Autogrill S.p.A.

2011 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]
Secretary	Paola Bottero

Board of Statutory Auditors[9]

Chairman	Luigi Biscozzi[10]
Standing auditor	Eugenio Colucci[10]
Standing auditor	Ettore Maria Tosi[10]
Alternate auditor	Giorgio Silva
Alternate auditor	Giuseppe Angiolini
Independent auditors[11]	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 and Corporate Governance Committee
7 Member of the Related Party Transactions Committee
8 Member of the Human Resources Committee
9 Elected by the annual general meeting of 21 April 2009; in office until approval of the 2011 financial statements
10 Certified auditor
11 Engagement granted by the annual general meeting of 27 April 2006 for the years 2006-2014
E Executive Director
I-1 Independent Director as defined by the Code of Conduct adopted by resolution of the Board of Directors of 12 December 2007
I-2 Independent Director pursuant to arts 147 *ter* (4) and 148 (3) of Legislative Decree 58/1998
L Lead Independent Director

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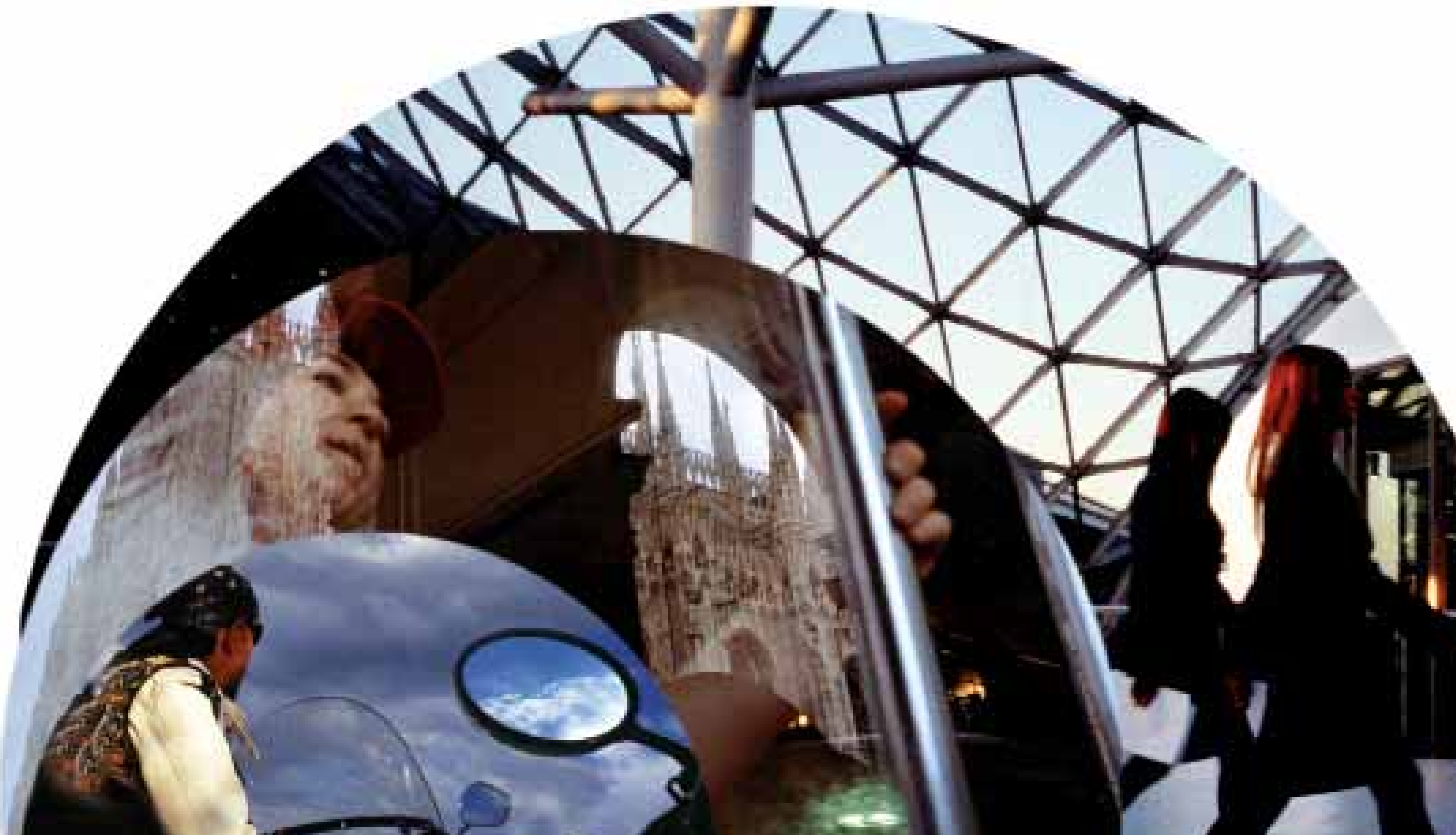
1. Directors' Report



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 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.

Through its direct operations, Autogrill S.p.A. generates more than 95% of the Company's Food & Beverage and Travel Retail revenue in Italy. The rest is earned by its subsidiaries, Nuova Sidap S.r.l. and Alpha Retail Italia S.r.l.

Indirectly, through its subsidiaries, it has food & beverage and retail operations at travel facilities in other European countries, primarily airports in the UK and Spain, and at airports and motorway in North America.

Autogrill S.p.A. operates in all three 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.

1.2 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 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.

1.3 Performance

1.3.1 General business context and traffic trends

In 2011 the Italian economy suffered a marked downturn, with rising unemployment and a worsening of financial conditions that depressed consumer confidence.

Motorway traffic in 2011 was down by 1.1%[1] (from January to November), and grew progressively lighter throughout the year. The trend was influenced by the macroeconomic context and the price of fuel at the tank, which reached record levels in 2011 (+13.9% for gasoline)[2].

Worldwide, the performance of the air transport industry improved in 2011, and passengers increased thanks mainly to the rise in international traffic. Airport traffic in Italy grew by 6.4%[3].

[1] Source: AISCAT, January-November 2011
[2] Federazione Italiana Gestori Impianti Stradali Carburanti (www.figisc.it/osservatorio.html)
[3] Source: Assoaeroporti, January-December 2011

1.3.2 Income statement results

Condensed income statement[4]

(€m)	2011	% of revenue	2010	% of revenue	Change
Revenue	1,292.2	100.0%	1,323.9	100.0%	(2.4%)
Other operating income	75.2	5.8%	67.5	5.1%	11.4%
Total revenue and other operating income	**1,367.4**	**105.8%**	**1,391.4**	**105.1%**	**(1.7%)**
Raw materials, supplies and goods	(611.2)	47.3%	(629.6)	47.6%	(2.9%)
Personnel expense	(322.5)	25.0%	(319.1)	24.1%	1.1%
Leases, rentals, concessions and royalties	(183.2)	14.2%	(184.3)	13.9%	(0.6%)
Other operating costs	(158.4)	12.3%	(144.2)	10.9%	9.8%
EBITDA	**92.1**	**7.1%**	**114.2**	**8.6%**	**(19.4%)**
Depreciation and amortization	(58.1)	4.5%	(56.9)	4.3%	2.1%
EBIT	**34.0**	**2.6%**	**57.3**	**4.3%**	**(40.7%)**
Net financial expense	76.3	5.9%	163.0	12.3%	(53.2%)
Impairment losses on financial assets	(65.1)	5.0%	(19.7)	1.5%	230.5%
Pre-tax profit	**45.2**	**3.5%**	**200.6**	**15.2%**	**(77.5%)**
Income tax	(13.3)	1.0%	(36.2)	2.7%	(63.3%)
Profit for the year	**31.9**	**2.5%**	**164.4**	**12.4%**	**(80.6%)**

Revenue

Autogrill S.p.A. closed 2011 with revenue of € 1,292.2m, a decrease of 2.4% on the previous year's € 1,323.7m, and are broken down by channel as follows:

(€m)	2011	2010	Change
Revenue	**1,292.2**	**1,323.7**	**(2.4%)**
Sales to end consumer	1,256.5	1,284.0	(2.1%)
Motorways	964.2	992.7	(2.9%)
Airports	91.0	86.5	5.1%
Other	201.4	204.8	(1.7%)
Other *	35.7	39.6	(9.9%)

* Including sales to franchisees

In the motorway channel, sales decreased by 2.9%, from € 992.7m in 2010 to € 964.2m. From January to December, with traffic down by 1.1% on the motorway network, sales decreased by 3.9% on a like-for-like basis. In general, consumers were even more inclined than usual to make smaller overall purchases, leading to a decline in restaurant patronage. This trend was especially evident in the second half of the year.

[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 € 15m in 2011 (€ 28.8m in 2010) and the cost to € 14.3m (€ 27.2m the previous year)

Adjusting for the number of locations, the main forms of sale (food & beverage and market) fell by 3.7% on the previous year, with market items showing the greatest decline, while sales of complementary goods (lottery tickets, newspapers & magazines and tobacco products) decreased by 5.1%.

Revenue in the airport channel came to € 91.0m, up from € 86.5m in 2010 (+5.1%), thanks mostly to new openings at Naples and Rome Fiumicino, renovations completed during the first half of the year and the launch of operations at Palermo airport.

In other channels revenue fell by 1.7%, from € 204.8m to € 201.4m; the opening of new outlets at the railway stations in Bologna and Naples and the full-year contribution of the railway locations at Milan Central Station and Turin Porta Nuova almost completely offset the steep decline in shipboard catering and the closure of some shopping center locations.

Raw materials, supplies and goods

In 2011 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 waste and improved materials management.

Personnel expense

Personnel expense in 2011, at € 322.5m, increased by 1.1% on the previous year. The change reflects a higher average hourly cost, due to the renewal of the national collective bargaining agreement, as well as reorganization and stock option costs.

Lease, rentals, concessions and royalties

These show a decrease of 0.6% on the previous year, reflecting the decline in Food & Beverage and Travel Retail sales. Concession costs rose as a percentage of sales, due in part to the higher fees charged in some recent contracts.

Other operating costs

Operating costs grew by 9.7% with respect to the previous year, due mainly to the price of electricity. Despite a decrease in consumption, the average rate per kWh increased by about 18%.

EBITDA

EBITDA in 2011 came to € 92.2m, a decrease of 19.3% from € 114.2m the previous year, and the EBITDA margin fell from 8.6% to 7.1% of revenue. The reduction was caused by the rise in personnel expense (higher average hourly cost) and by initiatives to boost demand and customer service. The decrease in motorway traffic, most evident during the second half of the year, had a negative impact on labor productivity and the incidence of fixed location costs. EBITDA was further penalized by € 2.1m in reorganization costs.

Depreciation, amortization and impairment losses

In 2011 depreciation, amortization and impairment losses came to € 58.1m, up from € 56.9m in 2010, as a result of greater investments. Impairment losses of € 2.6m were recognized on property, plant & equipment and intangible assets, referring mostly to high street and shopping center locations.

Financial expense

Net financial expense came to € 76.3m, compared with € 163.0m in 2010. The decrease is due primarily to a reduction in dividends from subsidiaries and to non-recurring charges for the termination of interest rate hedges in July 2011, when the refinancing process was completed for Autogrill S.p.A. and the Group.

Impairment losses on financial assets

During the year, the equity investments in Autogrill Austria A.G. and Autogrill Schweiz A.G. showed signs of impairment. Because their recoverable amount was estimated to be lower than carrying amount, a total impairment loss of € 58m was recognized, which in the case of Autogrill Schweiz A.G. was caused by the distribution of € 110m in dividends to Autogrill S.p.A. Impairment losses on financial assets also include the write-off of the remaining amount due from Autogrill Austria A.G. (€ 7.1m).

Income tax

Tax decreased from € 36.2m in 2010 to € 13.4m for a tax rate of 29.6%, compared with 18% the previous year, due mainly to the reduced taxation of dividends received from subsidiaries.

Profit for the year

The profit for 2011 came to € 31.9m, down from € 164.4m the previous year.

1.3.3 Restated statement of financial position[5]

(€m)	31.12.2011	31.12.2010	Change
Intangible assets	120.7	122.5	(1.8)
Property, plant and equipment	217.2	212.4	4.8
Financial assets	1,152.6	1,203.0	(50.4)
A) Non-current assets	**1,490.5**	**1,537.9**	**(47.4)**
B) Working capital	**(162.6)**	**(234.9)**	**72.3**
C) Invested capital, less current liabilities	**1,327.9**	**1,303.0**	**24.9**
D) Other non-current non-financial assets and liabilities	**(100.1)**	**(96.8)**	**(3.3)**
F) Net invested capital	**1,227.8**	**1,206.2**	**21.6**
G) Equity	**769.8**	**774.1**	**(4.3)**
Non-current financial payables	(612.9)	(978.3)	365.4
Non-current financial receivables	201.0	712.5	(511.5)
H) Non-current net financial position	**(411.9)**	**(265.8)**	**(146.1)**
Current financial payables	(134.0)	(364.7)	230.7
Cash and banks and current financial receivables	87.9	198.4	(110.5)
I) Current net financial position	**(46.1)**	**(166.3)**	**120.2**
Net debt (H + I)	**(458.0)**	**(432.1)**	**(25.9)**
L) Total as in F)	**1,227.8**	**1,206.2**	**21.6**

The statement of financial position shows an increase of € 21.6m in net invested capital due mainly to the € 72.3m rise in working capital, offset by a decrease of € 47.4m in non-current assets, stemming chiefly from the impairment losses recognized on the equity investment in Autogrill Austria A.G. and Autogrill Schweiz A.G.

The change in working capital was caused by the rise in indirect tax credits, dividends to be received from subsidiaries and withholding tax. There was also a decrease in trade payables, due to the smaller purchasing volumes and the renegotiation of commercial agreements with some major suppliers.

Capital expenditure in 2011 came to € 62.1m (€ 57.2m the previous year), and were concentrated mostly in the motorway channel.

Net financial indebtedness at 31 December 2011 was € 458m, roughly in line with the previous year.

[5] "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"

1.3.4 Performance of key subsidiaries

Autogrill Group Inc. (formerly Autogrill Overseas Inc.)
Through subsidiaries, the Company oversees mostly food & beverage operations in North America, as well as at Schiphol Airport in Amsterdam and various airports in the Asia-Pacific area.

In 2011 it earned revenue of $ 2,679.0m, an increase of 5.2% on the previous year's $ 2,546.5m, while EBITDA fell from € 314.5m to $ 312.5m (–0.6%).

World Duty Free Group S.A. (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: the United States, Canada, Mexico, Chile, Peru, Colombia, Cape Verde, Kuwait, Jordan, India and Sri Lanka.

Revenue in 2011 came to € 1,820.8m, up from € 1,675.7m the previous year (+8.7%), and EBITDA rose by 17.9% from € 193.6m to € 228.3m.

1.4 Outlook

In Italy, during the first two months of 2012, severe weather conditions had a strong impact on mobility (especially motorway travel) for lengthy periods. This led to a steep decline in sales, in some weeks by more than 10% year-on-year. Italy's delicate financial situation, and the steps it has taken over the past year to reduce the public debt, could also hold back consumption.

These factors 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.

Events after the reporting period

Since 31 December 2011, no events have occurred that if known in advance would have entailed an adjustment to the figures reported or required additional disclosures.

1.5 Other information

1.5.1 Corporate Social Responsibility

Afuture Roadmap

Autogrill has developed its own "Sustainability Roadmap" for the period 2012-2015. This is a strategic plan to integrate the sustainable approach with the management of day-to-operations; a guide defining improvement and innovation objectives, in order to plan and implement sustainable actions in keeping with strategic goals.

The main purpose of the Roadmap is to define new intermediate steps aimed at improving the performance of Autogrill S.p.A. and its subsidiaries; 2011 is therefore a turning point, a milestone in a process designed to trigger a "cultural leap" that will create new business opportunities and confirm the competitive edge that sustainability is meant to provide. The Roadmap sets strategic goals, to be pursued through concrete plans. The health and safety of workers ("People"), the reduced consumption of energy and water ("Planet"), and better, less expensive packaging ("Product") are the top priorities in Autogrill's plan for 2012-2015.

Keeping tabs through the Sustainability Report

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

Personnel

Policy

Autogrill is a "people" company that provides services to the public. The relationship between the Company and its employees is a strategic asset, fundamental to the generation of value. Each employee who serves a customer represents the company, its business philosophy, its know-how, and the way it treats the environment.

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 (selection processes, development plans, training) and as individuals (health and welfare, family, social commitment and respect for the environment).

In this vein, labor relations are also of great importance to developing sustainability in human resource management; 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.

Work-life balance

Valuing the quality of life of our employees is not limited to management of their working hours, but takes account of every facet involved in creating a healthy balance between personal and professional life.

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.

Ethical 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 particular, Social Accountability 8000 certification (renewed in early 2012) demonstrates our commitment to human rights and workers' rights and to preventing child exploitation, while ensuring a safe and healthy place of work.

Professional development

The nurturing of human capital, through international job rotation and other programs, is an important means of developing the qualifications of the most skilled personnel within the Group. For Autogrill, mobility is an opportunity to enhance the knowledge and capabilities of its workers by letting them test themselves in new environments, which boosts their team spirit and makes them well-rounded professionals.

In this perspective, training is key to helping workers climb the ladder, and is also an investment for the business and the person.

Environment

Policy

Environmental issues — climate change, energy, water, waste, etc. — involve people, organizations and institutions around the globe. International conventions are not enough to handle this challenge; 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 the need 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.

Conservation awareness

Reducing our consumption of energy and water requires a major change in how these issues are approached by the workers who use machines and equipment; by the suppliers who make them; and by the consumers who visit our locations. Our workers are involved in ongoing awareness programs to instill greater respect for the environment, especially through the reduction of waste. Employees are taught the proper use of equipment, which can lead to major savings if turned off at slow times of day.

To keep the focus on sustainability, the Aconnect intranet portal includes the section "Afuture," covering all information on the project from its history to the latest news and events from around the world concerning the promotion of sustainability. The monthly column "Go Green" encourages good practices for the responsible use of paper, water and energy: simple, everyday steps that each worker can take so that the Afuture Roadmap becomes part and parcel of the Autogrill culture.

Environmental certification

Autogrill's commitment to obtaining environmental certification has led to important new achievements. Milan headquarters in 2011 renewed its EMAS (Eco-Management and Audit Scheme) registration, a voluntary EU program, as well as its ISO 14001:2004 certification for environmental management systems. At other Italian locations, in 2010 and 2011 ISO 14001 certification was renewed for Turin airport and the Brianza Sud point of sales, which is also certified by EMAS.

Innovation and environmental efficiency

To make every trip a pleasure, whether for business or leisure, is Autogrill's primary task. Innovation at our restaurants and shops involves boosting their energy efficiency, improving technologies that make use of renewable sources like geothermal and solar power, and making our locations accessible and enjoyable to consumers, who witness our commitment to the environment first hand.

1.5.2 Risks and uncertainties faced by Autogrill

Autogrill S.p.A. and the Autogrill Group are exposed to external risks and uncertainties arising from general or specific conditions in the industries in which they work, as well as to risks arising from strategic decisions and internal operational risks.

The Group Risk Management department ensures the uniform handling of risks across the different organizational units.

The updated risk matrix presents no new risks with respect to those reported in 2010.

Below we describe the main risks common to all of our business segments, whose common denominator is the traveler, followed by the specific risks faced by each one.

To avoid repetition, exposure to financial risks is discussed in the notes to the financial statements.

Risks common to all business segments

Decreased traffic

The operations of Autogrill S.p.A. and the Group are influenced by traffic trends. Any factor with the potential to reduce traffic flows significantly 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 Company's diversification in terms of channels (airports, motorways and railway stations).

Autogrill also has the following tools available to counter recessions or soften the impact of any concentration of its businesses in channels or regions 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 with concession grantors, due to an inability to satisfy contractual commitments or to a tarnished image as a result of the perceived deterioration of service, is a significant risk for the maintenance of existing contracts and the acquisition of new ones.

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;
- training programs to ensure high standards of service;
- the systematic review of operating methods and procedures to keep service efficient and workers safe.

In Italy, the fact that many travelers use the Company's name to refer to highway rest stops in general ("let's stop at the next Autogrill") exposes operations in this channel to reputation risk caused indirectly by any shortcomings on the part of competitors. Suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill.

Change in consumption habits

A change in consumption habits can lead to customer dissatisfaction if the Company does not realize and react in time, leading to a loss of appeal and a shrinking clientele.

Autogrill's extensive portfolio of brands and commercial formulas helps to mitigate this risk.

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

Concession fees

Most operations are conducted under long-term contracts awarded through competitive bidding by the holder of the infrastructure management concession (airport, motorway, etc.). Over time, in certain markets, concession fees have risen or more business risk has been transferred to the operator.

This is a major risk, as it can expose the Company to significant long-term declines in profitability if contracts are awarded under terms that later prove to be unfavorable due to a reduction in traffic or an erroneous estimate of business volumes.

In this respect, Autogrill has solid experience and follows best practices in appraising and negotiating contracts, which limits the risk of overestimating profitability and gives it control over the risks inherent to long-term concessions. This constant focus on the profitability of its contract portfolio means that Autogrill does not bid at all for contracts considered to offer poor returns.

In general, the Company mitigates this risk through 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.

Employee relations

Labor is a significant production factor. The need to maintain service standards acceptable to customers and to the concession grantor, and the complexity of 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 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 also lessened through the constant updating of procedures in order to make efficient use of labor, increase flexibility and reduce occupational hazards.

Regulatory compliance

Autogrill's operations 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 would not only expose the Company 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 and procedures 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.

Specific risks for 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.

Specific risks for Travel Retail & Duty-Free

Shop effectiveness

Customer satisfaction depends on 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 optimising the investment in stocks.

1.5.3 Corporate governance

This Annual Report includes the Corporate Governance and Ownership Report, prepared in accordance with art. 123-*bis* of the Consolidated Finance Act (TUF) to which reference should be made. It is also available online at www.autogrill.com.

1.5.4 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 new 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.

1.5.5 Related party transactions

Transactions with related parties of Autogrill S.p.A. or the Edizione Group 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 no. 17221 of 12 March 2010 (amended with Resolution no. 17389 of 23 June 2010).

The "Procedure for related party transactions" is available online at www.autogrill.com.

1.5.6 Statement pursuant to art. 2.6.2(12) 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 three of the Company's direct or indirect subsidiaries fall under these provisions (Autogrill Group Inc., HMSHost Corp., and Host International Inc.), that suitable procedures have been adopted to ensure total compliance with said rules, and that the conditions stated in art. 36 have been satisfied.

1.5.7 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.

1.5.8 Data protection

Autogrill S.p.A. has updated the Data Protection Document for 2011, in consideration of our particular business needs, although it no longer needs to be mentioned in the financial statements in accordance with the "Simplification and Development Decree" (D.L. 5/2012). This decree has also excluded data on corporate entities from the concept of "personal data."

The Company's actions during the course of 2011 can be summarized as follows.

PCI DSS certification (available in version 2.0 since 2011) was renewed for credit card payment systems.

The Disaster Recovery (DR) project was completed for the SAP system, regarding payroll and personnel management. This is in addition to DR for the administrative and financial, store management and supply chain systems.

Physical security improvements were completed and REI 120 fire safety certification obtained at the data center in Rozzano.

The process of appointing employees in charge of data processing has been completely automated and integrated with the HR management system.

At the same time, more stringent criteria have been adopted for:
- the evaluation of system administrators;
- program access control;
- access to the company network by external parties;
- monitoring of online privacy training.

1.5.9 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 2010	Number of shares purchased	Number of shares sold	Number of shares held at the end of 2011
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

* Number of shares already held before being appointed to the board (21 April 2011)

1.5.10 Treasury shares

At 31 December 2011, Autogrill S.p.A. held 1,004,934 treasury shares, or 0.395% of the share capital. Its subsidiaries do not own equities or other securities representing the share capital of Autogrill S.p.A., 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 equities or other securities 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.

1.5.11 Significant non-recurring events and transactions

In 2011, there were no significant non-recurring events or transactions as defined by Consob's Resolution no. 15519 and Communication DEM/6064293.

1.5.12 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 2011.

1.6 Proposal for approval of the financial statements and allocation of the 2011 profit

Dear Shareholders,

The year ended 31 December 2011 closed with a profit of € 31,926,200.

The Board of Directors refers all shareholders requiring further details to the financial statements published in accordance with the law, and proposes the distribution of: (i) profits earned in 2011 and totaling € 31,926,200, equivalent to € 0.13 per share, and (ii) a portion of retained earnings from prior years recognized among Autogrill's liabilities under "Other reserves and retained earnings" and totaling € 39,024,418, equivalent to € 0.15 per share.

The total dividend payment proposed by the Board of Directors therefore amounts to € 70,950,618, and the dividend per share to € 0.28, of which € 0.13 would come from the 2011 profit and € 0.15 from profits retained in previous years. In accordance with art. 2357-*ter* (2) of the Italian Civil Code, the right to profit distribution pertaining to treasury shares held has been allocated proportionally to the other shares.

As shown in the Company's financial statements as at and for the year ended 31 December 2011, on that date the legal reserve amounted to € 26,457,600 and had therefore exceeded the minimum required by Italian Civil Code art. 2430.

Given the above, the Board of Directors submits for your approval the following

motion

"The Annual General Meeting of shareholders:
- having examined the financial statements as at and for the year ended 31 December 2011, which close with a profit of € 31,926,200;
- having noted, based on the Company's 2011 financial statements, the minimum legal reserve balance required by Italian Civil Code art. 2430 has been reached;
- having noted, based on the Company's 2011 financial statements, the amount of "Other reserves and retained earnings";
- 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. as at and for the year ended 31 December 2011, showing a profit of € 31,926,200;
b) to approve the motion to distribute the entire year's profit as dividends;

c) to approve the motion to distribute (i) profits earned in 2011 and totaling € 31,926,200, equivalent to € 0.13 per share, and (ii) a portion of retained earnings from prior years recognized among Autogrill S.p.A.'s liabilities under "Other reserves and retained earnings" and totaling € 39,024,418, equivalent to € 0.15 per share;

d) to distribute a total sum of € 70,950,618, comprised of:
   - € 31,926,200 in profit for the year
   - € 39,024,418 in retained earnings from previous years, recognized as a liability under "Other reserves and retained earnings", for a dividend of € 0.28 per share;

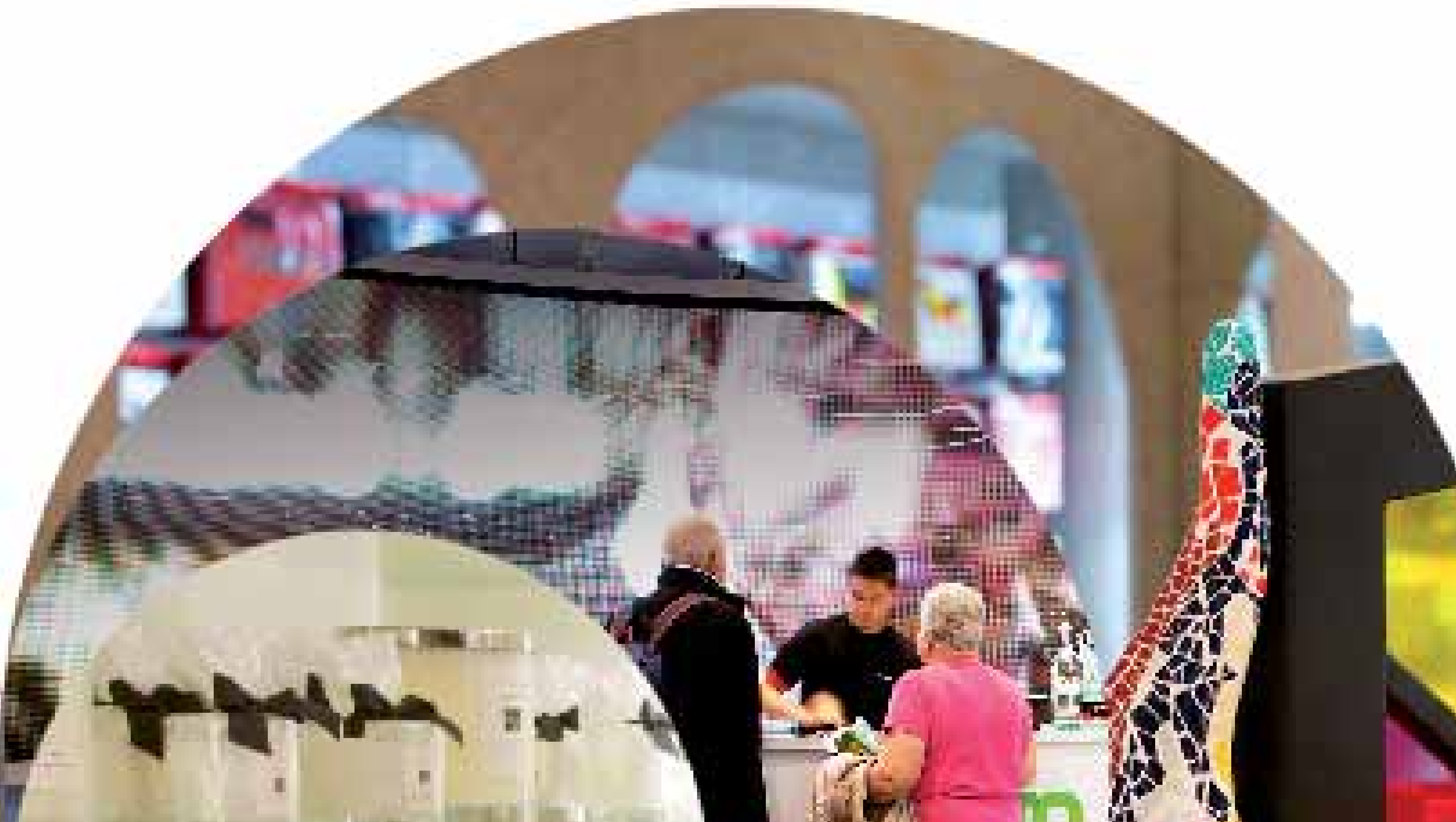
e) to pay the dividend of € 0.28 per share as from 24 May 2012, with coupon no. 10 going ex-div on 21 May 2012."

7 March 2012

The Board of Directors


café

2. Separate Financial Statements



2.1 Financial Statements of Autogrill S.p.A.

2.1.1 Statement of financial position

Note	(€)	31.12.2011	31.12.2010	Change
	ASSETS			
I	Cash and cash equivalents	31,768,725	37,002,296	(5,233,571)
II	Other financial assets	56,099,614	161,378,685	(105,279,071)
III	Other receivables	92,761,370	52,026,514	40,734,856
IV	Trade receivables	27,417,661	22,580,117	4,837,544
V	Inventories	50,337,984	58,184,651	(7,846,667)
	Total current assets	**258,385,354**	**331,172,263**	**(72,786,909)**
VI	Property, plant and equipment	217,209,929	212,411,325	4,798,604
VII	Goodwill	83,631,225	83,631,225	–
VIII	Other intangible assets	37,089,366	38,877,270	(1,787,904)
IX	Investments	1,152,638,308	1,202,965,850	(50,327,542)
X	Other financial assets	201,000,660	712,533,893	(511,533,233)
XI	Other receivables	9,765,166	12,429,674	(2,664,508)
	Total non–current assets	**1,701,334,654**	**2,262,849,237**	**(561,514,583)**
	TOTAL ASSETS	**1,959,720,008**	**2,594,021,500**	**(634,301,492)**
	LIABILITIES AND EQUITY			
	LIABILITIES			
XII	Trade payables	237,659,014	274,344,977	(36,685,963)
XIII	Tax liabilities	10,039,808	6,098,277	3,941,531
XIV	Other payables	85,356,411	87,336,990	(1,980,579)
XV	Due to banks	78,261,695	95,535,414	(17,273,719)
XVI	Other financial liabilities	55,781,959	269,126,688	(213,344,729)
	Total current liabilities	**467,098,887**	**732,442,346**	**(265,343,459)**
XVII	Other payables	12,454,890	7,276,256	5,178,634
XVIII	Loans, net of current portion	612,904,628	978,252,596	(365,347,968)
XIX	Deferred tax liabilities	18,685,598	19,855,056	(1,169,458)
XX	Post–employment benefits and other employee benefits	65,112,710	68,552,417	(3,439,707)
XXI	Provisions for risks and charges	13,659,328	13,587,260	72,068
	Total non–current liabilities	**722,817,154**	**1,087,523,585**	**(364,706,431)**
XXII	**EQUITY**	**769,803,967**	**774,055,569**	**(4,251,602)**
	TOTAL LIABILITIES AND EQUITY	**1,959,720,008**	**2,594,021,500**	**(634,301,492)**

2.1.2 Income statement

Note	(€)	2011	2010	Change
XXIII	Revenue	1,307,200,494	1,352,686,365	(45,485,871)
XXIV	Other operating income	74,166,374	65,895,242	8,271,132
	Total revenue and other operating income	**1,381,366,868**	**1,418,581,607**	**(37,214,739)**
XXV	Raw materials, supplies and goods	625,200,675	656,805,736	(31,605,061)
XXVI	Personnel expense	322,544,481	319,086,638	3,457,843
XXVII	Leases, rentals, concessions and royalties	183,222,212	184,319,186	(1,096,974)
XXVIII	Other operating costs	158,235,460	144,207,821	14,027,639
XXIX	Depreciation and amortization	58,089,233	56,922,872	1,166,361
	Operating profit	**34,074,807**	**57,239,354**	**(23,164,547)**
XXX	Financial income	185,366,940	277,239,330	(91,872,390)
XXXI	Financial expense	(109,095,088)	(114,206,864)	5,111,776
XXXII	Impairment losses on financial assets	(65,071,833)	(19,747,809)	(45,324,024)
	Pre-tax profit	**45,274,826**	**200,524,011**	**(155,249,185)**
XXXIII	Income tax	(13,348,626)	(36,172,114)	22,823,488
	Profit for the year	**31,926,200**	**164,351,897**	**(132,425,697)**

2.1.3 Statement of comprehensive income

(€)	2011	2010	Change
Profit for the year	**31,926,200**	**164,351,897**	**(132,425,697)**
Effective portion of the fair value change of derivatives designated as cash flow hedges	(922,514)	(1,964,067)	1,041,553
Net change in fair value of cash flow hedges reclassified to profit or loss	42,173,873	–	42,173,873
Income tax on comprehensive income	(11,344,123)	540,118	(11,884,241)
Total comprehensive income for the year	**61,833,436**	**162,927,948**	**(101,094,512)**

2.1.4 Statement of changes in equity

(€k)	Share capital	Legal reserve	Hedging reserve	Other reserves and retained earnings	Treasury shares	Profit for the year	Equity
31.12.2009	**132,288**	**23,840**	**(42,272)**	**434,503**	**(944)**	**62,741**	**610,156**
Effective portion of fair value change in cash flow hedges, net of the tax effect	–	–	(1,424)	–	–	–	(1,424)
Allocation of 2009 profit to reserves	–	2,618	–	60,123	–	(62,741)	–
Goodwill arising from mergers of subsidiaries	–	–	–	898	–	–	898
Stock options	–	–	–	74	–	–	74
Profit for the year	–	–	–	–	–	164,352	164,352
31.12.2010	**132,288**	**26,458**	**(43,696)**	**495,598**	**(944)**	**164,352**	**774,056**
Effective portion of fair value change in cash flow hedges, net of the tax effect	–	–	29,907	–	–	–	29,907
Allocation of 2010 profit to reserves	–	–	–	103,326	–	(103,326)	–
Dividend distribution	–	–	–	–	–	(61,026)	(61,026)
Treasury shares	–	–	–	–	(6,780)	–	(6,780)
Stock options	–	–	–	1,721	–	–	1,721
Profit for the year	–	–	–	–	–	31,926	31,926
31.12.2011	**132,288**	**26,458**	**(13,789)**	**600,645**	**(7,724)**	**31,926**	**769,804**

2.1.5 Statement of cash flows

(€k)	2011	2010	Change
Opening net cash and cash equivalents	**33,927**	**38,103**	**(4,175)**
Operating profit	34,075	57,239	(23,164)
Depreciation, amortization and impairment losses on non–current assets, net of reversals	58,089	56,923	1,166
(Gains)/losses on the disposal of non–current assets	(856)	171	(1,027)
Change in working capital	(45,370)	(5,213)	(40,157)
Net change in non–current assets and liabilities	475	4,449	(3,974)
Cash flow from (used in) operating activities	**46,413**	**113,569**	**(67,156)**
Net interest paid	(56,612)	(23,061)	(33,551)
Taxes paid	(19,438)	(6,679)	(12,759)
Net cash flow from (used in) operating activities	**(29,637)**	**83,829**	**(113,466)**
Acquisition of property, plant and equipment and intangible assets	(62,096)	(57,191)	(4,905)
Proceed from sales of non–current assets	1,863	1,257	606
Increase in investments in subsidiaries	(7,572)	(605,496)	597,924
Dividends received	99,199	173,758	(74,560)
Other movements	(5,060)	74	(5,134)
Net cash flow from (used in) investing activities	**26,334**	**(487,598)**	**513,932**
Net change in intercompany borrowings	437,375	814,834	(377,459)
Net change in drawdowns on medium/long–term revolving credit facilities	(357,829)	(299,421)	(58,408)
Short–term loans net of repayments	(17,672)	(115,820)	98,148
Dividends paid	(61,023)	–	(61,023)
Other movements	(4,515)	–	(4,515)
Net cash flow from (used in) financing activities	**(3,663)**	**399,594**	**(403,256)**
Net cash flow from (used in) the year	**(6,966)**	**(4,175)**	**(2,791)**
Closing net cash and cash equivalents	**26,961**	**33,927**	**(6,966)**

Cash and cash equivalents at beginning and year–end

(€k)	2011	2010	Change
Opening net cash and cash equivalents	**33,927**	**38,103**	**(4,176)**
Cash and cash equivalents	37,002	39,864	(2,862)
Current account overdrafts	(3,075)	(1,761)	(1,314)
Closing net cash and cash equivalents	**26,961**	**33,927**	**(6,966)**
Cash and cash equivalents	31,769	37,002	(5,234)
Current account overdrafts	(4,808)	(3,075)	(1,733)

2.2 Notes to the financial statements

2.2.1 Accounting policies

Company operations

Autogrill S.p.A. operates in the Food & Beverage and Travel Retail sectors in Italy, and in other countries through its subsidiaries. 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 subsidiaries Nuova Sidap S.r.l. and Alpha Retail Italia 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.

In 2011 Autogrill S.p.A. and the Group finished refinancing a significant portion of consolidated debt by taking out two new credit lines, totaling € 1.35 billion and expiring in July 2016, which allowed the early repayment of loans maturing in 2012 and 2013.

Specifically, Autogrill S.p.A. and its subsidiaries Autogrill Group Inc. and Host International Inc. took out a new credit line of € 700m, in the form of two revolving facilities of € 124m (Tranche I) and € 576m (Tranche II), both expiring in July 2016, to cover the needs of the Food & Beverage business. Tranche II is a multicurrency, multiborrower facility.

The two new credit lines allowed the early repayment of the loan financing the purchase of Aldeasa S.A. and World Duty Free Europe Limited (originally for € 1 billion and with the final payment due in March 2013), as well as a revolving credit facility of € 300m taken out in 2005 and part of a bilateral credit line, both expiring in June 2012. In addition, the new credit lines permitted the reimbursement of some interest bearing loans granted to subsidiaries.

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 Interpretation Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).

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 2011:

- Amendments to IAS 32 – Classification of rights issues;

- Amendments to IFRIC 14 – Prepayments of a minimum funding requirement;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- Amendments to IFRS 1 and IFRS 7 – Limited exemption from comparative IFRS 7 disclosures for first–time adopters;
- IAS 24 (Revised in 2009) – Related party disclosures.

With the exception of IAS 24, these standards cover cases and circumstances not applicable to the Group at the close of 2011.

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 2011.

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

We believe that the application of the standards and interpretations listed above would not affect the financial statements to an extent requiring mention in these Notes.

The separate financial statements were prepared on a going–concern basis using the euro as the functional 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 2011 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;
- Cash flow statement: using the indirect method to determine cash flow from operating activities.

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.

Autogrill accounts for all business combinations by applying 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.

For each business combination, any non–controlling interest in the acquiree is measured at fair value or in proportion to the non–controlling share of the acquiree's net identifiable assets.

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.

In case of a business combination achieved in stages, the interest previously held in the acquiree is remeasured at its acquisition–date fair value and any resulting gain or loss is recognized in profit or loss.

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
Autogrill accounts for all business combinations by applying 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.

Service revenue and costs are recognized according to the stage of completion at year end.

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

Interest income and expense are reported on an accruals basis.

Dividends are recognized when the shareholders are entitled to receive payment.

Financial expenses are recognized in profit or loss on an accruals basis, with the exception of those directly attributable to the acquisition, construction or production of assets requiring a significant period of time before being ready for their planned use or sale. Financial expense relating to such assets capitalized from 1 January 2009 (the effective date of Revised IAS 23 – Borrowing costs) is capitalized as part of the assets' cost.

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 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 outside the 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 when 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").

Stock options

The cost of services rendered by employees and remunerated through stock option plans is determined based on the fair value of the options granted to employees at the grant date. The calculation method to determine fair value considers the Autogrill share price at the grant date, the volatility of the stock, and the interest rate curve at the grant date consistent with the expected life of the plan, as well as all characteristics of the option (term, strike price and conditions, etc.). The cost is recognized in profit or loss, with a balancing in equity, over the vesting period of the options granted.

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 Italian subsidiaries Nuova Sidap S.r.l. and Alpha Retail 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 their estimated useful life 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	3–5 years or term of license
License to sell state monopoly goods	Term of license
Trademarks and brands	20 years
Other:	
Software on commission	3–5 years
Other costs to be amortized	3–10 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 according to the share 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 includes 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 rewards 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 recognized 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 is evidence of impairment of its property, plant and equipment, intangible assets and investments. 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 is 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 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 amount 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 derecognised 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 and 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 years' 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
Ordinary shares 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, bank loans and overdrafts
Interest–bearing bank loans and 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.

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 Group 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 functional 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 € 5,233k (see the statement of cash flows for details).

The components of this item are summarized below:

(€k)	31.12.2011	31.12.2010	Change
Bank and post office deposits	2,393	8,441	(6,048)
Deposits in transit	23,625	21,536	2,089
Cash at sales outlets and HQ	5,751	7,025	(1,274)
Total	**31,769**	**37,002**	**(5,233)**

II. Other financial assets

Other financial assets are as follows:

(€k)	31.12.2011	31.12.2010	Change
Financial receivables from subsidiaries:			
Autogrill Austria A.G.	96	95	1
Autogrill Czech S.r.o.	1,110	524	586
Autogrill Deutschland GmbH	86	86	–
Autogrill Iberia S.L.U.	800	11,003	(10,203)
Autogrill Hellas E.p.E.	1,752	892	860
Autogrill Finance S.A.	–	452	(452)
Autogrill D.o.o.	459	100	359
World Duty Free Europe Ltd.	–	10,131	(10,131)
Nuova Sidap S.r.l.	15,144	11,194	3,950
Alpha Retail Italia	–	1	(1)
World Duty Free Group S.A.	121	72,125	(72,004)
Holding de Participation Autogrill S.a.s.	31,759	38,215	(6,456)
HMSHost Ireland Ltd.	2,237	1,502	735
Autogrill Nederland B.V.	8	13,857	(13,848)
Autgorill Polska Z.o.o.	900	3	897
Autogrill Europe Nord Ouest S.A.	306	–	306
Autogrill Group Inc.	1,259	–	1,259
Fair value of exchange rate hedging derivatives	43	1,170	(1,127)
Other financial assets	20	30	(10)
Total	**56,100**	**161,379**	**(105,279)**

"Financial receivables from subsidiaries" consist of € 54,331k in short–term loans, including accrued interest of € 1,706k.

Most of the change since the previous year is due to the partial or complete repayment of some loans by subsidiaries, as follows:

- World Duty Free Group S.A., for a loan of € 55,000k and another of € 14,968k ($ 20m);
- Autogrill Nederland B.V. for € 13,848k;
- Autogrill Iberia S.L.U. for a credit line of € 11,000k, which was then reutilized for € 800k in December;
- World Duty Free Europe Ltd. for € 10,131k.

Of the "Fair value of exchange rate hedging derivatives", € 43k refers to derivatives with a notional amount of Chf 11.6m (€ 9.5m).

The decrease since 2010 was caused mainly by the termination of derivatives hedging loans granted to subsidiaries that were paid back during the year.

III. Other receivables

"Other receivables", totaling € 92,761k at 31 December 2011, are made up as follows:

(€k)	31.12.2011	31.12.2010	Change
Suppliers	37,718	34,124	3,594
Lease and concession advance payments	6,034	5,403	631
Inland revenue and government agencies	14,805	596	14,209
Credit card receivables	338	97	241
Personnel	598	438	160
Other	33,268	11,369	21,899
Total	**92,761**	**52,027**	**40,734**

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

"Inland revenue and government agencies" consists mainly of Swiss withholding tax of € 10,093k charged on the dividend received during the year from Autogrill Schweiz A.G., which should be collected by the end of 2012, and a VAT receivable of € 4,006k.

"Other" refers primarily to € 22,026k ($ 28.5m) due from the subsidiary Autogrill Group Inc., for dividends approved in 2011 but not yet received. The amount is shown net of withholding tax.

The heading "Other" also includes € 1,611k due to Autogrill S.p.A. from Edizione S.r.l. for IRES (corporate income tax) advances paid in 2011, net of the liability on 2011 income, and a refund of € 2,024k due for the deduction from taxable income of IRAP (regional tax) paid from 2004 to 2007.

IV. Trade receivables

Trade receivables of € 27,418k at 31 December 2011 are detailed below:

(€k)	31.12.2011	31.12.2010	Change
Third parties	24,536	20,134	4,402
Disputed receivables	7,603	7,911	(308)
Due from subsidiaries	3,030	2,361	669
Allowance for impairment	(7,751)	(7,826)	75
Total	**27,418**	**22,580**	**4,838**

"Third parties" refers mainly to catering service agreements and accounts with affiliated companies. The latter, amounting to € 5,172k at the close of the year, are secured by bank guarantees totaling € 5,251k.

"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 Italian subsidiaries.

The "Allowance for impairment" changed as follows:

(€k)	
Allowance for impairment at 31.12.2010	**7,826**
Allocation	332
Utilisations	(407)
Allowance for impairment at 31.12.2011	**7,751**

V. Inventories

Inventories consist of:

(€k)	31.12.2011	31.12.2010	Change
Food & Beverage items	30,160	34,802	(4,642)
State monopoly goods, lottery tickets and newspapers	17,689	20,170	(2,481)
Fuel and lubricants	325	1,110	(785)
Sundry merchandise and other items	2,164	2,103	61
Total	**50,338**	**58,185**	**(7,847)**

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

(€k)	
Balance at 31.12.2010	**432**
Allocation	250
Utilisations	(144)
Balance at 31.12.2011	**538**

The decrease for the year is due primarily to the implementation of plans designed to optimize inventory management.

Non–current assets

VI. Property, plant and equipment

As follows:

(€k)	31.12.2011 Gross amount	Accumulated depreciation	Accumulated impairment losses	Carrying amount	31.12.2010 Gross amount	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land and buildings	40,346	(18,431)	(70)	21,845	40,207	(17,748)	(314)	22,145
Leasehold improvements	250,487	(183,473)	(10,653)	56,361	245,337	(173,703)	(9,265)	62,369
Plant and machinery	48,613	(39,782)	(701)	8,130	47,725	(38,254)	(651)	8,820
Industrial and commercial equipment	288,950	(238,017)	(3,049)	47,884	280,705	(226,133)	(3,327)	51,245
Assets to be transferred free of charge	177,609	(125,123)	(2,535)	49,951	162,777	(112,280)	(1,545)	48,952
Other	30,941	(28,016)	(122)	2,803	29,711	(26,945)	(122)	2,644
Assets under construction and payments on account	30,236	–	–	30,236	16,236	–	–	16,236
Total	**867,182**	**(632,842)**	**(17,130)**	**217,210**	**822,698**	**(595,063)**	**(15,224)**	**212,411**

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

The increase of € 53,895k stems primarily from the modernization and renovation of stores and the replacement of obsolete plant, equipment and furnishings. Net decreases of € 936k mostly concern disposals associated with the streamlining of the business portfolio.

Impairment testing led to the recognition of € 2,546k in impairment losses (€ 4,800k in 2010).

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 2012 budget and projections for 2013–2016, 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 2%.

The discount rate after taxes used in 2011 was 8.18% (7.19% the previous year), and the discount rate before taxes was 13.14% (11.82% in 2010).

To estimate cash flows for the period 2012–2016, the Company made various assumptions, including an estimate of air and road 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 2012 and enjoy a moderate recovery in the following years, while the renewal rate for expiring contracts should be in line with Autogrill's track record. Operating costs as a percentage of revenue have been revised in accordance with the expiration of leases and concession contracts, to reflect the most likely scenarios in terms of rent. 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

	31.12.2011				31.12.2010			
(€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	46,702	(23,521)	(198)	22,983	45,979	(19,798)	(189)	25,992
Assets under development and payments on account	5,934	–	–	5,934	2,051	–	–	2,051
Other	50,119	(40,560)	(1,387)	8,172	47,616	(35,395)	(1,387)	10,834
Total	**102,755**	**(64,081)**	**(1,585)**	**37,089**	**95,646**	**(55,193)**	**(1,576)**	**38,877**

"Concessions, licenses, trademarks and similar rights" refer mainly to licenses for the sale of goods held under state monopoly and to proprietary brands. Most of the change stems from an increase in licenses for new openings (€ 72k), the renewal of expired licenses (€ 450k), and the purchase/renewal of software licenses (€ 135k).

"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

	31.12.2010			Changes in gross carrying amount			
(€k)	Gross amount	Accumulated amortization & impairment losses	Carrying amount	Increases	Decreases	Other movements	Total
Concessions, licenses, trademarks and similar	45,979	(19,987)	25,992	657	(21)	87	723
Assets under development and payments on account	2,051	–	2,051	5,984	(42)	(2,059)	3,883
Other	47,616	(36,782)	10,834	1,560	(15)	958	2,503
Total	**95,646**	**(56,769)**	**38,877**	**8,201**	**(78)**	**(1,014)**	**7,109**

Property, plant and equipment

	31.12.2010			Changes in gross carrying amount			
(€k)	Gross amount	Accumulated depreciation & impairment losses	Carrying amount	Increases	Decreases	Other movements	Total
Non-industrial land	5,431	–	5,431	–	(10)	–	(10)
Industrial land and buildings	34,776	(18,062)	16,714	784	(666)	31	149
Leasehold improvements	245,337	(182,968)	62,369	9,874	(4,458)	–266	5,150
Plant and machinery	47,725	(38,905)	8,820	1,488	(813)	213	888
Industrial and commercial equipment	280,705	(229,460)	51,245	11,176	(4,276)	1,345	8,245
Assets to be transferred free of charge	162,777	(113,825)	48,952	9,767	(114)	5,179	14,832
Other	29,711	(27,067)	2,644	808	(178)	600	1,230
Assets under construction and payments on account	16,236	–	16,236	19,998	90	(6,088)	14,000
Total	**822,698**	**(610,287)**	**212,411**	**53,895**	**(10,425)**	**1,014**	**44,484**

Amortisation/Impairment losses					31.12.2011		
Increase in amortisation	New impairment losses	Decreases	Other movements	Total	Gross amount	Accumulated amortization & impairment losses	Carrying amount
(3,728)	(17)	12	–	(3,733)	46,702	(23,719)	22,983
–	–	–	–	–	5,934	–	5,934
(5,170)	–	5	–	(5,165)	50,119	(41,947)	8,172
(8,898)	**(17)**	**17**	**–**	**(8,898)**	**102,755**	**(65,666)**	**37,089**

Depreciation/Impairment losses					31.12.2011		
Increase in depreciation	New impairment losses	Decreases	Other movements	Total	Gross amount	Accumulated depreciation & impairment losses	Carrying amount
–	–	–	–	–	5,421	–	5,421
(810)	–	371	–	(439)	34,925	(18,501)	16,424
(13,984)	(1,457)	4,266	17	(11,158)	250,487	(194,126)	56,361
(2,234)	(99)	762	–7	(1,578)	48,613	(40,483)	8,130
(15,464)	–	3,857	1	(11,606)	288,950	(241,066)	47,884
(12,894)	(990)	62	–11	(13,833)	177,609	(127,658)	49,951
(1,242)		171	–	(1,071)	30,941	(28,138)	2,803
–	–		–	0	30,236	–	30,236
(46,628)	**(2,546)**	**9,489**	**–**	**(39,685)**	**867,182**	**(649,972)**	**217,210**

IX. Investments

Investments at 31 December 2011 were worth € 1,152,638k: € 1,152,618k in subsidiaries and € 20k in other companies.

Movements during the year are shown below:

	31.12.2010		
(€k)	Cost	Impairment losses	Carrying amount
Nuova Sidap S.r.l.	2,353	–	2,353
Trentuno S.p.A.	–	–	–
Alpha Retail Italia S.r.l.	900	–	900
Autogrill Austria A.G.	13,271	(13,271)	–
Autogrill Belux N.V.	46,375	–	46,375
Autogrill Catering UK Limited	2,851	–	2,851
Autogrill Czech S.r.o.	1,858	–	1,858
Autogrill D.o.o.	4,764	(4,764)	–
Autogrill Deutschland GmbH	25,378	–	25,378
Autogrill Iberia S.L.U.	47,629	–	47,629
World Duty Free Group S.A.	428,783	–	428,783
Autogrill Europe Nord–Ouest S.A.	168,606	–	168,606
Autogrill Finance S.A.	250	–	250
Autogrill Hellas E.p.E.	2,791	–	2,791
Autogrill Group Inc. (formerly Autogrill Overseas Inc.)	217,406	–	217,406
Autogrill Polska Sp.zo.o.	1,230	–	1,230
Autogrill Schweiz A.G.	243,031	–	243,031
HMSHost Ireland Ltd.	13,500	(6,000)	7,500
HMSHost Sweden A.B.	6,005	–	6,005
Holding de Participations Autogrill S.a.s.	–	–	–
Others	20	–	20
Total	**1,227,001**	**(24,035)**	**1,202,966**

The more important changes concern:
- the derecognition of the investment in Autogrill Finance S.A., due to its liquidation, for € 250k;
- the capital injection of € 5,700k granted to Autogrill Austria A.G., through the partial conversion of a receivable due;
- the purchase of the remaining 49% of Autogrill Polska Sp.zo.o., for € 1,122k (Pln 4,350k);
- the recapitalization of Nuova Sidap S.r.l. by € 1,000k, through the conversion of a receivable due.

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 2012 budget and projections for 2012–2016) discounted at rates calculated using the capital assets pricing model (from 4.7% to 13.2%). Cash flows beyond 2016 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%).

Movements			31.12.2011		
Increases	Decreases	Impairment (losses)/ reversals	Cost	Impairment losses	Carrying amount
1,000	–	–	3,353	–	3,353
–	–	–	–	–	–
–	–	–	900	–	900
5,700	–	(5,700)	18,971	(18,971)	–
–	–	–	46,375	–	46,375
–	–	–	2,851	–	2,851
–	–	–	1,858	–	1,858
–	–	–	4,764	(4,764)	–
–	–	–	25,378	–	25,378
–	–	–	47,629	–	47,629
50	–	–	428,833	–	428,833
–	–	–	168,606	–	168,606
–	(250)	–	–	–	–
–	–	–	2,791	–	2,791
–	–	–	217,406	–	217,406
1,122	–	–	2,352	–	2,352
–	–	(52,250)	243,031	(52,250)	190,781
–	–	–	13,500	(6,000)	7,500
–	–	–	6,005	–	6,005
–	–	–	–	–	–
–	–	–	20	–	20
7,872	**(250)**	**(57,950)**	**1,234,623**	**(81,985)**	**1,152,638**

During the year, the equity investments in Autogrill Austria A.G. and Autogrill Schweiz A.G. showed signs of impairment.

Impairment testing (by means of discounting the cash flows from projected earnings) showed that their recoverable amount had fallen below their carrying amounts, which were therefore reduced accordingly. The combined impairment loss of € 57,950k was recognized in the income statement.

The following table provides key data on subsidiaries at 31 December 2011 (see the Annex for a full list of subsidiaries held indirectly):

Name	Registered office	Currency	Share capital	Number of shares/ quotas	Equity at 31.12.2011 *	2011 profit (loss) *	% held Directly	% held Indirectly	Carrying amount (€) *
Nuova Sidap S.r.l.	Novara	Eur	100,000	0.001	946	(253)	100.0	–	3,353
Alpha Retail Italia S.r.l.	Rome	Eur	10,000	0.001	711	64	100.0	–	900
Autogrill Austria A.G.	Gottlesbrunn (Austria)	Eur	7,500,000	7,500	(3,337)	(6,218)	100.0	–	–
Autogrill Belux N.V.	Merelbeke (Belgium)	Eur	10,000,000	8,883	17,498	(4,600)	99.999	0.001	46,375
Autogrill Catering UK Limited	Bedfont Lakes (United Kingdom)	Gbp	2,154,572	500	(1,552)	(789)	100.0	–	2,851
Autogrill Czech S.r.o.	Prague (Czeck Republic)	Czk	126,000,000	–	19,937	(15,237)	100.0	–	1,858
Autogrill D.o.o.	Lubiana (Slovenia)	Eur	1,342,670	1,343	693	(130)	100.0	–	–
Autogrill Deutschland GmbH	Munich (Germany)	Eur	205,000	0.001	26,957	(457)	100.0	–	25,378
Autogrill Iberia S.L.U.	Madrid (Spain)	Eur	7,000,000	7,000	26,901	2,042	100.0	–	47,629
World Duty Free Group S.A.	Madrid (Spain)	Eur	1,800,000	300	583,580	(14,159)	100.0	–	428,833
Autogrill Europe Nord–Ouest S.A.	Luxembourg	Eur	41,300,000	4,130	18,157	6,225	100.0	–	168,606
Autogrill Hellas E.p.E.	Avlona Attikis (Greece)	Eur	1,696,350	57	1,348	(439)	100.0	–	2,791
Autogrill Group Inc. (formerly Autogrill Overseas Inc.)	Wilmington (USA)	Usd	33,793,055	1	316,000	96,000	100.0	–	217,406
Autogrill Polska Sp.zo.o.	Wroclaw (Poland)	Pln	10,050,000	6,100	3,100	(1,932)	100.0	–	2,352
Autogrill Schweiz A.G.	Olten (Switzerland)	Chf	23,183,000	23	40,332	5,087	100.0	–	190,781
HMSHost Ireland Ltd.	Lee View House (Ireland)	Eur	13,600,000	13,600	488	(2,463)	100.0	–	7,500
HMSHost Sweden A.B.	Stockholm (Sweden)	Sek	2,500,000	25	20,059	2,539	100.0	–	6,005
Holding de Participations Autogrill S.a.s.	Marseille (France)	Eur	84,581,920	556	79,751	(433)	0.001	99.999	–
Others		Eur	–	–	–	–	100.0	–	20
Total									**1,152,638**

* Amounts in local currency, in thousands

X. Other financial assets

These consist mainly of long–term loans due from Group companies:

(€k)	31.12.2011	31.12.2010	Change
Loans granted to subsidiaries:			
Alpha Retail Italia S.r.l.	–	251	(251)
Autogrill Austria A.G.	–	11,099	(11,099)
World Duty Free Group S.A.	185,127	479,630	(294,503)
World Duty Free Europe Ltd.	–	214,929	(214,929)
Autogrill Polska Sp.zo.o.	–	1,006	(1,006)
Autogrill Nederland B.V.	12,550	–	12,550
Guarantee deposits	1,857	1,842	15
Interest bearing sums with third parties	1,453	3,762	(2,309)
Other financial receivables from third parties	14	15	(1)
Total	**201,001**	**712,534**	**(511,533)**

All of these loans charge interest at market rates.

Most of the change in this item reflects the full repayment of some loans by subsidiaries, as well as new loans granted. Some of these movements include:

- the full repayment of a loan by World Duty Free Europe Ltd. for € 214,929k (£ 185m);
- the full repayment of loans totaling € 479,630k by World Duty Free Group S.A. (formerly Autogrill España S.A.U.), followed by a new revolving credit facility which at 31 December 2011 had been used in the amount of € 154,000k and £ 26,000k (€ 31,127k);
- € 12,550k utilized on a new revolving credit facility granted to Autogrill Nederland B.V.;
- the full repayment of € 251k borrowed by Alpha Retail Italia;
- the conversion to share capital of part of the loan due from Autogrill Austria A.G., in the amount of € 5,700k;
- the write–off of the remaining amount due from Autogrill Austria A.G. (€ 7,122k).

XI. Other receivables

Most of the balance of € 9,765k (€ 12,430k at 31 December 2010) consists of concession fees paid in advance, primarily for motorway food & beverage operations.

The change is explained primarily by the reclassification to short–term receivables of the amount pertaining to 2012 (€ 2,829k) and the increase for rent paid in advance on new concession contracts (€ 250k).

Current liabilities

XII. Trade payables

These amount to € 237,659k, as follows:

(€k)	31.12.2011	31.12.2010	Change
Due to suppliers	237,017	274,288	(37,271)
Due to subsidiaries	642	57	585
Total	**237,659**	**274,345**	**(36,686)**

The change in "Due to suppliers" mainly reflects the smaller purchasing volumes.

XIII. Tax liabilities

The balance of € 10,040k is shown net of offsettable tax credits and refers chiefly to IRAP (regional business tax).

XIV. Other payables

With a balance of € 85,356k (€ 87,337k at 31 December 2010), these are made up as follows:

(€k)	31.12.2011	31.12.2010	Change
Personnel expense	21,828	23,166	(1,338)
Due to suppliers for investments	21,688	18,358	3,330
Social security and defined contribution plans	15,644	16,016	(372)
Indirect taxes	1,548	3,306	(1,758)
Withholding taxes	7,158	6,325	833
Due to pension funds	2,740	2,619	121
Other	14,750	17,547	(2,797)
Total	**85,356**	**87,337**	**(1,981)**

The increase in payables due to suppliers for investments reflects the trend in capital expenditure for the upgrading and restyling of stores, which in 2011 was concentrated in the fourth quarter.

"Indirect taxes" refer mainly to local taxes for waste collection and environmental health. Most of the change on the previous year is due to the payment of € 959k in VAT due at the close of 2010, and the fact that the final VAT balance for 2011 was a credit and therefore classified under "Other receivables".

XV. Due to banks

(€k)	31.12.2011	31.12.2010	Change
Unsecured bank loans	73,454	92,460	(19,006)
Current account overdraft	4,808	3,075	1,733
Total	**78,262**	**95,535**	**(17,273)**

Totaling € 78,262k at 31 December 2011, this item is comprised of € 73,454k for drawdowns on the multicurrency revolving credit facility granted in December 2010 and expiring in June 2012 for an initial amount of € 300m (later reduced to € 150m), as well as € 4,808k in current account overdrafts.

See note XVIII for details of outstanding borrowings.

XVI. Other financial liabilities

(€k)	31.12.2011	31.12.2010	Change
Fair value of interest rate hedging derivatives	15,035	68,592	(53,557)
Loans received:			
Host International of Canada Ltd.	–	41,716	(41,716)
Autogrill Deutschland GmbH	16,313	20,066	(3,753)
Autogrill Belux N.V.	12,504	18,907	(6,403)
Autogrill Schweiz A.G.	9,546	116,853	(107,307)
Alpha Retail S.r.l.	253	–	253
Accrued expenses and deferred income for interest on loans	1,290	1,140	150
Fair value of exchange rate hedging derivatives	505	979	(474)
Other financial accrued expenses and deferred income	335	132	203
Liabilities due to others	–	742	(742)
Total	**55,781**	**269,127**	**(213,346)**

The decrease in "Fair value of interest rate hedging derivatives" is explained by the early termination of interest rate swaps with nominal amounts of £ 400m and € 120m, concurrently with the repayment of some credit lines in the context of the Group refinancing concluded in July 2011.

More specifically, the early termination of these instruments led to an outlay of € 45,140k.

For further information on derivative financial instruments, see the financial risk management section.

The change in loans is due chiefly to the full repayment of the loan received from Host International of Canada Ltd. and to payments on the loans granted by Autogrill Schweiz A.G.

Non–current liabilities

XXVII. Other payables

The balance of € 12,455k consists of bonuses due to personnel under the 2010–2012 incentive plan, which will be paid after the close of 2012.

XVIII. Loans, net of current portion

Amounting to € 612,905k (€ 978,253k at 31 December 2010), this item consists of € 619,126k in bank loans net of € 6,221k in charges and fees. In detail:

			Drawdowns				
Credit line	Expiry	Amount (€k)	In €k	In currency (£k)	In currency ($k)	Total in €k *	Amount available (€k)
Term Loan	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	124,000	–	–	124,000	–
Tranche 2	July 2016	576,000	264,000	26,000	–	295,126	159,210**
2011 syndicated line		**700,000**	**388,000**	**26,000**	**–**	**419,126**	**159,210**
TOTAL LINES OF CREDIT		**900,000**	**588,000**	**26,000**	**–**	**619,126**	**159,210**

* Drawdowns in currency are measured based on exchange rates at 31 December 2011
** $ 160,000k (€ 123,657k) was drawn down by Autogrill Group Inc., as the credit line is multiborrower

On 27 July, Autogrill S.p.A. arranged a multicurrency, multiborrower credit line of € 700m, in the form of two revolving facilities of € 124m (Tranche 1) and € 576m (Tranche 2), both expiring in July 2016. Tranche 2 is available not only to Autogrill S.p.A. but also to the US subsidiaries Autogrill Group Inc. and Host International Inc.

The interest rate on the new credit line will vary according to the Autogrill Group's financial leverage.

The new credit line allowed the early repayment of the syndicated line taken out in 2008 to finance the purchase of Aldeasa S.A. and World Duty Free Europe Limited (originally for € 1 billion and expiring in March 2013), as well as a revolving credit facility of € 300m taken out in 2005 and part of a separate credit line, both expiring in June 2012.

Bank debt at 31 December 2011 and 31 December 2010 is broken down in the table below:

		2011		2010	
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
Revolving Credit Facility	–	–	–	300,000	20,000
2005 syndicated line		**200,000**	**200,000**	**500,000**	**220,000**
2008 syndicated line					
Revolving Credit Facility	–	–	–	125,000	20,777
Term Loan Facility 1	–	–	–	275,000	275,000
Term Loan Facility 2	–	–	–	600,000	462,300
2008 syndicated line		**–**	**–**	**1,000,000**	**758,077**
Multicurrency Revolving Facility	June 2012	150,000	73,454	300,000	96,488
2010 line		**150,000**	**73,454**	**300,000**	**96,488**
Multicurrency Revolving Facility					
Tranche 1	July 2016	124,000	124,000	–	–
Tranche 2 **	July 2016	576,000	295,126	–	–
2011 syndicated line		**700,000**	**419,126**	**–**	**–**
TOTAL LINES OF CREDIT		**1,050,000**	**692,580**	**1,800,000**	**1,074,565**
current portion		***150,000***	***73,454***	***92,460***	***92,460***
TOTAL LINES OF CREDIT NET OF CURRENT PORTION		**900,000**	**619,126**	**1,707,540**	**982,105**

* Drawdowns in currency are measured based on exchage rates at 31 December 2011 and 31 December 2010
** Multicurrency and multiborrower tranche (can be drawn down also by Autogrill Group Inc. and Host International Inc.)

At 31 December 2011 the credit facilities maturing after one year had been drawn down nearly in full. Floating interest is charged on all bank loans. The average remaining term of bank loans is about four years and four months, compared with two years and two months at 31 December 2010.

The main long–term 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 2011, as in all previous observation periods, these covenants were fully satisfied.

2. Separate Financial Statements

XIX. Deferred tax liabilities

These amount to € 18,686k, as follows:

(€k)	31.12.2011 Temporary differences	31.12.2011 Tax effect	31.12.2010 Temporary differences	31.12.2010 Tax effect	Change
Trade receivables	7,547	2,075	7,391	2,032	43
Property, plant and equipment and other intangible assets	(59,287)	(16,520)	(66,313)	(18,552)	2,032
Investments	(57,268)	(15,749)	(57,268)	(15,749)	–
Total temporary differences on assets	**(109,009)**	**(30,193)**	**(116,190)**	**(32,268)**	**2,075**
Other payables	3,841	1,073	4,337	1,228	(154)
Post–employment benefits and other employee benefits	(3,956)	(1,088)	(3,956)	(1,088)	–
Provisions for risks and charges	20,080	6,133	17,983	4,945	1,188
Retained earnings (losses carried forward)	575	158	(33,623)	(9,246)	9,404
Hedging reserve (equity)	19,022	5,231	60,274	16,575	(11,344)
Total temporary differences on liabilities and equity	**39,563**	**11,508**	**45,015**	**12,413**	**(905)**
Total net deferred tax assets	**–**	**(18,686)**	**–**	**(19,855)**	**1,169**

XX. Post–employment benefits and other employee benefits

Movements during the year were as follows:

(€k)	
Defined benefit plans at 31.12.2009	**71,541**
Contribution from merger (Trentuno S.p.A.)	222
Current service costs	1,050
Interest expense	3,173
Actuarial gains (losses)	(331)
Benefits paid	(7,537)
Other	434
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**

At 31 December 2011 the legal obligation for post–employment benefits (art. 2120 of the Italian Civil Code) was € 72,287k.

Below, the present value of plan obligations is reconciled with the liability recognized in 2011 and the previous two years:

(€k)	31.12.2011	31.12.2010	31.12.2009
Present value of plan obligations	49,022	59,914	68,734
Actuarial gains not recognized	16,091	8,638	2,807
Net liability recognized	**65,113**	**68,552**	**71,541**

The actuarial gain for the year, € 17,481k, is recognized in the amount exceeding the limit of ±10% of the present value of the plan obligations, on a straight–line basis over the average remaining service lives of the beneficiaries. The actuarial gain recognized comes to € 1,391k.

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

	31.12.2011	31.12.2010
Discount rate	6.6%	4.8%
Inflation rate	2.3%	2.0%
Average frequency of termination	6.0%	6.0%
Average frequency of advances	2.0%	2.0%
Mortality table	RG 48	RG 48
Annual TFR increase	3.3%	3.0%

XXI. Provisions for risks and charges

These amounted to € 13,659k at the end of 2011. Movements during the year are shown below:

(€k)	31.12.2010	Other movements	Allocations	Utilisations	31.12.2011
Provision for other risks and charges	8,271	(44)	1,041	(118)	9,150
Onerous contracts provision	419	–	1,346	–	1,765
Provision for legal disputes	4,027	44	(208)	(1,119)	2,744
Provision for assets to be transferred free of charge	870	–	(870)	–	–
Total	**13,587**	**–**	**1,309**	**(1,237)**	**13,659**

"Provision for other risks and charges" includes an estimate of contractual expense, mostly for the motorway business.

The "Onerous contracts provision" refers to commercial units that are not profitable enough to cover the rent.

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

Allocations include the release of prior–year accruals no longer considered necessary, and the effects of discounting provisions to present value.

XXII. Equity

Equity at 31 December 2011 amounts to € 769,804k.

The annual general meeting of 20 April 2011 voted to allocate the 2010 profit of € 164,352k as follows:
- € 61,026k to dividends, in the amount of € 0.24 per share;
- € 103,326k to retained earnings.

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

(€k)	31.12.2011	Possibility of use	Amount available	Summary of utilisations in the past three years: For loss coverage	Summary of utilisations in the past three years: For other reasons
Share capital:	132,288		–	–	–
Income-related reserves:					
Legal reserve	26,458	A, B	–	–	–
Hedging reserve	(13,789)	–	(13,789)	–	–
Other reserves and retained earnings	600,645	A, B, C	599,582	–	–
Treasury shares	(7,724)	–	–	–	–

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

The share capital, fully subscribed and paid up at 31 December 2011, 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 2011, options convertible into a maximum of 1,229,294 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. At 31 December 2011, 813,333 units had been granted.

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.

Hedging reserve

The balance of € –13,789k (€ –43,696k at 31 December 2010) corresponds to the effective portion of the fair value of derivatives designated as cash flow hedges. The change of € 29,907k is due mostly to the impact of the early termination of a number of interest rate derivatives concurrently with the Group refinancing concluded in July 2011, in the amount of € 34,224k net of the tax effect.

See note 2.2.5 Financial risk management – Interest rate risk.

Other reserves/Retained earnings

This item (€ 600,645k) includes the amount covering stock option plans for a total of € 1,795k.

Treasury shares

The Annual General Meeting of 21 April 2011, after revoking the authorization granted on 20 April 2010 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 and an amount not exceeding € 200,000k.

In 2011, an additional 879,793 shares were purchased for a combined amount of € 6,780k, at an average of € 7.71 per share.

At 31 December 2011 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.

The following table breaks down other comprehensive income and the relative tax effect:

	2011			2010		
(€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	(923)	254	(669)	(1,964)	540	(1,424)
Net change in fair value of cash flow hedges reclassified to profit or loss	42,174	(11,598)	30,576	–	–	–
Total other comprehensive income	**41,251**	**(11,344)**	**29,907**	**(1,964)**	**540**	**(1,424)**

2.2.3 Notes to the income statement

XXIII. Revenue

"Revenue" decreased by 3.4% to € 1,307,200k and can be broken down as follows:

(€k)	2011	2010	Change
Food & beverage and retail sales	1,256,492	1,284,029	(27,537)
Fuel sales	14,992	28,795	(13,803)
Sales to affiliates, third parties and subsidiaries	35,716	39,862	(4,146)
Total	**1,307,200**	**1,352,686**	**(45,486)**

"Food & beverage and retail sales" were down by 2.1% and are comprised chiefly of catering revenue of € 707,950k (€ 712,294k the previous year), sales of retail goods for € 198,111k (€ 205,420k in 2010), and sales of tobacco products, newspapers & magazines, and lottery tickets for € 350,171k (€ 366,186k the previous year).

The decline in fuel sales is explained primarily by the transfer of twelve locations to the subsidiary Nuova Sidap S.r.l., under a commercial affiliation agreement, during the course of 2011.

XXIV. Other operating income

"Other operating income" of € 74,166k increased by 12.6% on the previous year, due mainly to greater contributions from suppliers in support of promotional efforts at stores and the increase in "Gains on sales of property, plant and equipment" (€ 1,181k in 2011 compared to € 165k in 2010):

(€k)	2011	2010	Change
Bonuses from suppliers	40,000	37,872	2,128
Income from business leases	7,790	8,030	(240)
Affiliation fees	5,190	4,988	202
Gains on sales of property, plant and equipment	1,181	165	1,016
Other revenue	20,005	14,840	5,165
Total	**74,166**	**65,895**	**8,271**

XXV. Raw materials, supplies and goods

The cost of raw materials, supplies and goods decreased by € 31,605k.

(€k)	2011	2010	Change
Total purchases relating to food & beverage and retail sales:	**593,525**	**623,926**	**(30,401)**
– Merchandise and ingredients	259,962	262,362	(2,400)
– State monopoly products, newspapers and lottery tickets	319,227	334,364	(15,137)
– Fuel for resale	14,336	27,200	(12,864)
Products for sale to affiliates, third parties and subsidiaries	**31,676**	**32,880**	**(1,204)**
Total	**625,201**	**656,806**	**(31,605)**

XXVI. Personnel expense

Personnel expense totaled € 322,544k, an increase of 1.1% on the previous year.

(€k)	2011	2010	Change
Wages and salaries	231,790	233,817	(2,027)
Social security contributions	69,290	70,096	(806)
Employee benefits	13,163	13,958	(795)
Other costs	8,301	1,216	7,085
Total	**322,544**	**319,087**	**3,457**

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;
- an increase in "Other costs" due chiefly to reorganization and stock option costs.

Personnel expense includes the year's share of the cost of the stock option plans (about € 1,721k). See the section "Information on incentive plans for directors and key managers with strategic responsibilities" for a description of these plans.

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

	31.12.2011			31.12.2010		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	67	–	67	68	–	68
Junior managers	585	7	592	547	7	554
White collars	772	161	933	782	165	947
Blue collars	3,638	6,020	9,658	3,724	6,228	9,952
Total	**5,062**	**6,188**	**11,250**	**5,121**	**6,400**	**11,521**

These figures include 47 white collar employees and one executive seconded to subsidiaries.

The average headcount, expressed in terms of equivalent full–time employees, was 8,746 in 2011 (8,805 the previous year). Most of the decrease is explained by the transfer of twelve locations to the subsidiary Nuova Sidap S.r.l. under a commercial affiliation agreement.

XXVII. Leases, rentals, concessions and royalties

The decrease of € 1,097k with respect to the previous year reflects the trend in Food & Beverage and Retail sales, which was partially offset by higher fees on some new Food & Beverage contracts in the various sectors served by Autogrill.

(€k)	2011	2010	Change
Leases, rentals and concessions	181,657	182,892	(1,235)
Royalties for use of brands	1,565	1,427	138
Total	**183,222**	**184,319**	**(1,097)**

XXVIII. Other operating costs

Amounting to € 158,235k, these showed an increase on 2010 as shown in the table below:

(€k)	2011	2010	Change
Utilities	37,488	32,455	5,033
Maintenance	15,589	17,106	(1,517)
Cleaning and disinfestations	21,302	20,465	837
Consulting services	13,197	10,834	2,363
Commissions on credit card payments	1,239	1,163	76
Storage and transport	12,644	12,729	(85)
Advertising and market research	8,866	8,304	562
Travel expenses	5,103	5,115	(12)
Telephone and postal charges	2,325	2,451	(126)
Equipment hire and lease	3,780	3,357	423
Insurance	2,055	1,904	151
Surveillance	1,327	1,108	219
Transport of valuables	1,434	1,449	(15)
Banking services	1,064	1,074	(10)
Sundry materials	4,390	4,235	155
Other services	13,771	10,038	3,733
Costs for materials and services	**145,574**	**133,787**	**11,787**
Impairment losses on receivables	**332**	**174**	**158**
For legal disputes	(208)	461	(669)
For onerous contracts	1,347	90	1,257
For other risks	11	(531)	542
Provisions for risks	**1,150**	**20**	**1,130**
Indirect and local taxes	**5,762**	**5,576**	**186**
Losses on disposals	325	336	(11)
Other charges	5,092	4,315	777
Other operating costs	**5,417**	**4,651**	**766**
Total	**158,235**	**144,208**	**14,027**

The most significant changes concerned:
- Utilities, which rose by 15.5% despite efforts to reduce consumption, due to the higher unit cost of electricity;
- Consulting services, which increased as a result of new strategic projects launched during the year;
- Maintenance, reflecting better contract terms negotiated with certain suppliers.

XXIX. Depreciation and amortization

The total of € 58,089k is broken down below:

(€k)	2011	2010	Change
Other intangible assets	8,898	7,784	1,114
Property, plant and equipment	33,734	33,622	112
Assets to be transferred free of charge	12,894	10,558	2,336
Total amortization/depreciation	**55,526**	**51,964**	**3,562**
Impairment losses on property, plant and equipment	2,563	4,959	(2,396)
Total	**58,089**	**56,923**	**1,166**

In 2011 there were impairment losses of € 2,563k 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 VII.

XXX. Financial income

Financial income amounted to € 185,367k, as follows:

(€k)	2011	2010	Change
Dividends from subsidiaries	132,477	182,232	(49,755)
Interest from subsidiaries	24,578	47,292	(22,714)
Bank interest income	221	1,165	(944)
Ineffective portion of hedging instruments	837	402	435
Exchange rate gains	20,799	40,780	(19,981)
Other financial income	6,455	5,368	1,087
Total	**185,367**	**277,239**	**(91,872)**

"Dividends from subsidiaries" consist of € 109,292k from Autogrill Schweiz A.G. (Chf 143.5m) and € 23,185k from Autogrill Group Inc. ($ 30m).

"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 companies in the Travel Retail & Duty–Free business, particularly World Duty Free Group S.A. (formerly Autogrill España S.A.U.) and World Duty Free Europe Ltd., as a result of the recapitalization carried out at the end of 2010 and the Group refinancing process completed in July 2011.

Exchange rate gains, totaling € 20,799k, include € 6,628k on the syndicated bank loan of 2008 (originally for € 1bn) closed out on 9 August 2011, € 8,288k on the loan granted by the subsidiary Autogrill Schweiz A.G., and € 1,155k on the loan granted to the company by Host International of Canada Ltd.

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

XXXI. Financial expense

"Financial expense" decreased by € 5,112k.

(€k)	2011	2010	Change
Interest expense	21,591	22,771	(1,180)
Discounting of long–term liabilities	148	74	74
Exchange rate losses	22,610	49,052	(26,442)
Financial expense on post–employment benefits	3,749	3,173	576
Interest paid to subsidiaries	1,146	859	287
Commission	285	108	177
Other financial expense	59,566	38,170	21,396
Total	**109,095**	**114,207**	**(5,112)**

"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 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 includes the reclassification of other comprehensive income (€ 40,149k) relating to the early termination of interest rate hedges, as a result of the refinancing described above.

XXXII. Impairment losses on financial assets

This item amounts to € 65,072k and refers to impairment losses on the following investments:

- Autogrill Austria A.G. for € 5,700k;
- Autogrill Schweiz A.G. for € 52,250k.

It also includes the write-down of the financial receivable from Autogrill Austria A.G. in the amount of € 7,122k.

XXXIII. Income tax

The total of € 13,349k consists of current taxes for corporate income tax (IRES) of € 14,653k and regional business tax (IRAP) of € 10,893k, as well as deferred taxes of € 12,198k.

Reconciliation of effective tax and theoretical tax for 2011:

	2011			2010		
	IRES	IRAP	Total	IRES	IRAP	Total
(€k)	27.50%	3.90%	31.40%	27.50%	3.90%	31.40%
Pre–tax profit	**–**	**–**	**45,275**	**–**	**–**	**96,688**
Theoretical tax	**12,451**	**1,766**	**14,216**	**55,144**	**7,820**	**62,965**
Permanent differences:						
– Personnel expense	–	8,305	8,305	–	8,230	8,230
– Dividends and other financial components	(34,610)	(2,697)	(37,307)	(40,529)	(6,358)	(46,887)
– Impairment losses on equity investments	17,895	2,260	20,155	5,860	770	6,630
– Other	7,178	217	7,395	2,403	118	2,521
Increase in regional tax rate	**–**	**584**	**584**	**–**	**543**	**543**
Reversal of previous years' temporary differences	9,655	558	10,213	(8,403)	(94)	(8,497)
Taxed temporary differences deductible in future years	2,084	(99)	1,985	3,884	244	4,128
Current taxes	**14,653**	**10,893**	**25,546**	**18,359**	**11,274**	**29,633**
Adjustment of prior years' provision for temporary differences	–	–	–	2,170	–	2,170
Net temporary differences	**(11,740)**	**(458)**	**(12,198)**	**6,689**	**(150)**	**6,539**
Income tax	**2,914**	**10,435**	**13,349**	**25,048**	**11,124**	**36,172**

In December 2011 Autogrill S.p.A. was audited by the tax authorities for the years 2008 and 2009 on the subject of "transfer prices." The preliminary assessment report of 29 December 2011 contained some observations that the Company addressed in writing on 27 February 2012. Autogrill is waiting to hear from the authorities concerned.

Regarding the preliminary assessment report received in December 2010 for a general audit of tax year 2007, for the sole purpose of settling the issue without a legal battle, Autogrill has filed a "mutually–agreed assessment settlement procedure" and both parties are being heard by the authorities.

For both of these audits, based in part on the opinions of its legal advisors, Autogrill is confident that it has suitably documented its proper conduct and considers the liabilities to be merely "contingent" in keeping with IAS 37.

2.2.4 Net financial indebtedness

The net financial indebtedness at the end of 2011 and 2010 is detailed below:

Note	(€m)		31.12.2011	31.12.2010	Change
I	A)	Cash on hand	31.8	37.0	(5.2)
	B)	Cash equivalents	–	–	–
	C)	Securities held for trading	–	–	–
	D)	**Cash and cash equivalents (A + B + C)**	**31.8**	**37.0**	**(5.2)**
II	**E)**	**Current financial receivables**	**56.1**	**161.4**	**(105.3)**
	F)	Due to banks, current	(4.8)	(3.1)	(1.7)
	G)	Due to others	–	–	–
	H)	Other financial liabilities	(129.2)	(361.6)	232.4
XV–XVI	**I)**	**Current financial debt (F + G + H)**	**(134.0)**	**(364.7)**	**230.7**
	J)	**Net current financial debt (I + E + D)**	**(46.1)**	**(166.3)**	**120.2**
XVIII	K)	Due to banks, non current	(612.9)	(978.3)	365.4
	L)	Bonds issued	–	–	–
	M)	Due to others	–	–	–
	N)	**Non–current financial debt (K + L + M)**	**(612.9)**	**(978.3)**	**365.4**
	O)	**Financial indebtedness (J + N)**	**(659.0)**	**(1,144.6)**	**485.6**
X	**P)**	**Non–current financial assets**	**201.0**	**712.5**	**(511.5)**
	Q)	**Net debt (O + P)**	**(458.0)**	**(432.1)**	**(25.9)**

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 business 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 results and financial position.

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 2011 the ratio was 40%.

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 2011 Autogrill recognized a fair value loss of € 669k (net of the tax effect). In addition, concurrently with the refinancing process mentioned above, during the year some interest hedging derivatives were terminated prior to their original maturity dates.

The details of interest rate swaps outstanding at 31 December 2011 are as follows:

Underlying		Notional amount (in currency)	Expiry	Average fixed rate paid	Floating rate received	Fair value (€k)
Term Loan € 200m	€k	120,000	24.06.2015	4.66%	3 month Euribor	(15,035)

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 2011 is as follows:

Notional amount (in currency/000)		Expiry	Spot rate	Forward rate	Fair value (€k)
Czk	28,000	25.01.2012	26.0200	26.0210	(9)
Chf	30,000	15.02.2012	1.2240	1.2236	(167)
Chf	30,000	15.02.2012	1.2267	1.2262	(221)
Chf	11,600	04.01.2012	1.2212	1.2210	43
Chf	12,269	15.02.2012	1.2267	1.2262	(90)
Pln	4,000	25.01.2012	4.5360	4.5560	(17)

The fair value of derivatives is measured using valuation 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)	31.12.2011	31.12.2010	Change
Cash and cash equivalents	31,769	37,002	(5,233)
Other current financial assets	56,100	161,379	(105,279)
Trade receivables	27,418	22,580	4,838
Other current receivables	92,761	52,027	40,734
Other non-current financial assets	201,001	712,534	(511,533)
Other non-current receivables	9,765	12,430	(2,665)
Total	**418,814**	**997,952**	**(579,138)**

Exposure to credit risk depends on the specific characteristics of each customer. Autogrill's business model, centred 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	800	1.4%
France	31,759	56.7%
Holland	8	0.0%
Italy	15,165	27.1%
Great Britain	–	0.0%
Irland	2,237	4.0%
Greece	1,752	3.1%
Sweden and Denmark	121	0.2%
Czech Republic	1,110	2.0%
Luxembourg	306	0.5%
Slovenia	459	0.8%
Austria	96	0.2%
Germany	86	0.2%
Poland	900	1.6%
USA	1,259	2.2%
Total	**56,057**	**100.0%**

Non–current financial assets

	€k	%
Spain	185,127	92.1%
Holland	12,550	6.2%
Italy	3,324	1.7%
Total	**201,001**	**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, gross of impairment losses and excluding disputed receivables (more than 90 days overdue).

(€k)	% on total	Receivables	Overdue	0–30	31–60	61–90	> 90
Affiliates	21%	5,172	1,882	455	79	162	1,186
Special agreements	24%	5,899	2,367	1,456	406	175	330
Motorway partners	15%	3,762	3,698	(5)	82	10	3,611
Intercompany	13%	3,124	40	3	3	3	31
Other	27%	6,775	4,940	2,938	1,027	441	534
Total		**24,732**	**12,927**	**4,847**	**1,597**	**791**	**5,692**

First–demand bank guarantees are required on entering into affiliation agreements to cover exposure. At 31 December 2011 these guarantees amounted to € 5,251k.

All current receivables are analyzed monthly to determine potential collection problems, any action to be taken, and the adequacy of the allowance for impairment. At year end the allowance for impairment amounted to € 7,751k and was deemed sufficient with respect to existing credit risk.

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 2011 and 2010 were as follows:

	31.12.2011						
		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	4,808	4,808	4,808	–	–	–	–
Unsecured 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**	**–**

	31.12.2010						
		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	3,075	3,075	3,075	–	–	–	–
Unsecured loans	1,074,564	1,074,564	92,460	–	–	982,104	–
Trade payables	274,289	274,289	274,289	–	–	–	–
Total	**1,351,928**	**1,351,928**	**369,824**	**–**	**–**	**982,104**	**–**

As for exposure to trade payables, there is no significant concentration of suppliers: the top six account for 30.4% of the total, the largest (Autostrade per l'Italia S.p.A.) for 15.5%, and the second largest (Consorzio Lotterie Nazionali) for 5.7%.

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 € 816,623k, a decrease of € 22,511k on 2010:

(€k)	31.12.2011	31.12.2010	Change
Sureties and personal guarantees in favor of third parties	174,406	162,737	11,669
Sureties and personal guarantees in favor of subsidiaries	622,731	655,511	(32,780)
Other commitments and guarantees	19,486	20,886	(1,400)
Total	**816,623**	**839,134**	**(22,511)**

Sureties and personal guarantees in favor of third parties were issued in accordance with customary market practice. The increase is due mainly to a new surety issued in favor of trading partners, on behalf of the subsidiary Nuova Sidap.

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 Autogrill Group Inc. Most of the change concerns a decrease in guarantees of € 29,936k, due to reduced exposure to bank loans used by the subsidiary Host International Inc. ($ 40m) and guaranteed by Autogrill S.p.A.

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 rent.

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. This kind of agreement is used, for example, by the Milan Trade Fair.

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:

	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**

	2010		
Years (€m)	Total minimum lease payments	Minimum sub-lease payments	Net minimum lease payments
2011	115.5	3.4	112.1
2012	111.9	3.1	108.8
2013	105.1	3.0	102.1
2014	76.7	2.3	74.4
2015	69.9	2.3	67.6
Subsequent years	291.9	5.5	286.4
Total	**771.0**	**19.6**	**751.4**

2.2.9 Other information

Related party transactions

Autogrill S.p.A. is controlled by Schematrentaquattro S.r.l., which owns a 59.28% interest. 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 2011 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.r.l.

Transactions with Edizione S.r.l.

(€k)	2011	2010	Change
Income statement			
Revenue	3	3	–
Other operating income	91	90	1
Personnel expense	210	124	86
Other operating expense	82	16	66

(€k)	31.12.2011	31.12.2010	Change
Statement of financial position			
Trade receivables	4	4	–
Other receivables	3,635	4,919	(1,284)
Other payables	237	127	110

"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 2011 for fees due to two directors of Autogrill S.p.A., to be paid over to Edizione S.r.l. where the parties respectively serve as board member and executive manager.

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

"Other receivables" refer to the funds paid in by Autogrill S.p.A. for IRES (corporate income tax) advances in 2011, net of the IRES liability on 2011 income (€ 1,611k), and the refund due for the deduction from taxable income of IRAP (regional tax) paid from 2004 to 2007 (€ 2,024k).

In accordance with the tax consolidation rules, these amounts will be settled by the third day prior to the normal deadline for payment of the IRES balance for 2011 (July 2012), less the balance due for 2011 and the first advance on 2012.

"Other payables" include the liability for fees accrued at 31 December 2011.

Transactions with subsidiaries of Edizione S.r.l.

	Atlantia Group		Gemina Group		Bencom S.r.l.	
Income statement (€k)	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Revenue	10	21	–	–	–	–
Other operating income	2,890	1,682	–	–	384	380
Other operating expense	1,372	917	28	30	–	–
Leases, rentals, concessions and royalties	77,429	77,737	8,238	7,988	–	–
Financial income	–	–	–	–	–	–
Financial expense	1,351	1,393	–	–	–	–

Statement of financial position (€k)	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Trade receivables	2,627	1,364	5	111	560	665
Other receivables	54	54	–	–	–	–
Financial receivables	–	–	–	–	–	–
Trade payables	38,233	38,371	1,290	971	–	–
Other payables	1	2	–	–	–	–
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 Fiumicino and Ciampino airports managed by Aeroporti di Roma S.p.A., while "Other operating expense" concerns telephone and ICT services.

- **Bencom S.r.l.:** "Other operating income" refers to rent and related charges for the sublet of premises in Via Dante, Milan.

Edizione Property S.p.A.		Fabrica S.p.A.		Olimpias S.p.A.		Verde Sport S.p.A.		Sagat S.p.A.	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
4	5	–	–	–	–	25	28	–	–
1	–	–	–	–	–	2	2	–	–
–	–	20	60	210	253	33	85	–	–
–	–	–	–	–	–	–	–	1,135	1,001
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–

31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
6	6	–	–	–	–	10	12	22	14
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–
–	–	–	20	79	87	–	3	136	293
–	–	–	–	–	–	8	20	–	–
–	–	–	–	–	–	–	–	–	–

All liabilities are current; the receivable from Bencom S.r.l. will be settled in installments until the sub–lease expires in April 2017.

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

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

- **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.

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

Transactions with subsidiaries

Income statement (€k)	Autogrill Austria A.G. 2011	Autogrill Austria A.G. 2010	Autogrill Belux N.V. 2011	Autogrill Belux N.V. 2010	Autogrill Schweiz A.G. 2011	Autogrill Schweiz A.G. 2010
Revenue	61	91	–	–	–	13
Other operating income	68	71	30	22	1,760	10,224
Other operating expense	19	(4)	349	(14)	500	(7)
Leases, rentals, concessions and royalties	–	–	–	9	–	–
Financial income	96	95	–	–	109,292	8
Financial expense	–	–	199	95	80	10

Statement of financial position (€k)	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Trade receivables	–	–	–	–	417	–
Other receivables	27	25	30	2	138	474
Financial receivables	96	11,194	–	–	–	–
Trade payables	–	–	–	–	–	–
Other payables	19	–	298	13	80	5
Financial payables	–	–	12,504	18,907	9,546	116,853

Income statement (€k)	Autogrill Coté France S.a.s. 2011	Autogrill Coté France S.a.s. 2010	Autogrill Hellas E.p.E. 2011	Autogrill Hellas E.p.E. 2010	HMSHost Ireland Ltd. 2011	HMSHost Ireland Ltd. 2010
Revenue	5	–	48	38	–	–
Other operating income	593	403	15	348	19	1
Other operating expense	180	270	11	6	–	(2)
Leases, rentals, concessions and royalties	–	–	–	–	–	–
Financial income	822	15	35	11	49	2
Financial expense	–	–	–	–	–	–

Statement of financial position (€k)	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Trade receivables	–	–	7	9	–	–
Other receivables	410	293	17	188	5	–
Financial receivables	31,759	38,215	1,752	892	2,237	1,502
Trade payables	1	–	–	–	–	–
Other payables	130	121	3	44	–	–
Financial payables	–	–	–	–	–	–

	Autogrill Czech S.r.o.		Autogrill Deutschland GmbH		HMSHost Egypt Catering & Services Ltd.		Autogrill Iberia		World Duty Free Group S.A.	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	108	6	1	12	–	–	–	–	–	–
	1	–	205	73	1	–	103	493	856	35
	24	(1)	42	(4)	–	–	147	315	24	(60)
	–	–	–	–	–	–	–	–	–	–
	20	35	–	5	–	–	68	3	16,543	37,845
	–	–	252	147	–	–	–	3	–	144

	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	15	7	–	81	–	–	1	–	–	–
	1	23	111	34	1	–	156	183	892	–
	1,110	524	86	86	–	–	800	11,003	185,247	551,080
	–	–	–	–	–	–	–	–	–	–
	–	–	42	–	–	–	97	228	40	5
	–	–	16,313	20,066	–	–	–	–	–	–

	Autogrill Finance S.A.		Autogrill Europe Nord-Ouest S.A.		Autogrill Nederland B.V.		Autogrill Polska Sp.zo.o.		HMSHost Sweden A.B.	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	–	–	–	–	–	–	–	26	–	–
	–	12	–	–	22	19	1	1	2	1
	330	297	–	–	16	(3)	–	(1)	–	(1)
	–	–	–	–	–	–	–	7	–	–
	6	668	–	–	318	7	52	3	7	9
	–	–	–	–	–	–	–	–	–	–

	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	–	–	–	–	–	–	27	27	–	–
	–	124	–	–	27	9	22	18	3	9
	–	452	306	–	12,558	13,857	900	1,009	–	676
	–	–	–	–	16	–	–	–	–	–
	–	672	–	–	–	11	–	–	–	–
	–	–	–	–	–	–	–	–	–	–

Income statement (€k)	Autogrill D.o.o. 2011	2010
Revenue	2	4
Other operating income	3	3
Other operating expense	–	(1)
Leases, rentals, concessions and royalties	–	–
Financial income	9	5
Financial expense	–	–

Statement of financial position (€k)	31.12.2011	31.12.2010
Trade receivables	1	–
Other receivables	1	–
Financial receivables	459	100
Trade payables	–	–
Other payables	–	–
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 2010 and 2011 and to asset and liability balances at 31 December 2010 and 31 December 2011.

All transactions are conducted at arm's length.

In 2011, Autogrill España S.A.U. changed its name to World Duty Free Group S.A., and Autogrill Finance S.A. was liquidated.

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

- **Autogrill Schweiz A.G.:** the increase in "Financial income" is due to the greater distribution of dividends in 2011, while the reduction "Financial expense" reflects the repayment of the intercompany loan.

- **Autogrill Austria A.G.:** the decrease in "Financial receivables" concerns the lower cash pooling balance (€ 5.7m) due to the conversion into share capital, and an additional impairment losses recognized on the remaining amount due in December 2011.

World Duty Free Europe Ltd.		Autogrill Catering UK Ltd.		Autogrill Group Inc.		Nuova Sidap S.r.l.		Alpha Retail Italia S.r.l.	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
–	–	–	–	–	–	15,334	11,182	–	–
801	867	67	57	22	–	4,499	1,031	40	40
1,383	1,195	–	(1)	68	1,053	3,525	2,252	–	–
–	–	–	–	–	–	–	–	–	–
5,146	8,516	–	–	24,445	173,656	148	62	3	3
–	–	–	–	614	460	–	–	1	–

31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010	31.12.2011	31.12.2010
–	–	–	–	–	–	2,561	2,181	1	56
578	1,338	77	10	22,114	29	1,178	382	75	17
–	225,010	–	–	1,259	–	15,144	11,194	–	252
–	–	–	–	–	–	2,556	879	1	–
983	1,329	–	–	51	331	996	2,291	–	100
–	–	–	–	–	41,716	–	–	253	–

Significant non–recurring events and transactions

In 2011, there were no significant non–recurring events or transactions as defined by Consob's Resolution no. 15519 and Communication DEM/6064293.

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 2011.

Remuneration of directors and executives with strategic responsibilities

The following remuneration was paid to members of the Board of Directors and to executives with strategic responsibilities during the year ended 31 December 2011:

Name	Office held	Term of office	Remuneration (€)	Bonuses and other incentives (€)	Non-monetary benefits (€)	Other fees (€)	Termination fees (€)
Gilberto Benetton	Chairman	2011–2014	55,079	–	–	–	–
Gianmario Tondato Da Ruos	CEO	2011–2014	508,479	600,000	60,348	403,297	–
Alessandro Benetton	Director	2011–2014	53,879	–	–	–	–
Francesco Giavazzi	Director	2011–2014	54,479	–	–	–	–
Arnaldo Camuffo	Director	2011–2014	81,989	–	–	–	–
Paolo Roverato	Director	2011–2014	110,107	–	–	–	–
Gianni Mion	Director	2011–2014	83,789	–	–	–	–
Alfredo Malguzzi	Director	2011–2014	89,230	–	–	–	–
Tommaso Barracco	Director	from 21.04.2011 to 2014	64,072	–	–	–	–
Marco Jesi	Director	from 21.04.2011 to 2014	63,472	–	–	–	–
Maurizio Manca	Director	from 21.04.2011 to 31.08.2011	45,780	–	–	–	–
Marco Mangiagalli	Director	from 21.04.2011 to 2014	63,472	–	–	–	–
Stefano Orlando	Director	from 21.04.2011 to 2014	64,072	–	–	–	–
Giorgio Brunetti	Director	from 01.01.2011 to 20.04.2011	34,844	–	–	–	–
Antonio Bulgheroni	Director	from 01.01.2011 to 20.04.2011	20,918	–	–	–	–
Javier Gomez–Navarro	Director	from 01.01.2011 to 20.04.2011	16,085	–	–	–	–
Claudio Costamagna	Director	from 01.01.2011 to 20.04.2011	20,918	–	–	–	–
Total directors			**1,430,664**	**600,000**	**60,348**	**403,297**	**–**
Executives with strategic responsibilities			–	2,489,262	296,799	3,749,900	4,983,509
Total			**1,430,664**	**3,089,262**	**357,147**	**4,153,197**	**4,983,509**

The CEO's remuneration includes his executive salary, which is shown under "Other fees".

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 he received 200,000 units under the "Leadership Team Long Term Incentive Plan Autogrill (L–LTIP)."

A significant portion of the variable remuneration 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 executive 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	Remuneration (€)	Other fees (€)
Luigi Biscozzi	Chairman	2009–2011	92,814	25,334
Eugenio Colucci	Auditor	2009–2011	61,768	17,169
Ettore Maria Tosi	Auditor	2009–2011	64,239	17,856
Total			**218,822**	**60,359**

"Other fees" refer to the remuneration 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.	300
Attestation	KPMG S.p.A.	Autogrill S.p.A.	140
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 Autogrill S.p.A. and/or its subsidiaries to subscribe or 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 two other beneficiaries meeting the requirements of the plan; these can also be exercised between 20 April 2014 and 30 April 2015, at a strike price of € 8.91.

The status of the plan at 31 December 2011 is as follows:

	Number of options	Fair value existing options (€)
Options	2,000,000	–
Options assigned as of 31 December 2010	**1,261,000**	**1.30**
New options assigned during 2011	188,000	1.07
Options exprired/voided during 2011	(239,706)	1.19
Options assigned as of 31 December 2011	**1,209,294**	**1.27**

An independent external advisor has been hired to calculate the fair value of the stock options, based on the 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 2011 is € 1.07, while the average fair value of the options outstanding at 31 December 2011 is € 1.27.

For the year, the total costs recognized in relation to share–based payment plans amounted to € 453k.

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.

[1] As defined by art. 9(4) of Presidential Decree no. 917 of 22 December 1986

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 performance targets during the three year periods 2011–2013 and 2012–2014.

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.

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 hired to calculate the fair value of the options, based on the 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.

For the year, the total costs recognized in the income statement in relation to such share–based payment plan amounted to € 1,269k.

The status of the plan at 31 December 2011 is as follows:

	Number of options	Fair value existing options (€)
New options assigned during 2011	721,240	6.95
Options expired/voided during 2011	(66,667)	6.67
Option assigned as of 31 December 2011	**654,573**	**6.98**

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 2011, 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.

2.2.11 Significant non–recurring events and transactions

In 2011, 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 2011.

2.2.13 Authorization for publication

The Board of Directors authorized the publication of these draft financial statements at its meeting of 7 March 2012.

List of investments held directly and indirectly in subsidiaries and associates

Company name	Registered office	Country	Currency	Share/Quota Capital	% owned 31.12.2011 Directly	Indirectly
Parent:						
Autogrill S.p.A.	Novara	Italy	Eur	132,288,000	–	–
Companies consolidated line by line:						
Alpha Retail Italia S.r.l.	Rome	Italy	Eur	10,000	100.000%	–
Nuova Sidap S.r.l.	Novara	Italy	Eur	100,000	100.000%	–
Autogrill Austria A.G.	Gottlesbrunn	Austria	Eur	7,500,000	100.000%	–
Autogrill Czech S.r.o.	Prague	Czech Republic	Czk	126,000,000	100.000%	–
Autogrill D.o.o.	Lubiana	Slovenia	Eur	1,342,670	100.000%	–
Autogrill Hellas E.p.E.	Avlonas	Greece	Eur	1,696,350	100.000%	–
Autogrill Polska Sp.zo.o.	Wroclaw	Poland	Pln	10,050,000	100.000%	–
Autogrill Iberia S.L.U.	Madrid	Spain	Eur	7,000,000	100.000%	–
HMSHost Ireland Ltd.	Lee View House	Ireland	Eur	13,600,000	100.000%	–
HMSHost Sweden A.B.	Stockholm	Sweden	Sek	2,500,000	100.000%	–
Autogrill Catering UK Ltd.	London	United Kingdom	Gbp	217,063	100.000%	–
Restair UK Ltd. (in liquidation)	London	United Kingdom	Gbp	1	–	100.000%
Autogrill Deutschland GmbH	Munich	Germany	Eur	205,000	100.000%	
HMSHost Egypt Catering & Services Ltd.	Cairo	Egipt	Egp	1,000,000	–	60.000%
Autogrill Belux N.V.	Antwerp	Belgium	Eur	10,000,000	–	99.999%
Carestel Motorway Services N.V.	Antwerp	Belgium	Eur	9,000,000	–	99.999%
Carestel Beteiligungs GmbH & Co. (in liquidation)	Stuttgart	Germany	Eur	25,000	–	100.000%
Autogrill Europe Nord–Ouest S.A.	Luxembourg	Luxembourg	Eur	41,300,000	100.000%	
Autogrill Belgie N.V.	Antwerp	Belgium	Eur	20,750,000	–	100.000%
Ac Restaurants & Hotels Beheer N.V.	Antwerp	Belgium	Eur	5,500,000	–	100.000%
Autogrill Schweiz A.G.	Olten	Switzerland	Chf	23,183,000	100.000%	–
Restoroute de Bavois S.A.	Bavois	Switzerland	Chf	2,000,000	–	73.000%
Restoroute de la Gruyère S.A.	Avry devant Pont	Switzerland	Chf	1,500,000	–	54.300%
World Duty Free Group S.A.	Madrid	Spain	Eur	1,800,000	100.000%	–
World Duty Free Europe Ltd.	London	United Kingdom	Gbp	12,484,397	–	100.000%
Autogrill Holdings Uk Plc. (in liquidation)	London	United Kingdom	Gbp	24,249,234	–	100.000%
Autogrill Retail UK Ltd.	London	United Kingdom	Gbp	360,000	–	100.000%
Alpha Airports Group (Jersey) Ltd.	Jersey Airport, St. Peter	United Kingdom	Gbp	4,100	–	100.000%
Alpha Retail Ireland Ltd. (in liquidation)	Dublin	Ireland	Eur	1	–	100.000%
Autogrill Holdings UK Pension Trustee Ltd. (in liquidation)	London	United Kingdom	Gbp	100	–	100.000%
Pratt & Leslie Jones Ltd. (in liquidation)	London	United Kingdom	Gbp	8,900	–	100.000%
Alpha Airport Holdings B.V. (in liquidation)	Boesingheliede	Netherlands	Eur	74,874	–	100.000%

Company name	Registered office	Country	Currency	Share/Quota Capital	% owned 31.12.2011 Directly	Indirectly
Alpha Kreol (India) Pvt Ltd.	Mumbai	India	Inr	100,000	–	50.000%
Autogrill Lanka Ltd.	Fort Colombo	Sri Lanka	Lkr	30,000,000	–	99.982%
Autogrill International Airports Ltd.	London	United Kingdom	Gbp	2	–	100.000%
Alpha Airport Retail Holdings Pvt Ltd.	Mumbai	India	Inr	404,743,809	–	100.000%
Alpha Future Airport Retail Pvt Ltd.	Mumbai	India	Inr	97,416,000	–	100.000%
Alpha Airports Group (Channel Island) Ltd. (in liquidation)	St. Heliers – Jersey	United Kingdom	Gbp	21	–	100.000%
Alpha Airports (FURBS) Trustees Ltd. (in liquidation)	London	United Kingdom	Gbp	26,000	–	100.000%
Airport Duty Free Shops Ltd. (in liquidation)	London	United Kingdom	Gbp	2	–	100.000%
Alpha ESOP Trustee Ltd. (in liquidation)	London	United Kingdom	Gbp	100	–	100.000%
Alpha Euroservices Ltd. (in liquidation)	London	United Kingdom	Usd	170	–	100.000%
Dynair B.V. (in liquidation)	Schipolweg	Netherlands	Eur	18,151	–	100.000%
Aldeasa S.A.	Madrid	Spain	Eur	10,772,462	–	99.960%
Aldeasa Cabo Verde S.A.	Isola di Sal	Cape Verde	Cve	6,000,000	–	99.990%
Aldeasa Chile Ltda.	Santiago (Chile)		Usd	2,516,819	–	99.990%
Aldeasa Colombia Ltda.	Cartagena de Indias	Colombia	Cop	2,356,075,724	–	99.990%
Aldeasa Duty Free Comercio e Importación de Productos Ltda.	Sao Paulo	Brazil	Brl	145,300	–	99.800%
Aldeasa Italia S.r.l.	Napoli	Italy	Eur	10,000	–	100.000%
Aldeasa Internacional S.A.	Madrid	Spain	Eur	5,409,000	–	100.000%
Aldeasa Jamaica Ltda.	Jamaica	Jamaica	Usd	–	–	100.000%
Aldeasa México S.A. de C.V.	Cancun	Mexico	Mxn	60,962,541	–	99.900%
Aldeasa Projets Culturels S.a.s.	Paris	France	Eur	823,183	–	100.000%
Aldeasa Servicios Aeroportuarios Ltda. (in liquidation)	Santiago (Chile)	Chile	Usd	15,000	–	99.990%
Audioguiarte Servicios Culturales S.L.	Madrid	Spain	Eur	251,000	–	100.000%
Palacios y Museos S.L.U.	Madrid	Spain	Eur	160,000	–	100.000%
Panalboa S.A.	Panama	Panama	Pab	150,000	–	80.000%
Prestadora de Servicios en Aeropuertos S.A. de C.V.	Cancun	Mexico	Mxn	50,000	–	99.900%
Sociedad de Distribución Aeroportuaria de Canarias S.L.	Las Palmas	Spain	Eur	667,110	–	60.000%
Transportes y Suministros Aeroportuarios S.A. (in liquidation)	Madrid	Spain	Eur	1,202,000	–	100.000%
Aldeasa US Inc.	Wilmington	USA	Usd	49,012,087	–	100.000%
World Duty Free US Inc.	Florida	USA	Usd	1,400,000	–	100.000%
Alpha Keys Orlando Retail Associates Ltd.	Florida	USA	Usd	100,000	–	85.000%
Aldeasa Atlanta L.L.C.	Atlanta	USA	Usd	1,122,000	–	100.000%
Aldeasa Atlanta JV	Atlanta	USA	Usd	2,200,000	–	76.000%
Aldeasa Curaçao N.V.	Curaçao	USA	Usd	500,000	–	100.000%
Aldeasa Canada Inc.	Vancouver	Canada	Cad	1,000	–	100.000%
Aldeasa Jordan Airports Duty Free Shops Ltd. (AJADFS)	Amman	USA	Usd	705,219	–	100.000%
Aldeasa Vancouver L.P.	Vancouver	Canada	Cad	25,701,000	–	99.998%

Annexes

Company name	Registered office	Country	Currency	Share/Quota Capital	% owned 31.12.2011 Directly	Indirectly
Cancouver Uno S.L.	Madrid	Spain	Eur	3,010	–	100.000%
Autogrill Nederland B.V.	Breukelen	Netherlands	Eur	41,371,500	–	100.000%
Maison Ledeboer B.V.	Zaandam	Netherlands	Eur	69,882	–	100.000%
Ac Holding N.V.	Breukelen	Netherlands	Eur	150,000	–	100.000%
The American Lunchroom Co B.V.	Zaandam	Netherlands	Eur	18,151	–	100.000%
Ac Apeldoorn B.V.	Apeldoorn	Netherlands	Eur	45,378	–	100.000%
Ac Bodegraven B.V.	Bodegraven	Netherlands	Eur	18,151	–	100.000%
Ac Heerlen B.V.	Heerlen	Netherlands	Eur	23,143	–	100.000%
Ac Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	Netherlands	Eur	2,596,984	–	100.000%
Ac Holten B.V.	Holten	Netherlands	Eur	34,034	–	100.000%
Ac Leiderdorp B.V.	Leiderdorp	Netherlands	Eur	18,151	–	100.000%
Ac Meerkerk B.V.	Meerkerk	Netherlands	Eur	18,151	–	100.000%
Ac Nederweert B.V.	Weert	Netherlands	Eur	34,034	–	100.000%
Ac Nieuwegein B.V.	Nieuwegein	Netherlands	Eur	18,151	–	100.000%
Ac Oosterhout B.V.	Oosterhout	Netherlands	Eur	18,151	–	100.000%
Ac Restaurants & Hotels B.V.	Breukelen	Netherlands	Eur	90,756	–	100.000%
Ac Sevenum B.V.	Sevenum	Netherlands	Eur	18,151	–	100.000%
Ac Vastgoed B.V.	Zaandam	Netherlands	Eur	18,151	–	100.000%
Ac Vastgoed I B.V.	Zaandam	Netherlands	Eur	18,151	–	100.000%
Ac Veenendaal B.V.	Veenendaal	Netherlands	Eur	18,151	–	100.000%
Ac Zevenaar B.V.	Zevenaar	Netherlands	Eur	57,176	–	100.000%
Holding de Participations Autogrill S.a.s.	Marseille	France	Eur	84,581,920	0.001%	99.999%
Autogrill Aéroports S.a.s.	Marseille	France	Eur	2,207,344	–	100.000%
Autogrill Coté France S.a.s.	Marseille	France	Eur	31,579,526	–	100.000%
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	France	Eur	288,000	–	50.005%
Société Porte de Champagne S.A. (SPC)	Perrogney	France	Eur	153,600	–	53.440%
Société de Restauration Autoroutière Dromoise S.a.s. (SRAD)	Marseille	France	Eur	1,136,000	–	99.997%
Société de Restauration de Bourgogne S.A. (SOREBO S.A.)	Marseille	France	Eur	144,000	–	50.000%
Société de Restauration de Troyes–Champagne S.A. (SRTC)	Marseille	France	Eur	1,440,000	–	70.000%
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA)	Romens	France	Eur	515,360	–	50.000%
Société de Gestion de Restauration Routière (SGRR S.A.)	Marseille	France	Eur	1,537,320	–	100.000%
Volcarest S.A.	Riom	France	Eur	1,050,144	–	50.000%
Vert Pré Saint Thiebaut SCI	Nancy	France	Eur	457	–	100.000%
TJ2D S.n.c.	Nancy	France	Eur	1,000	–	100.000%
Autogrill Restauration Services S.a.s.	Marseille	France	Eur	15,394,500	–	100.000%
Autogrill Gares Métropoles S.à r.l.	Marseille	France	Eur	4,500,000	–	100.000%
Autogrill Restauration Carrousel S.a.s.	Marseille	France	Eur	2,337,000	–	100.000%
La Rambertine S.n.c.	Romens	France	Eur	1,524	–	100.000%
Autogrill Commercial Catering France S.a.s.	Marseille	France	Eur	2,916,480	–	100.000%
Autogrill Centres Commerciaux S.à r.l.	Marseille	France	Eur	501,900	–	100.000%
Autogrill FFH Auotoroutes S.à r.l.	Marseille	France	Eur	375,000	–	100.000%

Company name	Registered office	Country	Currency	Share/Quota Capital	% owned 31.12.2011 Directly	Indirectly
Autogrill FFH Centres Villes S.à r.l.	Marseille	France	Eur	375,000	–	100.000%
SPB S.à r.l.	Marseille	France	Eur	4,500	–	100.000%
Carestel Nord S.à r.l. (in liquidation)	Mulhouse	France	Eur	76,225	–	99.800%
Autogrill Trois Frontières S.a.s.	Marseille	France	Eur	621,999	–	100.000%
Autogrill Group Inc.	Delaware	USA	Usd	–	–	100.000%
CBR Specialty Retail Inc.	Delaware	USA	Usd	–	–	100.000%
HMSHost Corporation	Delaware	USA	Usd	–	–	100.000%
HMSHost International Inc.	Delaware	USA	Usd	–	–	100.000%
HMSHost USA L.L.C.	Delaware	USA	Usd	–	–	100.000%
HMSHost Tollroads Inc.	Delaware	USA	Usd	–	–	100.000%
Host International Inc.	Delaware	USA	Usd	–	–	100.000%
HMS – Airport Terminal Services Inc.	Delaware	USA	Usd	1,000	–	100.000%
HMS Host Family Restaurants Inc.	Baltimora	USA	Usd	2,000	–	100.000%
HMS Host Family Restaurants L.L.C.	Delaware	USA	Usd	–	–	100.000%
Gladieux Corporation	Ohio	USA	Usd	750	–	100.000%
Host (Malaysia) Sdn. Bhd.	Kuala Lumpur	Malaysia	Myr	–	–	100.000%
Host International of Canada Ltd.	Vancouver	Canada	Cad	75,351,237	–	100.000%
Host Canada L.P.	Calgary	Canada	Cad	–	–	100.000%
SMSI Travel Centres Inc.	Vancouver	Canada	Cad	9,800,100	–	100.000%
HMSHost Holding GP Inc.	Vancouver	Canada	Cad	–	–	100.000%
HMSHost Holding F&B GP Inc.	Vancouver	Canada	Cad	–	–	100.000%
HMSHost Motorways Inc.	Vancouver	Canada	Cad	–	–	100.000%
HMSHost Motorways L.P.	Winnipeg	Canada	Cad	–	–	100.000%
HK Travel Centres GP Inc.	Toronto	Canada	Cad	–	–	51.000%
HK Travel Centres L.P.	Winnipeg	Canada	Cad	–	–	51.000%
Host International of Kansas Inc.	Kansas	USA	Usd	1,000	–	100.000%
Host International of Maryland Inc.	Maryland	USA	Usd	79,576	–	100.000%
HMS Host USA Inc.	Delaware	USA	Usd	–	–	100.000%
Host of Holland B.V.	Amsterdam	Netherlands	Eur	–	–	100.000%
Horeca Exploitatie Maatschappij Schiphol B.V.	Amsterdam	Netherlands	Eur	45,378	–	100.000%
Host Services Inc.	Texas	USA	Usd	–	–	100.000%
Host Services of New York Inc.	Delaware	USA	Usd	1,000	–	100.000%
Host Services Pty Ltd.	North Cairns	Australia	Aud	6,252,872	–	100.000%
Las Vegas Terminal Restaurants Inc.	Delaware	USA	Usd	–	–	100.000%
Marriott Airport Concessions Pty Ltd.	North Cairns	Australia	Aud	3,910,102	–	100.000%
Michigan Host Inc.	Delaware	USA	Usd	1,000	–	100.000%
HMSHost Services India Private Ltd.	Bangalore	India	Inr	668,441,680	–	100.000%
HMS – Airport Terminal Services Inc. (Christchurch branch)	Christchurch	New Zealand	Nzd	–	–	100.000%
HMSHost Singapore Pte Ltd.	Singapore	Singapore	Sgd	8,470,896	–	100.000%
HMSHost New Zealand Ltd.	Auckland	New Zealand	Nzd	1,520,048	–	100.000%
Host–TFC–RSL, LLC	Kentucky	USA	Usd	–	–	65.000%
HMSHost–Shanghai Enterprise Ltd.	Shanghai	China	Cny	–	–	100.000%
Host GRL LIH F&B, LLC	Delaware	USA	Usd	–	–	85.000%
Host DLFJV DAL F&B LLC	Delaware	USA	Usd	–	–	51.000%
Host Fox PHX F&B, LLC	Delaware	USA	Usd	–	–	75.000%
Host–CMS SAN F&B, LLC	Delaware	USA	Usd	–	–	65.000%

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Company name	Registered office	Country	Currency	Share/Quota Capital	% owned 31.12.2011 Directly	Indirectly
Anton Airfood Inc.	Delaware	USA	Usd	1,000	–	100.000%
Anton Airfood JFK Inc.	New York	USA	Usd	–	–	100.000%
Anton Airfood of Cincinnati Inc.	Kentucky	USA	Usd	–	–	100.000%
Anton Airfood of Minnesota Inc.	Minnesota	USA	Usd	–	–	100.000%
Anton Airfood of North Carolina Inc.	North Carolina	USA	Usd	–	–	100.000%
Anton Airfood of Ohio Inc.	Ohio	USA	Usd	–	–	100.000%
Anton Airfood of Texas Inc.	Texas	USA	Usd	–	–	100.000%
Anton Airfood of Virginia Inc.	Virginia	USA	Usd	–	–	100.000%
Palm Springs AAI Inc.	California	USA	Usd	–	–	100.000%
Anton Airfood of Boise Inc.	Idaho	USA	Usd	–	–	100.000%
Anton Airfood of Tulsa Inc.	Oklahoma	USA	Usd	–	–	100.000%
Islip AAI Inc.	New York	USA	Usd	–	–	100.000%
Fresno AAI Inc.	California	USA	Usd	–	–	100.000%
Anton Airfood of Newark Inc.	New Jersey	USA	Usd	–	–	100.000%
Anton Airfood of Seattle Inc.	Washington	USA	Usd	–	–	100.000%
Anton/JQ RDU Joint Venture	North Carolina	USA	Usd	–	–	100.000%
Host Bush Lubbock Airport Joint Venture	Texas	USA	Usd	–	–	90.000%
Host/Diversified Joint Venture	Michigan	USA	Usd	–	–	90.000%
CS Host Joint Venture	Kentucky	USA	Usd	–	–	70.000%
Airside C F&B Joint Venture	Florida	USA	Usd	–	–	70.000%
Host of Kahului Joint Venture Company	Hawaii	USA	Usd	–	–	90.000%
Host/Coffee Star Joint Venture	Texas	USA	Usd	–	–	50.010%
Host–Chelle–Ton Sunglass Joint Venture	North Carolina	USA	Usd	–	–	80.000%
Southwest Florida Airport Joint Venture	Florida	USA	Usd	–	–	80.000%
Host Honolulu Joint Venture Company	Hawaii	USA	Usd	–	–	90.000%
Host/Forum Joint Venture	Baltimora	USA	Usd	–	–	70.000%
HMS/Blue Ginger Joint Venture	Texas	USA	Usd	–	–	55.000%
Savannah Airport Joint Venture	Atlanta	USA	Usd	–	–	45.000%
Host/Aranza Services Joint Venture	Texas	USA	Usd	–	–	50.010%
Host & Garrett Joint Venture	Mississippi	USA	Usd	–	–	75.000%
Tinsley/Host–Tampa Joint Venture	Florida	USA	Usd	–	–	49.000%
Phoenix–Host Joint Venture	Arizona	USA	Usd	–	–	70.000%
Host–Taco Joy Joint Venture	Atlanta	USA	Usd	–	–	80.000%
Host–Chelsea Joint Venture #1	Texas	USA	Usd	–	–	65.000%
Host–Tinsley Joint Venture	Florida	USA	Usd	–	–	84.000%
Host/Tarra Enterprises Joint Venture	Florida	USA	Usd	–	–	75.000%
Metro–Host Joint Venture	Michigan	USA	Usd	–	–	70.000%
Ben–Zey/Host Lottery JV	Florida	USA	Usd	–	–	40.000%
Host D&D St. Louis Airport Joint Venture	Missouri	USA	Usd	–	–	75.000%
East Terminal Chili's Joint Venture	Missouri	USA	Usd	–	–	55.000%
Host–Chelsea Joint Venture #2	Texas	USA	Usd	–	–	75.000%
Host/LJA Joint Venture	Missouri	USA	Usd	–	–	85.000%
Host/NCM Atlanta E Joint Venture	Atlanta	USA	Usd	–	–	75.000%
Houston 8/Host Joint Venture	Texas	USA	Usd	–	–	60.000%
Host–Houston 8 San Antonio Joint Venture	Texas	USA	Usd	–	–	63.000%
Seattle Restaurant Associates	Washington	USA	Usd	–	–	70.000%
Bay Area Restaurant Group	California	USA	Usd	–	–	49.000%

Company name	Registered office	Country	Currency	Share/Quota Capital	% owned 31.12.2011 Directly	Indirectly
Islip Airport Joint Venture	New York	USA	Usd	–	–	50.000%
Host–Prose Joint Venture II	Virginia	USA	Usd	–	–	70.000%
HMS Host/Coffee Partners Joint Venture	Texas	USA	Usd	–	–	50.010%
Host–Grant Park Chili's Joint Venture	Arizona	USA	Usd	–	–	60.000%
Host/JV Ventures McCarran Joint Venture	Nevada	USA	Usd	–	–	60.000%
Airside e Joint Venture	Florida	USA	Usd	–	–	50.000%
Host–CJ & Havana Joint Venture	California	USA	Usd	–	–	70.000%
Host/Howell–Mickens Joint Venture	Texas	USA	Usd	–	–	65.000%
Host/JQ RDU Joint Venture	North Carolina	USA	Usd	–	–	75.000%
Miami Airport Retail Partners Joint Venture	Florida	USA	Usd	–	–	70.000%
Host of Santa Ana Joint Venture Company	California	USA	Usd	–	–	75.000%
HMS–D/FW Airport Joint Venture	Texas	USA	Usd	–	–	65.000%
HMS–D/FW Airport Joint Venture II	Texas	USA	Usd	–	–	75.000%
Host–Prose Joint Venture III	Virginia	USA	Usd	–	–	51.000%
Host Adevco Joint Venture	Arkansas	USA	Usd	–	–	70.000%
HMSHost Shellis Trans Air Joint Venture	Atlanta	USA	Usd	–	–	60.000%
Host PJJD Jacksonville Joint Venture	Florida	USA	Usd	–	–	51.000%
Host/JQ Raleigh Durham	North Carolina	USA	Usd	–	–	75.000%
Host–Chelsea Joint Venture #4	Texas	USA	Usd	–	–	63.000%
Host–Houston 8 Terminal E, LLC	Texas	USA	Usd	–	–	60.000%
Host CTI Denver Airport Joint Venture	Colorado	USA	Usd	–	–	90.000%
Host International (Poland) Sp.zo.o. (in liquidation)	Poland	Poland	Pln	–	–	100.000%
Host Shellis Atlanta JV	Atlanta	USA	Usd	–	–	70.000%
RDU A&W JV–Anton	North Carolina	USA	Usd	–	–	100.000%
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	China	Cny	–	–	100.000%
Host/Howell – Mickens Joint Venture III	Texas	USA	Usd	–	–	51.000%
Host–Chelsea Joint Venture #3	Texas	USA	Usd	–	–	63.800%
Joint ventures:						
Alpha ASD Ltd.	London	United Kingdom	Gbp	20,000	–	50.000%
Caresquick N.V.	Brussels	Belgium	Eur	3,300,000	–	50.000%
Associates:						
Dewina Host Sdn Bhd	Kuala Lumpur	Malaysia	Myr	–	–	49.000%
TGIF National Airport Restaurant Joint Venture	Texas	USA	Usd	–	–	25.000%
HKSC Developments L.P. (Projecto)	Winnipeg	Canada	Cad	–	–	49.000%
HKSC Opco L.P. (Opco)	Winnipeg	Canada	Cad	–	–	49.000%
Souk al Mouhajir S.A. (in liquidation)	Tangiers	Marocco	Dhs	6,500,000	–	35.840%
Creuers del Port de Barcelona S.A.	Barcelona	Spain	Eur	3,005,061	–	23.000%

Certification by the CEO and Financial Reporting Officer

CERTIFICATION
of 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 Financial Reporting Officer 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, 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 2011.

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)** provide 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 2012

Gianmario Tondato Da Ruos	Alberto De Vecchi
Chief Executive Officer	Financial Reporting Officer

Independent Auditors' Report

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

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Telefax +39 02 67632445
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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 2011, 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 30 March 2011 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 2011 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 2011, 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

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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 consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2011.

Milan, 21 March 2012

KPMG S.p.A.

(signed on the original)

Giovanni Rebay
Director of Audit

Board of Statutory Auditors' Report

Dear Shareholders,

During the year ended 31 December 2011 we performed the supervisory activities required by law, following the rules of conduct for statutory auditors endorsed by the Italian Accounting Profession and taking account of the recommendations provided by Consob in Circular 1025564 of 6 April 2001 and similar communications.

We confirm that we have:

- attended the annual general meeting of the shareholders and all meetings of the Board of Directors held during the year, and obtained periodic information from the directors on their activities and on the most significant transactions carried out by Autogrill S.p.A. and its subsidiaries;
- stayed informed of and supervised the company's and its subsidiaries' activities, including as envisaged by art. 151 of Legislative Decree 58/1998 (the Consolidated Finance Act), within the scope of our remit. The information in question was gathered through audits and directly from the chief executive officer and department heads, through attendance at the meetings of the Internal Control and Corporate Governance Committee, and by sharing information with the external auditors KPMG S.p.A.;
- arranged meetings with the top representatives of the various corporate functions to ensure that the initiatives being followed were geared not only toward achieving business objectives but also toward improving the internal control system;
- verified the adequacy of the administrative–accounting system and its ability to represent performance correctly, including by examining the findings of the external auditors, who informed us during the year of their inspections and reported no irregularities;
- received from Board of Directors, by the deadlines set by law, the 2011 Half–Year Financial Report and the Interim Management Statements at 31 March and 30 September 2011;
- been informed by the directors regarding the accounting policies used to prepare the 2011 financial statements;
- verified that, in respect of art. 36 of Consob's Market Regulations, the procedures adopted by the company ensure compliance with applicable law;
- ensured that the procedures for related party transactions adopted by the Board of Directors on 29 November 2010 comply with the standards laid down in Consob Regulation 17221/2010 and that they were effectively implemented.

Again with reference to the aforementioned Consob circular, we provide the following information and statements:

a) the transactions of economic and financial significance carried out by the company comply with the by–laws and with pertinent legislation. On the basis of information at our disposal we were able to determine that such transactions were not manifestly imprudent, hazardous, or otherwise liable to comprise the company's financial soundness;

b) we have found no atypical and/or unusual transactions carried out during the year. The Directors' Report and the notes provide information on the characteristics and economic effects of the main transactions with third parties, related parties and other Group companies. No transactions were found to not be in the Company's best interest;

c) the report of the external auditors KPMG S.p.A. on Autogrill S.p.A.'s separate financial statements at 31 December 2011, issued on 20 March 2012, contains no findings of note. KPMG's report on the Autogrill Group's 2011 consolidated financial statements, issued on the same date, also contains no findings of note;

d) in 2011 the Board of Statutory Auditors received no complaints pursuant to art. 2408 of the Italian Civil Code;

e) in 2011 the Board of Statutory Auditors received no statements or exposés;

f) concerning the independence of the external auditors, we were informed that in 2011 KPMG S.p.A. conducted a limited audit of the Sustainability Report for fees of € 100,800, checked the Company's tax returns as required by law for fees of € 7,500, reviewed the consideration due to landlords in accordance with the relevant contracts for fees of € 23,000, and provided other certification services for fees of € 16,000;
g) the external auditors informed us that the subsidiaries of Autogrill S.p.A. have hired members of KPMG's network for assignments other than auditing the financial statements, as reported in the notes;
h) we have received confirmation of the independence of the firm hired for compulsory accounts auditing pursuant to art. 17(9)(a) of Legislative Decree 39/2010, and no situations or circumstances have come to light that would disqualify that firm or compromise its independence;
i) the external auditors have 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;
l) in 2011 the Board of Statutory Auditors issued the opinions called for by law;
m) 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;
n) in accordance with the company's organisational and management model for the prevention of legal offences envisaged by Legislative Decree 231 of 8 June 2001 regarding corporate liability for crimes committed by employees and other staff, Autogrill S.p.A., through the Supervisory Board set up for this purpose, monitored the processes and procedures designed to prevent such offences. The Board of Statutory Auditors was informed in communications addressed to itself and to the Board of Directors;
o) in 2011 there were 11 meetings of the Board of Directors and 11 meetings of the Internal Control and Corporate Governance Committee. There were also 12 meetings of the Board of Statutory Auditors;
p) we have no comments to make on the company's observance of sound management principles, which appear to have been constantly followed and geared toward the company's best interests;
q) in 2011 the company continued to take any steps needed to adapt its organisational structure, as well as to strengthen its risk management and control though the work of the Risk Management division and the Group's Internal Audit department;
r) we verified that, in accordance with art. 114(2) of Legislative Decree 58/1998, the company gave its subsidiaries sufficient instruction for the prompt receipt of the information needed to meet the reporting requirements mandated by law;
s) we have no observations to make regarding contacts with the corresponding bodies of the company's subsidiaries;
t) during regular meetings between the Board of Statutory Auditors and the external auditors, pursuant to art. 150(3) of the Consolidated Finance Act, no circumstances were noted that are worthy of mention in this report;
u) the company continued to improve and implement the rules of corporate governance in accordance with the Corporate Governance Code published by Borsa Italiana in March 2006, which the company adopted by resolution of the Board of Directors on 19 December 2006. Compliance with the code was verified by us and is the subject of the Autogrill Group's 2011 Corporate Governance Report, which is available in the required forms;
v) 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 our own continued independence, according to the provisions of that Code;
z) the statutory auditors confirm that both the separate and the consolidated financial statements have been prepared according to the IFRS published by the IASB and endorsed by the European Union, as required by EC Regulation 1606 of 19 July 2002 and by Legislative Decree 38/2005. Those financial statements, and in particular the accompanying notes, contain the information required by Consob Circular no. 6064293 of 28 July 2006 and by Banca d'Italia/Consob/ISVAP Document no. 4 of 3 March 2010. Periodic accounting control and auditing of the separate and consolidated

financial statements was assigned to the external auditors KPMG S.p.A. The assignment granted by the shareholders on 27 April 2006 for the six year period 2006–2011 was extended, in accordance with the law, for the three year period 2012–2014 resulting in a total nine year assignment of 9 in accordance with art. 17 of Legislative Decree 39/2010. During the year the external auditors verified that the books were kept correctly, that transactions were properly entered in the accounting records, and that the accounting records correspond to the financial statements for the year ended 31 December 2011; the financial reporting officer and the chief executive officer have issued the statements and certifications required by law. The Board of Statutory Auditors in any case monitored the general layout of the financial statements, their compliance with the law and their observance of applicable regulations. The notes to the financial statements specify the accounting policies used and provide all information required by law; the Directors' Report describes the company's performance, current situation and outlook, as well as the Group's development and reorganisation, including information on credit, market, liquidity, and operational risks.

During the course of our audit work, as described above, no matters arose that might have required reporting to the authorities or mention in this report.

In conclusion, we certify that in the course of our work we found no omissions, inappropriate conduct or irregularities to report to the shareholders.

Within the scope of our mandate, we also assent to approval of the 2011 financial statements accompanied by the Directors' Report as presented by the Board of Directors, and to the directors' recommended allocation of the profit for the year.

Milan, 21 March 2012

The Board of Statutory Auditors

Luigi Biscozzi
Eugenio Colucci
Ettore Maria Tosi

Autogrill S.p.A.

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Co–ordination
zero3zero9 – Milan

Design
Inarea – Rome

Layouts
t&t – Milan

Printing
Grafiche Antiga S.p.A. (Crocetta del Montello - Italy)
Printed on environmentally low-impact, sustainable paper
Arcoprint EW FSC – Cartiera Fedrigoni

MISTO
Carta da fonti gestite in maniera responsabile
FSC® C008309

Printed on May 2012

Autogrill S.p.A. 2011 Annual Report

www.autogrill.com