer the assets free of charge when the concession expires, although this is fairly uncommon.

4) **Business lease and commercial lease:** leasing a business or parts thereof allows an operator to use rights and/or buildings, equipment etc. organized to serve food and beverage products. In some cases the business consists of an authorization to operate and administrative licenses. In these cases the operator incurs the necessary capital expenditure and provides the service. In other cases, a firm leases a company consisting of both the authorization and the necessary buildings and equipment. Leasing a company in the concession business entails the obligation to ensure continuity of service and payment of a comprehensive fee which includes all amounts due to the concession grantor.
In a commercial lease, the operator uses buildings for business activity against payment of rent. The premises are equipped and furnished according to the specifications and at the expense of the operator, who must clear the premises when the lease expires.
These kinds of concession are common (i) along motorways, where there are area or service sub-concessions assigned to a petrol company, which then turns to a caterer, and (ii) in cities, railway stations and shopping centers, according to the business objectives of the owner of the property.
Business lease is preferred by shopping center management companies and sometimes in other business segments, with the aim of precluding fixed duration which, together with other rights (e.g., pre-emption and loss of goodwill), may be stipulated in commercial leases, and to ensure coordinated management of the administrative licenses to trade.

5) **Sub-contract:** the operator prepares and serves food and beverages using its own equipment and staff, and receives payment based on turnover (sales to the consumer). The party awarding the contract owns the property and has title to all the takings.

The table below gives details by due date of the Company's future minimum lease payments at the close of the year, showing those concerning operations sub-leased to others:

	2012		
Years (€m)	Total minimum lease payments	Minimum sub-lease payments	Net minimum lease payments
2013	108.9	3.7	105.2
2014	87.3	3.1	84.2
2015	77.1	3.1	74.0
2016	64.9	2.6	62.3
2017	48.2	2.4	45.8
Subsequent years	233.0	8.3	224.7
Total	**619.4**	**23.2**	**596.2**

	2011		
Years (€m)	Total minimum lease payments	Minimum sub-lease payments	Net minimum lease payments
2012	107.2	3.4	103.8
2013	101.0	3.4	97.6
2014	76.4	2.7	73.7
2015	72.7	2.6	70.1
2016	60.7	2.1	58.6
Subsequent years	264.0	7.5	256.5
Total	**682.0**	**21.7**	**660.3**

2.2.9 Other information

Related party transactions

Autogrill S.p.A. is controlled by Schematrentaquattro S.r.l., which owns 59.28% of its ordinary shares. Schematrentaquattro S.r.l. is a wholly-owned subsidiary of Edizione S.r.l.

All related-party transactions are carried out in the Company's interest and at arm's length.

In 2012 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.r.l.

Transactions with Edizione S.r.l.

(€k)	2012	2011	Change
Income statement			
Revenue	2	3	(1)
Other operating income	106	91	15
Personnel expense	129	210	(81)
Other operating expense	49	82	(33)

(€k)	31.12.2012	31.12.2011	Change
Statement of financial position			
Trade receivables	3	4	(1)
Other receivables	14,082	3,635	10,447
Other payables	156	237	(81)

"Other operating income" refers to services rendered by Autogrill concerning the use of equipped premises at the Rome offices.

"Personnel expense" refers to the accrual at 31 December 2012 for fees due to a director of Autogrill S.p.A., to be paid over to Edizione S.r.l. where he serves as executive manager.

"Other operating expense" refers to the rental of meeting rooms.

"Other receivables" consist of:

- € 12,467k for the IRES (corporate income tax) refund due as a result of Lex art. 2 of Decree Law 201/2011, which recognized the deductibility of IRAP (regional tax) pertaining to personnel expense paid from 2007 to 2011;
- € 409k for Autogrill S.p.A.'s IRES liability to Edizione S.r.l., representing tax due net of advance payments in 2012;
- € 2,024k for the IRES refund for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2004 to 2007 (Law 185/2008).

In accordance with the tax consolidation rules, the above will be settled by the third day prior to the normal deadline for payment of the IRES balance for 2012 (July 2013) less the balance due for 2012 and the first advance on 2013, with the exception of the tax refunds, which will be settled when they are received by Edizione S.r.l.

"Other payables" include the remuneration accrued at 31 December 2012 by a director of Autogrill S.p.A., a manager of Edizione S.r.l.

Transactions with related companies

Income statement (€k)	Atlantia group 2012	Atlantia group 2011	Gemina group 2012	Gemina group 2011	Bencom S.r.l. 2012	Bencom S.r.l. 2011
Revenue	17	10	11	-	-	-
Other operating income	1,381	2,890	-	-	390	384
Other operating expense	3,220	1,372	37	28	-	-
Leases, rentals, concessions and royalties	67,419	77,429	7,745	8,238	-	-
Financial income	-	-	-	-	-	-
Financial expense	1,774	1,351	-	-	-	-

Statement of financial position (€k)	Atlantia group 31.12.2012	Atlantia group 31.12.2011	Gemina group 31.12.2012	Gemina group 31.12.2011	Bencom S.r.l. 31.12.2012	Bencom S.r.l. 31.12.2011
Trade receivables	1,450	2,627	218	5	455	560
Other receivables	54	54	-	-	-	-
Financial receivables	-	-	-	-	-	-
Trade payables	33,944	38,233	1,413	1,290	-	-
Other payables	1	1	-	-	-	-
Financial payables	-	-	-	-	-	-

In detail:

- **Atlantia group:** "Other operating income" refers to commissions on sales of Viacards (automatic toll collection cards) and the reimbursement of utility costs incurred on behalf of Autostrade per l'Italia S.p.A. "Other operating expense" consists mainly of the purchase of advertising space. "Leases, rentals, concessions and royalties" refer to concession fees and accessory costs pertaining to the year. "Financial expense" reflects interest accrued at the annual rate of 4% in relation to the revised payment schedule for concession fees.

- **Gemina group:** costs refer to rent and ancillary expenses for the management of locations at Rome's Fiumicino and Ciampino airports managed by Aeroporti di Roma S.p.A., while "Other operating expense" concerns telephone, ICT and parking services.

- **Bencom S.r.l.:** "Other operating income" refers to rent and related charges for the sublet of premises in Via Dante, Milan. All liabilities are current; the receivable from Bencom S.r.l. will be settled in installments until the sub-lease expires in April 2017.

Sagat S.p.A.		Verde Sport S.p.A.		Olimpias S.p.A.		Benetton Group S.p.A.		Edizione Property S.p.A.		Fabrica S.p.A.	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
-	-	18	25	-	-	-	-	4	4	-	-
-	-	9	2	-	-	-	-	1	1	-	-
1	-	45	33	95	210	-	-	-	-	-	20
1,166	1,135	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

Sagat S.p.A.		Verde Sport S.p.A.		Olimpias S.p.A.		Benetton Group S.p.A.		Edizione Property S.p.A.		Fabrica S.p.A.	
31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
12	22	2	10	-	-	1	-	6	6	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
456	136	-	-	36	79	-	-	-	-	-	-
-	-	-	8	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

- **Sagat S.p.A.:** costs refer to the concession fees and related costs for the management of premises at Turin airport.

- **Verde Sport S.p.A.:** "Revenue" and "Trade receivables" refer to sales of products under the commercial affiliation contract for operating a Spizzico restaurant at La Ghirada - Città dello Sport. "Other operating expense" concerns sponsorships at sporting events.

- **Olimpias S.p.A.:** costs refer to the purchase of uniforms for sales personnel and the purchase of sundry materials.

- **Benetton Group S.p.A.:** trade receivables refer to catering services provided at the Milan offices.

- **Fabrica S.p.A.:** "Other operating expense" refers to graphic design consulting and advertising production costs.

Transactions with subsidiaries

Income statement (€k)	Autogrill Austria A.G. 2012	Autogrill Austria A.G. 2011	Autogrill Belux N.V. 2012	Autogrill Belux N.V. 2011
Revenue	53	61	-	-
Other operating income	64	68	41	30
Other operating expense	20	19	523	349
Leases, rentals, concessions and royalties	-	-	-	-
Financial income	43	96	-	-
Financial expense	-	-	74	199

Statement of financial position (€k)	Autogrill Austria A.G. 31.12.2012	Autogrill Austria A.G. 31.12.2011	Autogrill Belux N.V. 31.12.2012	Autogrill Belux N.V. 31.12.2011
Trade receivables	28	-	-	-
Other receivables	34	27	6,157	30
Financial receivables	1,081	96	-	-
Trade payables	-	-	-	-
Other payables	28	19	176	298
Financial payables	-	-	15,001	12,504

Income statement (€k)	World Duty Free Group S.A.U. 2012	World Duty Free Group S.A.U. 2011	Autogrill Côté France S.a.s. 2012	Autogrill Côté France S.a.s. 2011
Revenue	-	-	1	5
Other operating income	1,382	1,697	1,337	593
Other operating expense	1,209	1,407	113	180
Leases, rentals, concessions and royalties	-	-	-	-
Financial income	72,242	21,692	954	822
Financial expense	2	-	-	-

Statement of financial position (€k)	World Duty Free Group S.A.U. 31.12.2012	World Duty Free Group S.A.U. 31.12.2011	Autogrill Côté France S.a.s. 31.12.2012	Autogrill Côté France S.a.s. 31.12.2011
Trade receivables	50	56	-	-
Other receivables	1,384	1,487	1,097	410
Financial receivables	70,030	185,499	27,980	31,759
Trade payables	1	-	3	1
Other payables	243	1,123	170	130
Financial payables	-	-	-	-

Autogrill Schweiz A.G.		Autogrill Czech S.r.o.		Autogrill Deutschland GmbH		HMSHost Egypt Catering & Services Ltd.		Autogrill Iberia	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
-	-	106	108	-	1		-	-	-
1,696	1,760	1	1	213	205		1	250	103
9	500	-	24	-	42		-	124	147
-	-	-	-	-	-		-	-	-
4,579	109,292	13	20	-	-		-	36	68
18	80	-	-	120	252		-	-	-

Autogrill Schweiz A.G.		Autogrill Czech S.r.o.		Autogrill Deutschland GmbH		HMSHost Egypt Catering & Services Ltd.		Autogrill Iberia	
31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
358	417	-	15	(1)	-		-	-	1
123	138	2	1	327	111		1	186	156
-	-	4	1,110	86	86		-	15	800
-	-	-	-	-	-		-	11	-
53	80	8	-	1	42		-	131	97
3,396	9,546	-	-	14,244	16,313		-	-	-

Autogrill Hellas E.p.E.		HMSHost Ireland Ltd.		Autogrill Finance S.A.		Autogrill Europe Nord Ouest S.A.		Autogrill Nederland B.V.	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
46	48	-	-	-	-	-	-	-	-
22	15	18	19	-	-	-	-	29	22
3	11	-	-	-	330	-	-	43	16
-	-	-	-	-	-	-	-	-	-
55	35	68	49	-	6	-	-	301	318
-	-	-	-	-	-	-	-	-	-

Autogrill Hellas E.p.E.		HMSHost Ireland Ltd.		Autogrill Finance S.A.		Autogrill Europe Nord Ouest S.A.		Autogrill Nederland B.V.	
31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
42	7	-	-	-	-	-	-	-	-
24	17	-	5	-	-	-	-	31	27
2,407	1,752	1,514	2,237	-	-	-	306	10,401	12,558
-	-	-	-	-	-	-	-	-	16
7	3	1	-	-	-	-	-	62	-
-	-	-	-	-	-	-	-	-	-

Income statement (€k)	Autogrill Polska Sp.zo.o. 2012	2011
Revenue	-	-
Other operating income	(18)	1
Other operating expense	-	-
Leases, rentals, concessions and royalties	-	-
Financial income	24	52
Financial expense	-	-

Statement of financial position (€k)	Autogrill Polska Sp.zo.o. 31.12.2012	31.12.2011
Trade receivables	26	27
Other receivables	-	22
Financial receivables	77	900
Trade payables	-	-
Other payables	3	-
Financial payables	-	-

Transactions with Autogrill S.p.A.'s subsidiaries, summarized in the table above, are both financial and commercial in nature. The amounts shown refer to transactions carried out in 2011 and 2012 and to asset and liability balances at 31 December 2011 and 31 December 2012.

All transactions are conducted at arm's length.

In 2012, Autogrill Group Inc. changed its name to HMSHost Corporation after absorbing the subsidiary of the same name. In addition, Autogrill Nord Ouest S.A. was wound up and its investments transferred to Autogrill S.p.A.

The main differences with respect to the previous year are as follows:

- **Autogrill Schweiz A.G.**: the decrease in "Financial income" is due to the lower dividend payment in 2012, while the reduction in "Financial payables" reflects payments on the intercompany loan;
- **World Duty Free Group S.A.U.**: the increase in "Financial income" is due to the distribution of dividends in 2012, while the reduction in "Financial receivables" reflects payments on the intercompany loan;
- **HMSHost Corporation:** the increase in "Financial payables" is explained by three new intercompany loans from the Canadian subsidiary Host International of Canada Ltd.

	HMSHost Sweden A.B.		Autogrill D.o.o.		Autogrill Catering UK Ltd.		HMSHost Corporation		Nuova Sidap S.r.l.	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	-	-	8	2	-	-	-	-	12,003	15,334
	1	2	2	3	51	67	75	22	5,580	4,499
	-	-	-	-	-	-	162	68	3,889	3,525
	-	-	-	-	-	-	-	-	-	-
	-	7	12	9	89	-	12,030	24,445	114	148
	1	-	-	-	-	-	270	614	-	-

	HMSHost Sweden A.B.		Autogrill D.o.o.		Autogrill Catering UK Ltd.		HMSHost Corporation		Nuova Sidap S.r.l.	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	-	-	-	1	-	-	43	-	2,650	2,561
	1	3	1	1	36	77	10,807	22,114	1,088	1,178
	-	-	367	459	6,142	-	330	1,259	15,472	15,144
	-	-	-	-	-	-	-	-	4,179	2,556
	-	-	2	-	-	-	57	51	2	996
	2,915	-	-	-	-	-	38,330	-	-	-

Summary

	2012		
Income statement (€k)	**Edizione S.r.l. and other related companies and subsidiaries**	**Autogrill S.p.A.**	**%**
Revenue	12,269	1,167,189	1%
Other operating income	12,631	72,997	17%
Personnel expense	129	304,403	0%
Other operating expense	9,542	146,327	7%
Leases, rentals, concessions and royalties	76,330	178,499	43%
Financial income	90,560	105,220	86%
Financial expense	2,259	119,071	2%

Statement of financial position (€k)	31.12.2012 Edizione S.r.l. and other related companies and subsidiaries	Autogrill S.p.A.	%
Trade receivables	5,343	30,092	18%
Other receivables	35,434	101,247	35%
Financial receivables	135,906	138,168	98%
Trade payables	40,043	239,264	17%
Other payables	1,099	87,234	1%
Financial payables	73,886	625,860	12%

Remuneration of directors and executives with strategic responsibilities

Remuneration of members of the Board of Directors and executives with strategic responsibilities during the year ended 31 December 2012 were as follows:

Name	Office held	Term of office	Remuneration (€)	Bonuses and other incentives (€)	Three year long-term incentive plan (2010-2012) (€)	Non-monetary benefits (€)	Other fees (€)
Gilberto Benetton	Chairman	2011-2014	57,800	-	-	-	-
Gianmario Tondato Da Ruos *	CEO	2011-2014	529,722	319,214	3,029,538	57,674	401,099
Alessandro Benetton	Director	2011-2014	56,600	-	-	-	-
Francesco Giavazzi	Director	2011-2014	55,400	-	-	-	-
Arnaldo Camuffo	Director	2011-2014	92,600	-	-	-	-
Paolo Roverato	Director	2011-2014	129,200	-	-	-	-
Gianni Mion	Director	2011-2014	95,000	-	-	-	-
Alfredo Malguzzi	Director	2011-2014	95,000	-	-	-	-
Tommaso Barracco	Director	from 21.04.2011 to 2014	95,600	-	-	-	-
Marco Jesi	Director	from 21.04.2011 to 2014	95,600	-	-	-	-
Marco Mangiagalli	Director	from 21.04.2011 to 2014	95,000	-	-	-	-
Stefano Orlando	Director	from 21.04.2011 to 2014	96,200	-	-	-	-
Massimo Fasanella d'Amore di Ruffano	Director	from 07.03.2012 to 2014	47,559	-	-	-	-
Total directors			**1,541,281**	**319,214**	**3,029,538**	**57,674**	**401,099**
Managers with strategic responsibilities				1,782,884	6,085,244	219,816	3,254,924
Total			**1,541,281**	**2,102,098**	**9,114,782**	**277,490**	**3,656,023**

* The CEO's remuneration include his salary from Autogrill S.p.A. (shown under "Other fees"), bonuses paid under the annual incentive plan, and bonuses accrued under the long-term incentive plan for 2010-2012, which will be paid in 2013. "Remuneration" also includes compensation related to previous years for € 11,922.

The CEO's contract states that if he resigns with just cause or is dismissed by the Company without just cause, the Company will top up the standard indemnity in lieu of notice (provided for in the national collective managers' contract for the commercial sector) with a further indemnity such that the total amount is no less than € 2m.

In 2010 the CEO received 425,000 options under the 2010 stock option Plan, and in 2011 and 2012 he received 200,000 units and 225,000 units, respectively, under the "Leadership Team Long Term Incentive Plan Autogrill (L-LTIP)."

A significant portion of the variable compensation received by the CEO and by executives with strategic responsibilities is tied to the achievement of specific targets established in advance by the Board, by virtue of their participation in management incentive plans. In particular, the CEO and top managers participated during the year in an annual bonus system involving earnings and financial targets and other strategic objectives for the Group and/or the relevant business unit, as well as individual objectives. This was in addition to the three-year incentive plan for 2010-2012 and the L-LTIP plan, described below.

See the section "Incentive plans for directors and executives with strategic responsibilities" for a description of the plans in force.

Statutory auditors' fees

Statutory auditors' fees are as follows:

Name	Office held	Term of office	Fees (€)	Other fees (€)
Marco Giuseppe Maria Rigotti	Chairman	19.04.2012-31.12.2014	60,413	-
Luigi Biscozzi	Standing auditor	01.01.2012-31.12.2014	65,662	25,978
Eugenio Colucci	Standing auditor	01.01.2012-31.12.2014	55,000	17,788
Ettore Maria Tosi	Standing auditor	01.01.2012-19.04.2012	2,900	18,822
Total			**183,975**	**62,588**

"Other fees" refer to those accrued for statutory auditing duties at the subsidiary Nuova Sidap S.r.l.

Independent auditors' fees for audit and other services

Type of services	Service provider	Recipient	Fees (€k)
Auditing	KPMG S.p.A.	Autogrill S.p.A.	324
Attestation	KPMG S.p.A.	Autogrill S.p.A.	24
Other services	KPMG S.p.A.	Autogrill S.p.A.	8

Incentive plans for directors and executives with strategic responsibilities

2010 stock option Plan

On 20 April 2010, the annual general meeting approved a stock option Plan entitling executive directors and/or employees of the Company and/or its subsidiaries to subscribe, i.e., purchase, ordinary Autogrill shares at the ratio of one share per option granted. The options are granted to beneficiaries free of charge and may be exercised, once the vesting period has elapsed, at a strike price calculated as the average stock market price for the month preceding the grant date.

The extraordinary Annual General Meeting of 20 April 2010 also approved a share capital increase against payment to service the plan, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441(5) and (8) of the Italian Civil Code and art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum par value of € 1,040,000 (plus share premium), to be carried out no later than 30 May 2015 through the issue of up to 2,000,000 ordinary Autogrill shares in one or more tranches.

The stock option Plan approved by the Annual General Meeting states that the options granted will only vest if, at the end of the vesting period, the terminal value of Autogrill shares is € 11 or higher. The terminal value is defined as the average official price of Autogrill S.p.A. ordinary shares during the three months prior to the last day of the vesting period, plus the dividends paid from the grant date until the end of the vesting period.

The number of options vested will then correspond to a percentage of the options granted, ranging from 30% for a terminal value of € 11 per share to 100% for a terminal value of € 17 per share or higher. For each beneficiary there is also a "theoretical maximum capital gain" by virtue of which, regardless of other estimates, the number of options exercisable will be limited to the ratio "theoretical maximum capital gain"/(fair value - strike price)[1]. The plan does not allow beneficiaries to request cash payments in alternative to the assignment of shares.

On 10 November 2010, the Board of Directors granted 1,261,000 options out of the 2,000,000 available, to 11 beneficiaries meeting the requirements of the plan. The options are exercisable during the period from 20 April 2014 to 30 April 2015, at a strike price of € 9.34. On 29 July 2011 the Board of Directors assigned an additional 188,000 options to 2 other beneficiaries meeting the plan requirements; these can also be exercised between 20 April 2014 and 30 April 2015, at a strike price of € 8.91.

On 16 February 2012, the Board of Directors assigned 120,000 options to a new beneficiary at a strike price of € 8.19, which can likewise be exercised between 20 April 2014 and 30 April 2015.

On 26 January 2012, the Board of Directors approved the assignment to a new beneficiary of 120,000 incentive instruments known as "stock appreciation rights", which can be exercised between 20 April 2014 and 30 April 2015 at a price of € 7.83. These instruments, which allow the payment of a cash benefit (capital gain) instead of the right to acquire shares of the Company, work in a manner consistent with the 2010 stock option Plan.

1. As defined by art. 9(4) of Presidential Decree 917 of 22 December 1986

The status of the plan at 31 December 2012 is as follows:

	Number of options	Fair value existing options (€)
Options assigned as of 31.12.2011	**1,209,294**	**1.27**
New options assigned during 2012	120,000	0.51
Options expired/voided during 2012	-	-
Options assigned as of 31.12.2012	**1,329,294**	**1.22**

An independent external advisor has been engaged to calculate the fair value of the stock options, based on the current value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

The average fair value of the options granted in 2012 is € 0.51, while the weighted average fair value of the options outstanding at 31 December 2012 is € 1.22.

For the year, the total costs recognized in relation to share-based payment plans amounted to € 422k.

Thorough information on the stock option Plan is provided in the Disclosure Document prepared in accordance with art. 84-*bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com.

New Leadership Team Long Term Incentive Plan (L-LTIP)

During the extraordinary Annual General Meeting of 21 April 2011, the shareholders approved a new share-based incentive plan for the Group's top management. In addition to cash incentives, Autogrill's New Leadership Team Long Term Incentive Plan (L-LTIP) envisages the free assignment of ordinary Autogrill shares subject to certain conditions, including the achievement of specified Group performance targets during the three-year periods 2011-2013 ("Wave 1") and 2012-2014 ("Wave 2").

The shares assigned may be treasury shares or newly-issued shares, subsequent to a share capital increase reserved to the plan's beneficiaries. To this end, the Board of Directors was granted the power, for a period of five years from the date of the shareholders' approval, to increase share capital in one or more tranches by a maximum of € 1,820,000 through the issue of up to 3,500,000 ordinary shares (par value € 0.52) to be assigned free of charge to the beneficiaries.

Specifically, the plan calls for the assignment of rights to receive free Autogrill shares (called "units") through the exercise of options; the rights are conditional, free of charge and not transferable inter vivos. The number of units assigned depends on the category of beneficiary, and the conversion factor from units to options is calculated by applying an individual coefficient taking account of the beneficiary's position on the pay scale. For each beneficiary, there is a limit to the number of options that may be assigned, based on the level of remuneration. The plan does not allow for cash payments in alternative to the assignment of shares.

On 29 July 2011, the Board of Directors determined that 1,920,000 units could be assigned to beneficiaries meeting the stated requirements, and on the same date 880,000 units were assigned, corresponding to 721,240 options with an average fair value of € 6.95.

In 2012 a further 630,000 units were assigned, corresponding to a maximum of 359,522 shares, with an average fair value of € 6.91.

The options can be exercised by tranche during the period starting from the month after the Board of Directors verifies that the targets have been met (presumably April 2014) and ending on 31 July 2018, at a strike price of zero (as the shares are assigned free of charge).

An independent external advisor has been engaged to calculate the fair value of the options, based on the current value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

At 31 December 2012, Autogrill's management believes it is unlikely that the minimum performance targets required for implementation of "Wave 1" will be met, so no costs or provisions have been recognized for that plan.

As for 2012-2014 ("Wave 2"), on 16 February 2012 the Board of Directors, implementing the decision of the Annual General Meeting of 21 April 2011, designated a maximum of 1,930,000 units as assignable to the CEO and to executives with strategic responsibilities.

On the same date, the board assigned 1,875,000 units corresponding to a maximum of 1,405,074 shares, which can be exercised by tranche during the period starting from the month after the Board of Directors verifies that the targets have been met (presumably April 2015) and ending on 31 July 2018, at a strike price of zero (as the shares are assigned free of charge).

In 2012 there was also the cancellation of 55,000 units, corresponding to a maximum of 40,752 shares, with an average fair value of € 6.62.

An independent external advisor has been engaged to calculate the fair value of the options, based on the current value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

At 31 December 2012, Autogrill's management believes it is unlikely that the minimum performance targets required for implementation of "Wave 2" will be met, so no costs or provisions have been recognized for that plan.

The status of the plan at 31 December 2012 is as follows:

Plan Wave 1 (2011-2013)	Number of options	Fair value existing options (€)
Options assigned as of 31.12.2011	**654,573**	**6.98**
New options assigned during 2012	179,761	6.91
Options expired/voided during 2012	(19,666)	7.32
No market condition adjustment	(814,668)	6.96
Options assigned as of 31.12.2012	-	-

Plan Wave 2 (2012-2014)	Number of options	Fair value existing options (€)
Options assigned as of 31.12.2011	-	-
New options assigned during 2012	702,537	6.25
Options expired/voided during 2012	(20,376)	6.62
No market condition adjustment	(682,161)	6.24
Options assigned as of 31.12.2012	-	-

Thorough information on the plan is provided in the Disclosure Document prepared in accordance with art. 84-*bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com.

2.2.10 Events after the reporting period

Since 31 December 2012, no events have occurred that if known in advance would have entailed an adjustment to the figures in the financial statements or required additional disclosures in these Notes.

On 24 January 2013 the Board of Directors voted to take the option provided for by Consob Resolution 18079 of 20 January 2012 that removes the obligation to make available to the public the disclosure documents required by Annex 3B of the Issuer Regulation no. 11971/1999 in the case of significant mergers, demergers, increases in share capital through the transfer of goods in kind, acquisitions and transfers.

On 17 January 2013, the subsidiary HMSHost Corporation (formerly Autogrill Group Inc.) contracted a new bond loan for a total amount of $ 150m, guaranteed by Autogrill S.p.A., maturing January 2023 with a six-month coupon at a fixed rate of 5.12%. The proceeds were used to partially repay the bond loan issued in 2003. The bond regulations include the determination of economic and financial ratios to be met by HMSHost Corporation and its subsidiaries.

On 1 February, Autogrill announced that it had begun to study the feasibility of a possible industrial and corporate reorganization designed to separate its two business segments, Food & Beverage and Travel Retail & Duty-Free. This could potentially involve the demerger of the Travel Retail operations currently held by Autogrill.

After being assigned the Travel Retail concessions in Spanish airports in December 2012, on 14 February 2013 the subsidiary World Duty Free Group S.A.U., through its subsidiaries World Duty Free Group España S.A. and Sociedad de Distribuciòn Aeroportuaria de Canarias S.L., and AENA signed a contract for the operation of these businesses until 2020. As agreed in the contract, the company then paid an advance of about € 280m plus VAT covering part of the concession fees as well as € 26m as a guarantee deposit. The advance payment will be deducted from scheduled instalments over the duration of the contract.

2.2.11 Significant non-recurring events and transactions

In 2012, there were no significant non-recurring events or transactions as defined by Consob's Resolution 15519 and Communication DEM/6064293.

2.2.12 Atypical or unusual transactions

No atypical or unusual transactions, as defined by Consob Communications DEM/6037577 of 28 April 2006 and DEM/6064293 of 28 July 2006, were performed in 2012.

2.2.13 Authorization for publication

The Board of Directors authorized the publication of these draft financial statements at its meeting of 7 March 2013.

List of investments held directly and indirectly in subsidiaries and associates

Company	Registered office	Currency	Share/ quota capital	% owned 31.12.2012	Shareholders/quota holders
Parent:					
Autogrill S.p.A.	Novara	Eur	132,288,000	59.280%	Schematrentaquattro S.r.l.
Companies consolidated line by line:					
Nuova Sidap S.r.l.	Novara	Eur	100,000	100.000%	Autogrill S.p.A.
Autogrill Austria A.G.	Gottlesbrunn	Eur	7,500,000	100.000%	Autogrill S.p.A.
Autogrill Czech S.r.o.	Prague	Czk	154,463,000	100.000%	Autogrill S.p.A.
Autogrill D.o.o.	Lubiana	Eur	1,342,670	100.000%	Autogrill S.p.A.
Autogrill Hellas E.p.E.	Avlonas	Eur	1,696,350	100.000%	Autogrill S.p.A.
Autogrill Polska Sp.zo.o.	Katowice	Pln	14,050,000	100.000%	Autogrill S.p.A.
Autogrill Iberia S.L.U.	Madrid	Eur	7,000,000	100.000%	Autogrill S.p.A.
HMSHost Ireland Ltd.	Cork	Eur	13,600,000	100.000%	Autogrill S.p.A.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000%	Autogrill S.p.A.
Autogrill Catering UK Ltd.	London	Gbp	2,154,578	100.000%	Autogrill S.p.A.
Restair UK Ltd. (in liquidation)	London	Gbp	1	100.000%	Autogrill Catering UK Ltd.
Autogrill Deutschland GmbH	Munich	Eur	205,000	100.000%	Autogrill S.p.A.
HMSHost Egypt Catering & Services Ltd.	Cairo	Egp	1,000,000	60.000%	Autogrill Deutschland GmbH
Autogrill Belux N.V.	Antwerp	Eur	10,000,000	99.900%	Autogrill S.p.A.
				0.1000%	Autogrill Nederland B.V.
Ac Restaurants & Hotels Beheer N.V.	Antwerp	Eur	6,650,000	100.000%	Autogrill Belux N.V.
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	100.000%	Autogrill S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Avry devant Pont	Chf	1,500,000	54.300%	Autogrill Schweiz A.G.
World Duty Free Group S.A.U.	Madrid	Eur	1,800,000	100.000%	Autogrill S.p.A.
World Duty Free Group UK Holdings Ltd.	London	Gbp	12,484,002	80.100%	World Duty Free Group S.A.U.
				19.900%	World Duty Free Group España S.A.
Autogrill Holdings UK Ltd.	London	Gbp	1,000	100.000%	World Duty Free Group UK Holdings Ltd.
World Duty Free Group UK Ltd.	London	Gbp	360,000	100.000%	World Duty Free Group UK Holdings Ltd.
WDFG Jersey Ltd.	Jersey Airport St. Peter	Gbp	4,100	100.000%	World Duty Free Group UK Ltd.
Alpha Retail Ireland Ltd. (in liquidation)	Dublin	Eur	1	100.000%	World Duty Free Group UK Ltd.
Autogrill Holdings UK Pension Trustee Ltd.	London	Gbp	100	100.000%	World Duty Free Group UK Ltd.
Alpha Kreol (India) Pvt Ltd.	Mumbai	Inr	100,000	50.000%	World Duty Free Group UK Holdings Ltd.
Autogrill Lanka Ltd.	Fort Colombo	Lkr	30,000,000	99.000%	World Duty Free Group UK Holdings Ltd.
World Duty Free Group International Ltd.	London	Gbp	2	100.000%	World Duty Free Group UK Holdings Ltd.
Alpha Airport Retail Holdings Pvt Ltd.	Mumbai	Inr	404,714,590	100.000%	World Duty Free Group UK Holdings Ltd.
Airport Retail Pvt Ltd.	Mumbai	Inr	601,472,800	50.000%	Alpha Airport Retail Holdings Pvt Ltd.
				50.000%	World Duty Free Group UK Holdings Ltd.

Company	Registered office	Currency	Share/ quota capital	% owned 31.12.2012	Shareholders/quota holders
Alpha Airports Group (Channel Island) Ltd. (in liquidation)	St. Heliers - Jersey	Gbp	21	100.000%	World Duty Free Group UK Holdings Ltd.
Aldeasa Curaçao N.V.	Curaçao	Usd	500,000	100.000%	World Duty Free Group UK Holdings Ltd.
Aldeasa Jordan Airports Duty Free Shops Ltd.	Amman	Usd	705,219	100.000%	World Duty Free Group UK Holdings Ltd.
WDFG Keys Orlando LLC (in liquidation)	Delaware	Usd	-	100.000%	World Duty Free US Inc.
Cancouver Uno S.L.U.	Madrid	Eur	3,010	100.000%	World Duty Free Group UK Holdings Ltd.
World Duty Free Group Canada Inc.	Vancouver	Cad	1,000	100.000%	Cancouver Uno S.L.
WDFG Vancouver L.P.	Vancouver	Cad	12,676,000	99.990%	Cancouver Uno S.L.
				0.010%	WDFD Canada Inc.
Alpha ASD Ltd. (in liquidation)	London	Gbp	20,000	100.000%	World Duty Free Group UK Holdings Ltd.
World Duty Free Group US Inc.	Wilmington	Usd	49,012,087	100.000%	World Duty Free Group UK Holdings Ltd.
World Duty Free US Inc.	Florida	Usd	1,400,000	100.000%	World Duty Free Group US Inc.
Alpha Keys Orlando Retail Associates LLP (in liquidation)	Florida	Usd	100,000	85.000%	World Duty Free US Inc.
Aldeasa Atlanta L.L.C.	Atlanta	Usd	-	100.000%	World Duty Free Group US Inc.
Aldeasa Atlanta JV	Atlanta	Usd	1,672,000	51.000%	Aldeasa Atlanta L.L.C.
				25.000%	World Duty Free Group US Inc.
World Duty Free Group España S.A.	Madrid	Eur	10,772,462	99.890%	World Duty Free Group S.A.U.
Aldeasa Cabo Verde S.A.	Isla de Sal	Cve	6,000,000	100.000%	World Duty Free Group España S.A.
Aldeasa Chile Ltda.	Santiago (Chile)	Usd	2,516,819	100.000%	World Duty Free Group España S.A.
Aldeasa Colombia Ltda.	Cartagena de Indias	Cop	2,356,075,724	100.000%	World Duty Free Group España S.A.
Aldeasa Duty Free Comercio e Importación de Productos Ltda.	São Paulo	Brl	1,000,000	100.000%	World Duty Free Group España S.A.
Aldeasa Italia S.r.l.	Naples	Eur	10,000	100.000%	World Duty Free Group España S.A.
WDFG Italia S.r.l.	Rome	Eur	10,000	100.000%	World Duty Free Group España S.A.
Aldeasa Jamaica Ltda.	Jamaica	Usd	23,740,395	100.000%	World Duty Free Group España S.A.
World Duty Free Group Germany GmbH	Düsseldorf	Eur	250,000	100.000%	World Duty Free Group España S.A.
Aldeasa México S.A. de C.V.	Cancun	Mxn	60,962,541	100.000%	World Duty Free Group España S.A.
Aldeasa Servicios Aeroportuarios Ltda. (in liquidation)	Santiago (Chile)	Usd	15,000	99.990%	World Duty Free Group España S.A.
Audioguiarte Servicios Culturales S.L.	Madrid	Eur	251,000	100.000%	Palacios y Museos S.L.U.
Palacios y Museos S.L.U.	Madrid	Eur	160,000	100.000%	World Duty Free Group España S.A.
Panalboa S.A.	Panama	Pab	150,000	80.000%	Palacios y Museos S.L.U.
Prestadora de Servicios en Aeropuertos S.A. de C.V.	Cancun	Mxn	50,000	100.000%	World Duty Free Group España S.A.
Sociedad de Distribución Aeroportuaria de Canarias S.L.	Las Palmas	Eur	667,110	60.000%	World Duty Free Group España S.A.
Autogrill Nederland B.V.	Oosterhout	Eur	41,371,500	100.000%	Autogrill S.p.A.
Autogrill Nederland Hotels B.V.	Oosterhout	Eur	1,500,000	100.000%	Autogrill Nederland B.V.
Autogrill Nederland Hotel Amsterdam B.V.	Oosterhout	Eur	150,000	100.000%	Autogrill Nederland B.V.
Holding de Participations Autogrill S.a.s.	Marseille	Eur	84,581,920	100.000%	Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Eur	2,207,344	100.000%	Holding de Participations Autogrill S.a.s.

Company	Registered office	Currency	Share/ quota capital	% owned 31.12.2012	Shareholders/quota holders
Autogrill Côté France S.a.s.	Marseille	Eur	31,579,526	100.000%	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	Eur	288,000	50.005%	Autogrill Côté France S.a.s.
Société Porte de Champagne S.A. (SPC)	Perrogney	Eur	153,600	53.000%	Autogrill Côté France S.a.s.
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	Eur	144,000	50.000%	Autogrill Côté France S.a.s.
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	Eur	1,440,000	70.000%	Autogrill Côté France S.a.s.
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA) in liquidation	Romens	Eur	515,360	50.000%	Autogrill Côté France S.a.s.
Société de Gestion de Restauration Routière (SGRR S.A.)	Marseille	Eur	1,537,320	100.000%	Autogrill Côté France S.a.s.
Volcarest S.A.	Riom	Eur	1,050,144	50.000%	Autogrill Côté France S.a.s.
Autogrill Restauration Services S.a.s.	Marseille	Eur	15,394,500	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Gares Métropoles S.àr.l.	Marseille	Eur	4,500,000	100.000%	Autogrill Restauration Services S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	Eur	2,337,000	100.000%	Holding de Participations Autogrill S.a.s.
La Rambertine S.n.c.	Romens	Eur	1,524	100.000%	Autogrill Côté France S.a.s.
Société de Gestion Petrolière Autogrill (SGPA S.àr.l.)	Marseille	Eur	8,000	100.000%	Autogrill Côté France S.a.s.
Autogrill Commercial Catering France S.àr.l.	Marseille	Eur	2,916,480	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Centre Campus S.àr.l.	Marseille	Eur	501,900	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	Eur	375,000	100.000%	Autogrill Côté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	Eur	375,000	100.000%	Autogrill Restauration Carrousel S.a.s.
Carestel Nord S.àr.l. (in liquidation)	Mulhouse	Eur	76,225	100.000%	Autogrill Commercial Catering France S.a.s.
Autogrill Trois Frontières S.a.s.	Marseille	Eur	621,999	100.000%	Autogrill Aéroports S.a.s.
HMSHost Corporation	Delaware	Usd	-	100.000%	Autogrill S.p.A.
CBR Specialty Retail Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMSHost USA L.L.C.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMSHost International Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
Anton Airfood Inc.	Delaware	Usd	1,000	100.000%	HMSHost Corporation
Anton Airfood JFK Inc.	New York	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Cincinnati Inc.	Kentucky	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Minnesota Inc.	Minnesota	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of North Carolina Inc.	North Carolina	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Ohio Inc.	Ohio	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Texas Inc.	Texas	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Virginia Inc.	Virginia	Usd	-	100.000%	Anton Airfood Inc.
Palm Springs AAI Inc.	California	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Boise Inc.	Idaho	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Tulsa Inc.	Oklahoma	Usd	-	100.000%	Anton Airfood Inc.
Islip AAI Inc.	New York	Usd	-	100.000%	Anton Airfood Inc.

Company	Registered office	Currency	Share/ quota capital	% owned 31.12.2012	Shareholders/quota holders
Fresno AAI Inc.	California	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Newark Inc.	New Jersey	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Seattle Inc.	Washington	Usd	-	100.000%	Anton Airfood Inc.
HMSHost Tollroads Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
Host International Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMS - Airport Terminal Services Inc.	Delaware	Usd	1,000	100.000%	Host International Inc.
HMSHost Family Restaurants Inc.	Baltimora	Usd	2,000	100.000%	Host International Inc.
HMSHost Family Restaurants L.L.C.	Delaware	Usd	-	100.000%	HMSHost Family Restaurants Inc.
Gladieux Corporation	Ohio	Usd	750	100.000%	Host International Inc.
Host (Malaysia) Sdn. Bhd.	Kuala Lumpur	Myr	-	100.000%	Host International Inc.
Host International of Canada Ltd.	Vancouver	Cad	75,351,237	100.000%	Host International Inc.
Host Canada L.P.	Calgary	Cad	-	99.900%	Host International Inc.
				0.100%	Host International of Maryland Inc.
SMSI Travel Centres Inc.	Vancouver	Cad	9,800,100	100.000%	Host International of Canada Ltd.
HMSHost Holdings GP Inc.	Vancouver	Cad	-	100.000%	SMSI Travel Centres Inc.
HMSHost Holdings F&B GP Inc.	Vancouver	Cad	-	100.000%	SMSI Travel Centres Inc.
HMSHost Motorways Inc.	Vancouver	Cad	-	100.000%	SMSI Travel Centres Inc.
HMSHost Motorways L.P.	Winnipeg	Cad	-	99.999%	SMSI Travel Centres Inc.
				0.001%	HMSHost Motorways Inc.
HK Travel Centres GP Inc.	Toronto	Cad	-	51.000%	HMSHost Holding F&B GP Inc.
HK Travel Centres L.P.	Winnipeg	Cad	-	51.000%	HMSHost Motorways L.P.
Host International of Kansas Inc.	Kansas	Usd	1,000	100.000%	Host International Inc.
Host International of Maryland Inc.	Maryland	Usd	1,000	100.000%	Host International Inc.
HMSHost USA Inc.	Delaware	Usd	-	100.000%	Host International Inc.
Host of Holland B.V.	Amsterdam	Eur	18,151	100.000%	Host International Inc.
Horeca Exploitatie Maatschappij Schiphol B.V.	Amsterdam	Eur	45,378	100.000%	Host of Holland B.V.
Host Services Inc.	Texas	Usd	-	100.000%	Host International Inc.
Host Services of New York Inc.	Delaware	Usd	1,000	100.000%	Host International Inc.
Host Services Pty Ltd.	North Cairns	Aud	6,252,872	100.000%	Host International Inc.
Las Vegas Terminal Restaurants Inc.	Delaware	Usd	-	100.000%	Host International Inc.
Marriott Airport Concessions Pty Ltd.	North Cairns	Aud	3,910,102	100.000%	Host International Inc.
Michigan Host Inc.	Delaware	Usd	1,000	100.000%	Host International Inc.
HMSHost Services India Private Ltd.	Bangalore	Inr	668,441,680	99.000%	Host International Inc.
				1.000%	HMSHost International Inc.
HMSHost Singapore Pte Ltd.	Singapore	Sgd	8,470,896	100.000%	Host International Inc.
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.000%	Host International Inc.
HMSHost Costa Rica S.A. (in liquidation)	Costa Rica	Crc	-	100.000%	Host International Inc.
HMSHost-Shanghai Enterprise Ltd	Shanghai	Cny	-	100.000%	Host International Inc.
HMSHost Yiyeecek ve Icecek Hizmetleri AS	Besiktas	Try	50,000	100.000%	Host of Holland B.V.
Host-TFC-RSL, LLC	Kentucky	Usd	-	65.000%	Host International Inc.
Host GRL LIH F&B, LLC	Delaware	Usd	-	85.000%	Host International Inc.
Host DLFJV DAL F&B LLC	Delaware	Usd	-	51.000%	Host International Inc.
Host Fox PHX F&B, LLC	Delaware	Usd	-	75.000%	Host International Inc.
Host-CMS SAN F&B, LLC	Delaware	Usd	-	65.000%	Host International Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	-	90.000%	Host International Inc.

Company	Registered office	Currency	Share/ quota capital	% owned 31.12.2012	Shareholders/quota holders
Host/Diversified Joint Venture	Michigan	Usd	-	90.000%	Host International Inc.
Airside C F&B Joint Venture	Florida	Usd	-	70.000%	Host International Inc.
Host of Kahului Joint Venture Company	Hawaii	Usd	-	90.000%	Host International Inc.
Host/Coffee Star Joint Venture	Texas	Usd	-	50.010%	Host International Inc.
Southwest Florida Airport Joint Venture	Florida	Usd	-	80.000%	Host International Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	-	90.000%	Host International Inc.
Host/Forum Joint Venture	Baltimora	Usd	-	70.000%	Host International Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.000%	Host International Inc.
Savannah Airport Joint Venture	Atlanta	Usd	-	45.000%	Host International Inc.
Host/Aranza Services Joint Venture	Texas	Usd	-	50.010%	Host International Inc.
Host & Garrett Joint Venture	Mississippi	Usd	-	75.000%	Host International Inc.
Tinsley/Host - Tampa Joint Venture Company	Florida	Usd	-	49.000%	Host International Inc.
Phoenix - Host Joint Venture	Arizona	Usd	-	70.000%	Host International Inc.
Host - Taco Joy Joint Venture	Atlanta	Usd	-	80.000%	Host International Inc.
Host-Chelsea Joint Venture #1	Texas	Usd	-	65.000%	Host International Inc.
Host-Tinsley Joint Venture	Florida	Usd	-	84.000%	Host International Inc.
Host/Tarra Enterprises Joint Venture	Florida	Usd	-	75.000%	Host International Inc.
Metro-Host Joint Venture	Michigan	Usd	-	70.000%	Michigan Host Inc.
Ben-Zey/Host Lottery Joint Venture	Florida	Usd	-	40.000%	Host International Inc.
Host D&D St. Louis Airport Joint Venture	Missouri	Usd	-	75.000%	Host International Inc.
East Terminal Chili's Joint Venture	Missouri	Usd	-	55.000%	Host International Inc.
Host/LJA Joint Venture	Missouri	Usd	-	85.000%	Host International Inc.
Host/NCM Atlanta E Joint Venture	Atlanta	Usd	-	75.000%	Host International Inc.
Houston 8/Host Joint Venture	Texas	Usd	-	60.000%	Host International Inc.
Seattle Restaurant Associates	Washington	Usd	-	70.000%	Host International Inc.
Bay Area Restaurant Group	California	Usd	-	49.000%	Host International Inc.
Host - Prose Joint Venture II	Virginia	Usd	-	70.000%	Host International Inc.
HMSHost Coffee Partners Joint Venture	Texas	Usd	-	50.010%	Host International Inc.
Host-Grant Park Chili's Joint Venture	Arizona	Usd	-	60.000%	Host International Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	Usd	-	60.000%	Host International Inc.
Airside E Joint Venture	Florida	Usd	-	50.000%	Host International Inc.
Host-CJ & Havana Joint Venture	California	Usd	-	70.000%	Host International Inc.
Host/Howell - Mickens Joint Venture	Texas	Usd	-	65.000%	Host International Inc.
Miami Airport Retail Partners Joint Venture	Florida	Usd	-	70.000%	Host International Inc.
HSTA JV	Atlanta	Usd	-	60.000%	Host International Inc.
Host PJJD Jacksonville Joint Venture	Florida	Usd	-	51.000%	Host International Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Host International Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	-	90.000%	Host International Inc.
Host/Howell - Mickens Joint Venture III	Texas	Usd	-	51.000%	Host International Inc.
Host of Santa Ana Joint Venture Company	California	Usd	-	75.000%	Host International Inc.
HMS - D/FW Airport Joint Venture	Texas	Usd	-	65.000%	Host International Inc.
HMS - D/FW Airport Joint Venture II	Texas	Usd	-	75.000%	Host International Inc.
Host-Prose Joint Venture III	Virginia	Usd	-	51.000%	Host International Inc.
Host Adevco Joint Venture	Arkansas	Usd	-	70.000%	Host International Inc.
Host Shellis Atlanta Joint Venture	Atlanta	Usd	-	70.000%	Host International Inc.

Company	Registered office	Currency	Share/ quota capital	% owned 31.12.2012	Shareholders/quota holders
Host-Houston 8 San Antonio Joint Venture	Texas	Usd	-	63.000%	Host International Inc.
Host-Chelsea Joint Venture #4	Texas	Usd	-	63.000%	Host International Inc.
Host-Houston 8 Terminal E, LLC	Texas	Usd	-	60.000%	Host International Inc.
Host FDY ORF F&B, LLC	Delaware	Usd	-	90.000%	Host International Inc.
LTL ATL JV, LLC	Delaware	Usd	-	70.000%	Host International Inc.
Host ATLChefs JV 3, LLC	Delaware	Usd	-	97.000%	Host International Inc.
Host ATLChefs JV 5, LLC	Delaware	Usd	-	95.000%	Host International Inc.
Host LGO PHX F&B, LLC	Delaware	Usd	-	80.000%	Host International Inc.
Host H8 Terminal E F&B, LLC	Delaware	Usd	-	60.000%	Host International Inc.
Host Grove SLC F&B I, LLC	Delaware	Usd	-	87.500%	Host International Inc.
Host International (Poland) Sp.zo.o. (in liquidation)	Poland	Pln	-	100.000%	Host International Inc.
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	Cny	-	100.000%	Host International Inc.
Dubai Branch	Dubai	Aed	-	100.000%	Host International Inc.
Host International of Canada (RD), Ltd.	Vancouver	Cad	-	100.000%	Host International Inc.
Host-Chelsea Joint Venture #3	Texas	Usd	-	63.800%	Host International Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Anton Airfood Inc.
Host HowellMickens Terminal A Retail, LLC	Wilmington	Usd	-	65.000%	Host International Inc.
Host-Love Field Partners I, LLC	Wilmington	Usd	-	51.000%	Host International Inc.
Host-Love Field Partners II, LLC	Wilmington	Usd	-	51.000%	Host International Inc.
Host-True Flavors SAT Terminal A FB	Wilmington	Usd	-	65.000%	Host International Inc.
Host Havana LAX F&B, LLC	Wilmington	Usd	-	90.000%	Host International Inc.
Host-CTI F&B II, LLC	Wilmington	Usd	-	80.000%	Host International Inc.
Host Solai MDW Retail, LLC	Wilmington	Usd	-	67.000%	Host International Inc.
Host TCC BHM F&B LLC	Wilmington	Usd	-	70.000%	Host International Inc.
Host-ELN MSP Terminal 2 Retail LLC	Wilmington	Usd	-	90.000%	Host International Inc.
Host-DMV DTW Retail, LLC	Wilmington	Usd	-	79.000%	Host International Inc.
Host Lee JAX FB, LLC	Wilmington	Usd	-	70.000%	Host International Inc.
Islip Airport Joint Venture	New York	Usd	-	50.000%	Anton Airfood Inc.
Companies consolidated proportionally:					
ITDC-Aldeasa India Pvt Ltd.	New Delhi	Inr	100,000	50.000%	World Duty Free Group España S.A.
Caresquick N.V.	Bruxelles	Eur	3,300,000	50.000%	Autogrill Belux N.V.
Companies measured using the equity method:					
Dewina Host Sdn Bhd	Kuala Lumpur	Myr	-	49.000%	Host International Inc.
TGIF National Airport Restaurant Joint Venture	Texas	Usd	-	25.000%	Host International Inc.
HKSC Developments L.P. (Projecto)	Winnipeg	Cad	-	49.000%	SMSI Travel Centres Inc.
HKSC Opco L.P. (Opco)	Winnipeg	Cad	-	49.000%	HMSHost Motorways L.P.
Souk al Mouhajir S.A. (in liquidation)	Tangier	Dhs	6,500,000	35.840%	World Duty Free Group España S.A.
Creuers del Port de Barcelona S.A.	Barcelona	Eur	3,005,061	23.000%	World Duty Free Group España S.A.

Statement of the CEO and manager in charge of Financial Reporting

STATEMENT
about the separate financial statements
pursuant to art. 81-*ter* of Consob Regulation 11971
of 14 May 1999 (as amended)

1. We, the undersigned, Gianmario Tondato Da Ruos as Chief Executive Officer and Alberto De Vecchi as manager in charge of Financial Reporting of Autogrill S.p.A., hereby declare, including in accordance with art. 154-*bis* (3) and (4) of Legislative Decree no. 58 of 24 February 1998:

a) the adequacy of the report, in relation to the characteristics of the business; and

b) due compliance with the administrative and accounting procedures for the preparation of the separate financial statements during 2012.

2. No significant findings have come to light in this respect.

3. We also confirm that:

3.1 the separate financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;
b) correspond to the ledgers and accounting entries;
c) give a true and fair view of the issuer's financial position and results.

3.2 The directors' report includes a reliable description of the performance and financial position of the Company, along with the main risks and uncertainties to which it is exposed.

Milan, 7 March 2013

Gianmario Tondato Da Ruos
Chief Executive Officer

Alberto De Vecchi
Manager in charge
of Financial Reporting

Independent Auditors' Report

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Autogrill S.p.A.

1 We have audited the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2012, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 21 March 2012 for our opinion on the prior year separate financial statements, which included the corresponding figures presented for comparative purposes.

3 In our opinion, the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2012 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of Autogrill S.p.A. as at 31 December 2012, the results of its operations and its cash flows for the year then ended.

4 The directors of Autogrill S.p.A. are responsible for the preparation of a directors' report on the financial statements and a report on the corporate governance and shareholding structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with

KPMG

Autogrill S.p.A.
Report of the auditors
31 December 2012

the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2012.

Milan, 20 March 2013

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director of Audit

2

Board of Statutory Auditors' Report

Dear Shareholders,

This report, prepared in accordance with art. 153 of Legislative Decree 58/1998 ("Consolidated Finance Act" or "TUF") and taking account of the applicable Consob recommendations, presents the supervisory activities and findings of the Board of Statutory Auditors of Autogrill S.p.A. ("Autogrill" or the "Company").

The separate financial statements for 2012 close with a loss of € 14,578k, compared with a profit of € 31,926k the previous year. At consolidated level, the portion of the profit for the year, came to € 96.8m, with respect to a profit of € 126.3m in 2011 pertaining to the owners of the parent.

The report of the independent auditors KPMG S.p.A. on Autogrill S.p.A.'s separate financial statements for the year ended 31 December 2012, issued on 20 March 2013, was unqualified. KPMG's opinion on the Autogrill Group's 2012 consolidated financial statements, issued on the same date, was also unqualified.

1. Supervisory activities performed and information received

During the year ended 31 December 2012 we performed the supervisory activities required by law, taking account of the recommendations provided by Consob (particularly Circular 1025564 of 6 April 2001) and of the rules of conduct advised by the Italian Accounting Profession.

To that end, during the year we:

- held 17 meetings, which were generally attended by all statutory auditors in office;
- attended, generally as a board, the 13 meetings of the board of directors;
- attended, generally as a board, the 10 meetings of the internal control, risks and corporate governance committee;
- attended, generally through the participation of the chairman or another statutory auditor, the meetings of the strategies and investments committee;
- attended, generally through the participation of the chairman or another statutory auditor, the eight meetings of the human resources committee;
- attended, as a board, the annual general meeting held to approve the 2011 financial statements and re-elect the board of statutory auditors;
- maintained an open channel of communication and held periodic meetings with the independent auditors, to share data and information relevant to our respective assignments;
- maintained an open channel of communication and held periodic meetings with the internal audit manager and the enterprise risk management department;
- met with the board of statutory auditors of the only Italian subsidiary, leading to no findings of note.

During the board of directors' meetings, we were informed of the activities of Autogrill and the Group it heads, and of the transactions of greatest economic and financial significance undertaken by the Company and the Group, as well as those in which Autogrill and the Group may have an interest on their own or third parties' behalf.

The information in question was gathered through audits and directly from the Chief Executive Officer and department heads, and through attendance at the meetings of the internal control, risks and corporate governance committee and the other advisory committees.

No irregularities were encountered through our meetings and contacts with the independet auditors.

In the course of our activities, in 2012:

- we received one complaint from a shareholder pursuant to art. 2408 of the Italian Civil Code concerning the absence in the minutes of the annual general meeting of 19 April 2012 of the written questions submitted by that shareholder in accordance with art. 127-*ter* TUF. We immediately looked into the matter and found no irregularities in the directors' conduct: although the questions had been submitted in the early morning of the very day scheduled for the meeting, and therefore later than allowed, the directors did take account of them in the minutes and even recorded the replies thereto. The shareholder was promptly informed of our findings;
- no statements/reports were received.

The Company is responsible for the management and coordination of the group it heads and prepares the group's consolidated financial statements. The one Italian subsidiary has duly publicized its status as subject to Autogrill's management and coordination.

Although Autogrill is controlled by Schematrentaquattro S.r.l. (itself a subsidiary of Edizione S.r.l.), it is not subject to its management and coordination because, as stated in the corporate governance report, Autogrill has "extensive managerialy organizational and administrative autonomy, with no instructions or directives on the part of Schematrentaquattro S.r.l. or Edizione S.r.l. that might be evidence of management or coordination on the part of controlling shareholders."

With the necessary conditions satisfied, the board of directors has opted to convene the annual general meeting for approval of the 2012 financial statements by the extended deadline allowed by Italian Civil Code art. 2364 and art. 21 of the Company's by-laws. The financial statement documentation will in any case be made available to the public well before the deadline set by art. 154-*ter* TUF (120 days from the close of the year). As explained in the directors' report, this decision was made in consideration of reporting needs and obligations and taking account of any reorganizations currently being considered (see the conclusions paragraph of this report for further information).

2. Key events; related party transactions

In 2012 there were no transactions with a major impact on financial position, results of operations and cash flow conducted by the Company or the Group that were beyond the scope of ordinary operations and that are therefore emphasized in the directors' report. Of the more significant events concerning Autogrill and the Group, we would like to point out the following:

- the contract acquired by World Duty Free Group in July 2012 to manage the duty free shops at Düsseldorf international airport;
- through the HMSHost International division, the renewal in October 2012, five years ahead of schedule, of the food & beverage concession for the 75 locations managed at Schiphol Airport in Amsterdam;
- the contract acquired by World Duty Free Group S.A.U. in December 2012 to manage the travel retail concessions at Spanish airports until 2020;
- the closure of a multicurrency revolving credit facility in the original amount of € 150m, maturing on 9 June 2012, using the cash provided by a new 18-month revolving credit facility for a total of € 200m, maturing on 30 November 2013.

Opinion of the board of statutory auditors

In general, the board confirms that Autogrill has complied with laws, by-laws and sound management principles.

As mentioned, the above transactions and events in 2012 are not emphasized in the directors' report or the notes to the financial statements as they fall within the normal sphere of operations.

The board has not found or been notified by the independent auditors or the head of internal audit of atypical or unusual transactions as defined by the Consob Communication of 6 April 2001 and Consob Communication DEM/6064293 of 28 July 2006 carried out with third parties, related parties or other companies in the group. Nor in 2012 were there any significant non-recurring events or transactions, as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

Regarding related party transactions, we have ensured that the Company's procedure is compliant with the principles laid down by Consob and that said procedure has been duly followed, including by attending the meetings of the related party transactions committee appointed by the board of directors. The procedure, which can be consulted on the Company's website, makes resolutions on the compensation of directors and other executives with strategic responsibilities exempt from the standard rules, provided that certain conditions are met. The corporate governance report provides information on application of the procedure during the year.

In the directors' report and notes, the directors have reported on the ordinary transactions carried out with related parties, indicating their nature and amount. That information is sufficient, also taking account of their size.

For our part, we have discerned no violation of laws or by-laws or transactions initiated by the directors that are manifestly imprudent, risky, in potential conflict of interest, contrary to the resolutions of the shareholders, or otherwise liable to comprise the Company's financial soundness.

3. Performance for the year, financial position, going concern status

As mentioned above, the profit allocable to the Group amounted to € 96.8m, with respect to a profit of € 126.3m the previous year.

The consolidated net financial position was a negative € 1,494.7m at the end of 2012 (€ 1,552.8m at 31 December 2011). The group's current net financial position worsened from a positive € 15.8m at the end of 2011 to a negative € 180.7m, due mainly to the decrease in net cash held in current accounts, the maturity in January 2013 of the final tranche of the bond loan issued by HMSHost Corporation, and the current portion of the multicurrency revolving facility granted to the Travel Retail segment.

Consolidated net equity pertaining to the owners of the parent rose from € 779.8m at the end of the previous year to € 822.3m at 31 December 2012.

Consolidated net cash flow from operating activities was a positive € 556.4m (€ 514.4m the previous year). Investing activities absorbed cash flow of € 281.4m (€ 210.1m in 2011), while financing activities absorbed € 218.8m (€ 83.0m the previous year), due mainly to the repayment of maturing loans and other credit facilities.

In terms of financial flexibility, on 14 February 2013, after being assigned the travel retail concessions at Spanish airports the previous December, the subsidiary World Duty Free Group S.A.U. and the airport management company AENA signed a contract for the operation of those businesses until 2020. As agreed in the contract, the Company paid an advance of € 280m plus VAT covering part of the concession fees due for the entire term, as well as € 26m as a guarantee deposit. The advance payment will be recovered by deducting it from scheduled instalments over the term of the contract, which will become effective in May 2013.

In this regard, the directors specify in their report that although the advance payment will significantly raise the leverage ratio for a period of 12 to 24 months, it is likely that the ample cash generated by the Travel Retail business will soon bring financial leverage back to entirely safe levels for the loans granted to World Duty Free Group S.A.U. and its subsidiaries.

On the other hand, for the loans held at 31 December 2012 by Autogrill S.p.A. (whose boundary for these ratios is the entire Autogrill Group), the directors note that if the increased leverage of Travel Retail due to the contract with AENA were to be compounded in 2013 by a further significant decline in Food & Beverage revenue in Europe, then the leverage ratio could, for a limited period of time, come very close to the limit of 3.5 — all the more so given the seasonal nature of Food & Beverage whereby the net generation of cash is concentrated in the second and especially the third quarter of the year.

The directors conclude, however, that the Group likely has enough flexibility in timing its investments and cutting structural costs to manage any resulting financial tension and continue to satisfy its covenants.

Given the above, considering the more general situation of the Company and the Group and, in particular, the forecasts studied by the directors for the coming years, we note no events or circumstances that could cast significant doubt on the company's status as a going concern.

4. Organizational structure, internal control and risk management system, accounting system

We have verified that the Company's organizational structure is adequate to its size, business structure and objectives, and does not hinder compliance with applicable laws.

In 2012 the Company reinforced its internal control and risk management system, meaning the set of rules, procedures and organizational structures designed to facilitate sound, proper management that is in line with company objectives through an adequate system of identification, measurement, management and monitoring of the principal risks. On various occasions the board of directors was involved in these activities, which also concerned the group companies of strategic significance.

The Chief Executive Officer, in his capacity as director in charge of the internal control and risk management system, defines the means and methods of the risk management system to reflect the guidelines set by the board of directors, and ensures that it is distributed throughout the Group with the appropriate guidance and coordination. The organizational units are responsible for the entire systematic process of identifying, measuring, managing and monitoring risks and for determining suitable countermeasures.

These efforts are overseen by the group's internal audit department which, in accordance with Borsa Italiana's new Corporate Governance Code, since January 2013 reports directly to the board of directors, and by the group's enterprise risk management department, which assists the Chief Executive Officer and the organizational units in the activities described above.

The internal control system is defined by the Company's Code of Conduct as the set of instruments designed to orient, manage and oversee the Company's operations in order to foster the efficacy and efficiency of the business, ensure compliance with laws and in-house procedures, protect the Company's assets, and minimize impending risks. It is organized into three levels of control, the last of which consists of the group internal audit department, which answers directly to the board of directors while coordinating its activities closely with the manager in charge of the internal control and risk management system.

The head of internal audit, who has no ties to operating units, reports frequently to the internal control, risks and corporate governance committee, presenting the annual plan of work and reporting periodically on the activities performed. The board of statutory auditors, including in its capacity as internal control committee established pursuant to art. 19 of Legislative Decree 39/2010, maintains a constant dialogue with the head of internal audit and ensures that his work is effective.

Internal audit activities have revealed no significant problems with the definition or implementation of the internal control and risk management system that might seriously compromise the achievement of an acceptable overall risk profile.

Existing policies and procedures concern numerous topics relating to financial reporting and the disclosure of inside information to the market, the investment policy, corporate governance, the internal control system of subsidiaries, insider dealing, appointment of the independent auditors, internal auditing, and other matters discussed in this report. The basis of the system is the Code of Conduct.

Regarding the continuous disclosure obligations pursuant to art. 114(2) TUF, Autogrill's procedure for the disclosure of inside information makes the chairmen and Chief Executive Officers of the key subsidiaries (i.e. the direct subsidiaries of Autogrill and the subholding companies) responsible for its proper implementation, and requires all of Autogrill's direct and indirect subsidiaries to report insider information promptly to the Chief Executive Officer of the parent. The key subsidiaries, in addition to adopting this procedure, must appoint an officer in charge of its implementation and enforcement both internally and at their own subsidiaries.

On the subject of risk management, the Company uses the enterprise risk management method described in the corporate governance report. Recently, that approach has also been used to analyze investment projects, and the integration of the relative policy is being considered.

The directors' report describes the risks faced by the Company, including for the purposes of art. 19(1)(b) of Legislative Decree 39/2010.

The Company has adopted the organizational and management model for the prevention of criminal offenses envisaged by Legislative Decree 231/2001, concerning corporate liability for offenses committed by employees and other staff, which is regularly updated to reflect changes in the law. We have met with the compliance committee, comprised of an outside expert and the internal audit director, and soon to be increased to three members. The compliance committee has found no deficiencies or circumstances that would compromise the internal control and risk management system as they pertain to corporate liability pursuant to Legislative Decree 231/2001.

In this context, much attention was focused on the subject of health and safety in the workplace.

The Company has complied with all data protection obligations as stated in Legislative Decree 196/2003, and has drawn up the data protection document required by law.

With particular reference to administrative activities, in the corporate governance report the board of directors describes the main characteristics of the existing risk management and internal control systems in relation to the financial reporting process, in keeping with art. 123-*bis* TUF.

The Company is compliant with Law 262/2005 and has named a manager in charge of financial reporting, recommended by the control, risks and corporate governance committee and approved by the board of statutory auditors. The board of directors has adopted regulations for the manager in charge of financial reporting, which, inter alia:

- grant him sufficient powers and means, including financial and human resources, and the authority to execute, modify or terminate any agreement he deems necessary, useful or appropriate for fulfilling his duties; give him due access to the information deemed relevant for fulfilling his duties, at Autogrill S.p.A. and at other group companies; empower him to impart any instructions to group companies, within the confines of the decisions made by their boards and officers and of the responsibilities held by each subsidiary, and have them adopt any measure, procedure or conduct deemed useful that will put him in a position to fulfill his duties; and grant him the same powers of inspection and control held by the statutory auditors and the independent auditors, at Autogrill and the other group companies, but within the confines of his duties and responsibilities, and as regards the group's foreign subsidiaries, within the confines of local law;
- require him to report his activities to the board of directors, at least every six months, indicating any problems encountered during the period and the measures taken or planned to overcome them; to inform the chairman of the board of directors of circumstances so serious that they might warrant the board's urgent decision; to ensure that the control, risks and corporate governance committee, the board of statutory auditors, the independent auditors, the compliance committee per Legislative Decree 231/01, and the manager in charge of the internal control and risk management system are kept duly informed of his work;
- require the boards and officers of the key subsidiaries to make sure they have adopted a suitable system of control for administrative and accounting processes that will generate the information transmitted to the parent for purposes of drawing up the consolidated financial statements and to constantly monitor its adequacy and effective use, and to ensure that appropriate administrative and accounting procedures are followed including on the basis of his guidelines; these bodies must also, with assistance from internal audit departments or independent external parties, conduct audits to obtain evidence of the due application of such procedures and of the related controls, including at his request, and periodically report to Autogrill attesting to the adequacy and due application of said procedures.

As mentioned above, there are numerous accounting policies and procedures applicable to the Group as a whole.

The manager in charge of financial reporting evaluates the accounting internal control system. In his annual report to the board of directors he has found no weaknesses that would significantly compromise the reliability of accounting and financial disclosures. The ordinary irregularities encountered have already been subject to corrective measures, thus minimizing exposure to risk and ensuring the complete adequacy of the process in all of its phases.

Regarding art. 36 of Consob's market regulations (requiring formalities in respect of subsidiaries formed or governed according to the laws of non-European Union countries that figure significantly in the consolidated financial statements), the two group companies to which this provision applies (HMSHost Corp. and Host International Inc.) have suitable procedures in place for the regular transmission to Autogrill's management and to the parent's independent auditor of the income statement, financial position and cash flow data needed to draw up the consolidated financial statements.

Independent auditors

The accounts of all group companies are fully audited (sometimes with reference only to the reporting packages prepared for the consolidation) by companies in the KPMG network, which was appointed on 27 April 2006 and whose assignment will expire with approval of the 2014 financial statements, by virtue of the extension to the period 2012-2014 pursuant to Legislative Decree 39/2010.

On 20 March 2013 the independent auditors provided us with the report required by art. 19 of Legislative Decree 39/2010, which notes no significant shortcomings in the internal control system concerning the financial reporting process.

In the notes to the separate and the consolidated financial statements, the directors have provided details of the fees allocated to the independent auditors and to the entities in its network, as reported in the table below.

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent's auditors	Parent	324
	Parent's auditors	Subsidiaries	51
	Parent's auditors network	Subsidiaries	2,454
Attestation	Parent's auditors	Parent	24
	Parent's auditors	Subsidiaries	26
	Parent's auditors network	Subsidiaries	865
Other services	Parent's auditors	Parent and subsidiaries	13
	Parent's auditors network	Subsidiaries	118

We would like to point out that no questions have arisen regarding the independence of the independent auditors and that we have received its confirmation of independence in accordance with art. 17(9)(a) of Legislative Decree 39/2010.

In this regard, in November 2012 the Company revised the group procedure for the appointment of independent auditors by Autogrill and its subsidiaries. The new procedure makes the external auditing firm responsible for auditing the subsidiaries as well as the parent, and governs the assignment of additional tasks to that firm to prevent it from having assignments that are incompatible with auditing, as defined by law, or in any case prejudicial to the auditors' independence.

5. Corporate Governance

Detailed information on how Autogrill has implemented the corporate governance principles approved by Borsa Italiana (laid down in the Corporate Governance Code, referred to hereinafter as the "Code") is provided by the directors in the annual corporate governance report, approved on 7 March 2013 and attached to the financial statements.

That report is compliant with art. 123-*bis* TUF. The independent auditors, in their reports, have confirmed that the directors' report and the disclosures pursuant to paragraph 1 letters c), d), f), l) and m) and paragraph 2 letter b) of art. 123-*bis* TUF presented in the corporate governance report are consistent with the separate and the consolidated financial statements.

In December 2012 the board of directors adopted the new Corporate Governance Code approved by Borsa Italiana in December 2011 and made some changes to its governance system, including the addition of its own code containing the "minimum rules" of governance that the Company undertakes to observe (the "Autogrill Code"), although the board may continue to adopt solutions on a case-by-case basis that go above and beyond those rules. Indeed, in some cases the "minimum rules" are exceeded by the board's standard practices, which form the basis of the corporate governance report, although in some instances the report also refers to the Autogrill Code (published in full in the Governance section of the Company's website under "regulations and procedures").

The following remarks make reference, in general, to the sources listed above.

The Chief Executive Officer is the person primarily responsible for running the business, and the only executive member of the board of directors. The board, a majority of whose members are independent, is involved — including through the work of its committees — in decisions concerning a number of areas, such as strategies and investments, budgeting, strategic/industrial/financial planning, corporate governance (including remuneration), and the internal control and risk management system.

During the year the Company verified the true independence of the directors qualifying as such, in accordance with the Corporate Governance Code; likewise, it ascertained the continued independence of the statutory auditors, according to the provisions of that Code.

6. Conclusions

Through direct inspection and information provided by the independent auditors and the manager in charge of financial reporting, we have verified compliance with laws regarding the preparation and presentation of the Autogrill Group's consolidated financial statements, of Autogrill S.p.A.'s separate financial statements and of the corresponding directors' reports. During the course of our audit work, no matters arose that might have required reporting to the supervisory authorities or mention in this report.

In their report issued pursuant to arts. 14 and 16 of Legislative Decree 39 of 27 January 2010, the independent auditors gave an unqualified opinion of the separate and the consolidated financial statements for 2012. Both the separate and the consolidated financial statements come with the statement of the manager in charge of financial reporting and Chief Executive Officer required by art. 154-*bis* TUF.

The annual general meeting called to approve the financial statements is also asked to vote on other matters within its sphere of authority, including the authorization to buy and sell treasury shares and the remuneration report. The directors are not proposing the payment of a dividend this year.

On the basis of our work during the year, we find no reason not to approve the financial statements at 31 December 2012 and the motions presented by the board of directors.

On 1 February 2013, Autogrill announced that it had begun to study the feasibility of a possible industrial and corporate reorganization designed to separate its two business segments, Food & Beverage and Travel Retail & Duty-Free. This could potentially involve the demerger of the Travel Retail operations currently held by Autogrill.

The plan, with important strategic implications, reflects the diverse nature of the two businesses and their limited potential for synergies.

Milan, 26 March 2013
Statutory Auditors of Autogrill S.p.A.
Marco Rigotti
Luigi Biscozzi
Eugenio Colucci

Autogrill S.p.A.

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