

# Autogrill Group

## 2013 Annual Report



# Highlights

**30** countries over **1,000** locations

more than **4,500** stores **55,000** employees

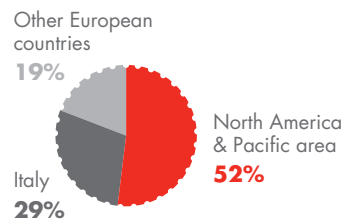


**✈️ 142** airports **🛣️ 759** motorways **🚆 56** railway stations

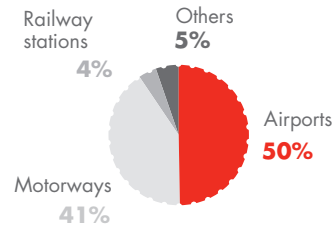
**🏛️ 96** towns, malls, exhibitions and cultural sites

2013 revenues: € **3.9** bn

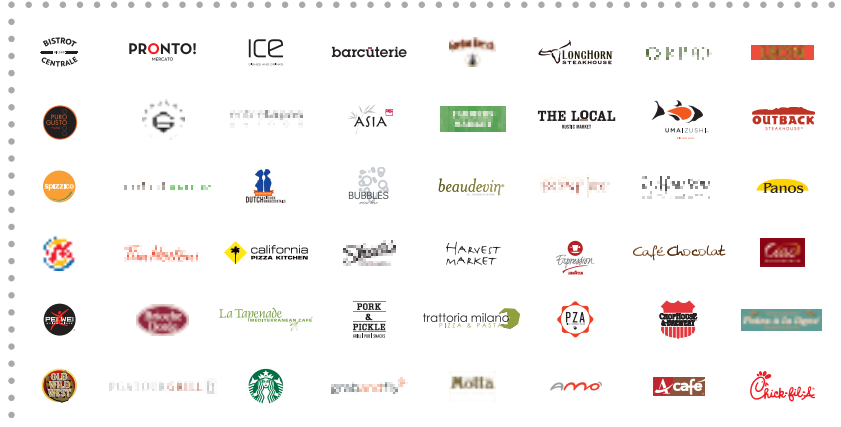
## Revenues by geographical area



## Revenues by channel



Over **250** brands



# Autogrill Group

## 2013 Annual Report

Translation from the Italian original which remains the definitive version



Gilberto Benetton

Chairman





# Chairman's message

Dear Shareholders,

We achieved important objectives of various kinds in 2013, the foremost regarding the main strategic event of the year: the proportional partial demerger of Autogrill S.p.A. in favour of WDF S.p.A.

The demerger enabled us to offer the stock market two distinct investment opportunities, both leaders in their sectors, Travel Retail and Food & Beverage.

The shareholders have valued our decision, which has on the one hand made for the better understanding and independent assessment of the strategies adopted by the two businesses and, on the other, prepared the ground for possible industrial mergers in the businesses' respective markets.

Mobility at a global level continues to show interesting trends, especially in the airport channel, which is seeing constant growth in passenger numbers worldwide. This is therefore the most promising channel for the Group, which will concentrate its efforts here to exploit the best growth opportunities.

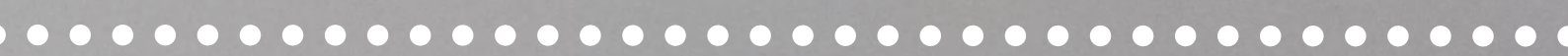
Our ambition is to look to the future respecting all cultures, and generating a constant stream of new formulas to add value by reconciling quality and efficiency, tradition and innovation, development and environmental sustainability.

Satisfying travellers' needs is the mission with which our Company started out over 35 years ago, a mission that's always in line with the times and that now more than ever is at the heart of our business.

Gianmario  
Tondato Da Ruos

CEO





# Letter from the CEO

Dear Stakeholders,

As a result of the demerger we are now totally focussed on the Food & Beverage business and have defined our growth strategy along three lines: renewal of the offering, expansion into new geographies and repositioning of business channels.

With respect to the renewal of the offering, we are concentrating on the design of new commercial concepts and the stipulation of agreements with the brands that are most innovative and in line with the increasingly diversified needs of our customers. These actions have helped further raise international awareness of our Group. In the near future our points of sale will be rolling out commercial formats widely different in design, types of products and service. This process, which begun only recently, is already bearing fruit.

Regarding the geographical diversification of our business, we have continued to develop in countries with high growth rates by entering Vietnam and Indonesia and extending operations in the Middle East, thanks also to securing a concession at Abu Dhabi Airport.

We are convinced that these developments will contribute to the overall growth of our business in the airport channel. The Group is also looking with interest at significant opportunities in railway stations, revitalized by the spreading of high-speed networks, where travellers exhibit spending patterns more similar to those found at airports.



# Company bodies



## Board of Directors<sup>1</sup>

Chairman <sup>2,3</sup>	Gilberto Benetton
CEO <sup>2,3,4</sup>	Gianmario Tondato Da Ruos <sup>E</sup>
Directors	Tommaso Barracco <sup>5,1</sup> Alessandro Benetton Arnaldo Camuffo <sup>8,1</sup> Carolyn Dittmeier <sup>12</sup> Massimo Fasanella d'Amore di Ruffano <sup>9,1</sup> Francesco Giavazzi <sup>13,1</sup> Marco Jesi <sup>5,1</sup> Alfredo Malguzzi <sup>7,8,1,1</sup> Marco Mangiagalli <sup>6,7,1</sup> Gianni Mion <sup>5,1</sup> Stefano Orlando <sup>6,7,1</sup> Paolo Roverato <sup>6,8</sup>
Secretary	Paola Bottero

## Board of Statutory Auditors<sup>9</sup>

Chairman	Marco Rigotti <sup>10</sup>
Standing auditor	Luigi Biscozzi <sup>10</sup>
Standing auditor	Eugenio Colucci <sup>10</sup>
Alternate auditor	Giuseppe Angiolini
Alternate auditor	Pierumberto Spanò
Independent auditors <sup>11</sup>	KPMG S.p.A.

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



# Contents

<b>1.</b>	<b>Directors' report</b>	<b>11</b>
1.1	The Autogrill Group	13
1.2	Group performance	18
1.2.1	General business context	19
1.2.2	Highlights	20
1.2.3	Financial position	25
1.3	Business segments	28
1.4	Performance in the fourth quarter of 2013	34
1.5	Discontinued operations - demerger (Travel Retail & Duty Free)	36
1.6	Outlook	40
1.7	Other information	42
1.7.1	Corporate social responsibility	42
1.7.2	Main risks and uncertainties faced by the Autogrill Group	44
1.7.3	Corporate governance	47
1.7.4	Management and coordination	47
1.7.5	Related party transactions	47
1.7.6	Statement pursuant to art. 2.6.2(8) of the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A.	48
1.7.7	Research and development	48
1.7.8	Treasury shares	48
1.7.9	Significant non-recurring events and transactions	49
1.7.10	Atypical or unusual transactions	49
1.7.11	Information pursuant to arts. 70 and 71 of Consob Regulation no. 11971/1999	49
1.7.12	Reconciliation between parent and consolidated equity	49
<b>2.</b>	<b>Consolidated financial statements</b>	<b>51</b>
2.1	Consolidated financial statements	52
2.1.1	Statement of financial position	52
2.1.2	Income statement	53
2.1.3	Statement of comprehensive income	54
2.1.4	Statement of changes in equity	55
2.1.5	Statement of cash flows	57
2.2	Notes to the consolidated financial statements	59
	Annexes	147
	List of consolidated companies and other investments	147
	Certification by the CEO and financial reporting officer	152
	Independent Auditors' Report	153



# 1. Directors' report



### Definitions and symbols

**Exchange rates:** more than half the Group's operations are located in countries which use a non-euro currency, primarily the United States of America, the United Kingdom, Canada and Switzerland. Due to the local nature of the business, in each country revenue is generally expressed in the same currency as costs and investments. The Group also has a currency risk management policy, financing most of its net assets in the principal non-euro currencies with debt in the same currency, or entering into currency hedges that achieve the same effect. However, this does not neutralize the impact of exchange rate fluctuations when translating individual financial statement items. In comparisons with prior-year figures, the phrase "at constant exchange rates" may also be used, to signify the increase or decrease that would have occurred had the comparative figures of consolidated companies with functional currencies other than the euro been calculated at the same exchange rates employed for the period under review.

**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 consolidated financial statements, as supplemented by the notes thereto. Because it is not defined in the IFRS, it could differ from and therefore not be comparable with EBITDA reported by other companies.

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

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

**Symbols:** unless otherwise specified, amounts in the Directors' report are expressed in millions of euros (€m), millions of US dollars (\$m), or millions of British pounds (£m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k, \$k and £k).

Where figures have been rounded to the nearest million, changes and ratios are calculated using figures extended to thousands for the sake of greater accuracy.

# 1.1 The Autogrill Group

Autogrill is the world's leading provider of Food & Beverage services for travelers. Present in 30 countries with a workforce of about 55,000, it manages more than 4,500 points of sale in over 1,000 locations. It operates mainly through concessions: at airports and railway stations, along motorways, on high streets and at shopping centers, trade fairs and cultural attractions.

With its operations in North America, Italy and other European countries such as France, Belgium, Switzerland and Germany, Autogrill is now the world's largest provider of Food & Beverage services under concession.

The Group offers to its customers a highly varied selection, including both proprietary products and concepts (such as Ciao, Bistro, Bubbles, Beaudevin and La Tapenade) and third-party concepts and brands. The latter include local brands as well as names recognized around the world (Starbucks Coffee, Burger King, Brioche Dorée, etc.). The Group manages a portfolio of more than 250 brands, directly or under license.

Between 2005 and 2008 the Group diversified into the Travel Retail & Duty Free business through a series of acquisitions (Aldeasa, Alpha and World Duty Free) that were then integrated with each other in the following years.

On 6 June 2013 the shareholders' meetings of Autogrill S.p.A. and World Duty Free S.p.A. ("WDF S.p.A."), company set up by Autogrill S.p.A. on 27 March 2013, approved a proportional partial demerger by which Autogrill S.p.A. assigned to WDF S.p.A. the portion of its equity relating to the Autogrill Group's Travel Retail & Duty Free operations. As a result of the demerger, effective since 1 October 2013, the two groups operate in a separate and independent way.

## Strategy

The Group's strategy in the Food & Beverage business is to ensure steady growth in value through expansion and diversification into different geographical areas and channels, constant product and concept innovation, and the improvement of service with a view to increasing the satisfaction of customers and concession grantors.

In the airport and railway station channel, growth will be pursued in countries where the Group is already active, as well as in new ones with good potential for an increase in traffic. In the motorway channel, efforts will be more selective, given the limited growth potential in developed countries and the extensive investments needed to penetrate new markets.

The Group judges how well it is achieving its objectives by monitoring the growth of sales and cash generation, both current and prospective, earned through the acquisition and management of a broad, diversified portfolio of concessions with strategically balanced durations.

Menus are kept up-to-date through the development of new concepts and the ongoing review of partner brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio.



The Group is committed to simplifying organizational charts and business processes and to enhancing operating efficiency and investments, efforts that are constantly monitored so as to free up financial and managerial resources that can better be devoted to growth.

Maintaining a well-balanced financial structure is crucial to the Group's objectives. Any opportunities for growth by accretion will be assessed for consistency with strategic objectives (in terms of areas and channels served) and financial sustainability.












## Autogrill around the world

The Autogrill Group is active in 30 countries.



Proprietary brands



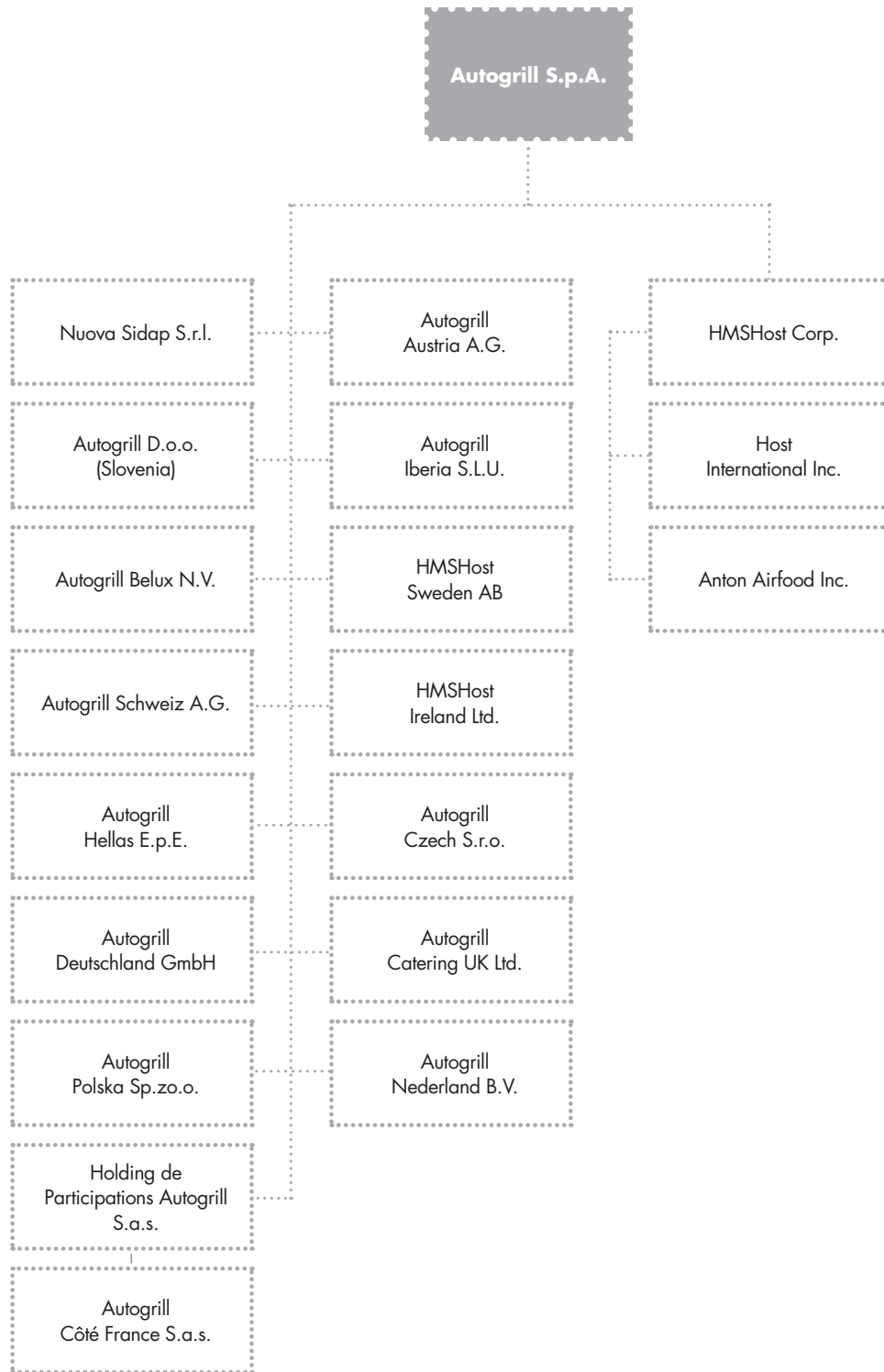


**Licensed brands**



Location by channel	North America and the Pacific Area	Italy	Other countries	Total
Airports	102	11	29	142
Motorways	99	443	217	759
Railway stations	-	18	38	56
Malls	8	43	10	61
Others	-	31	4	35
<b>Total</b>	<b>209</b>	<b>546</b>	<b>298</b>	<b>1,053</b>

## Simplified Group structure<sup>1</sup>

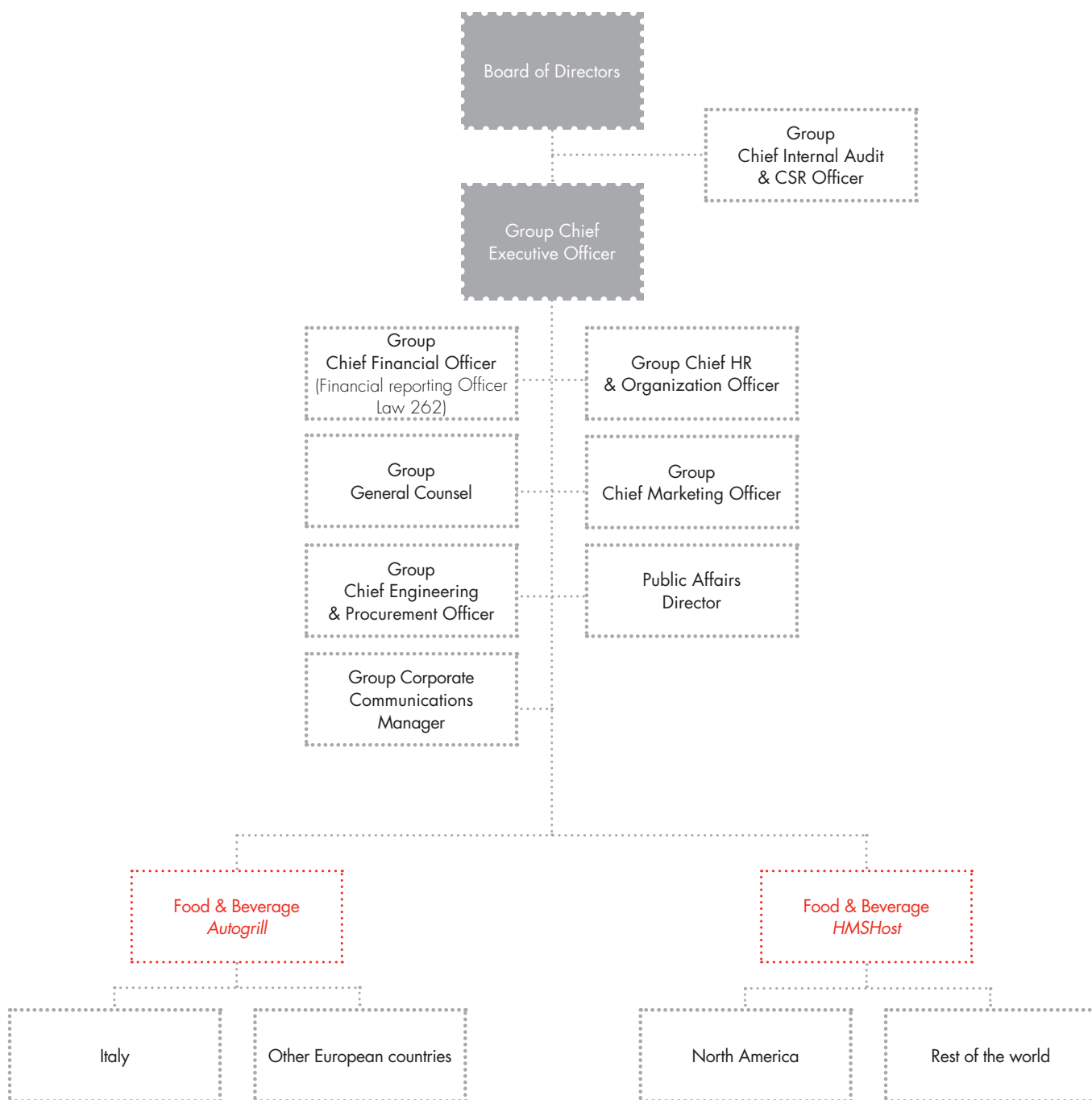


1. Where not otherwise specified, all companies are wholly owned. See the annexes to the Notes for a complete list of equity investments  
 Company names as of March 2014

## Organizational structure<sup>2</sup>

The Group is structured in business units, which manage operational levers according to objectives

and guidelines defined by the corporate executives of Autogrill S.p.A.



2. Organizational structure as of March 2014



1.2 Group

# performance

## 1.2.1 General business context

### 1.2.1.1 The air transport industry and the trend in airport traffic

In 2013 passenger traffic at worldwide airports grew by 3.9%, thanks especially to a 5.2% increase in the international component. Despite the relatively limited economic recovery and the high cost fuel (whose price rose by 4.1%<sup>3</sup> in 2013), the rise in air transport – especially in emerging countries – allowed the related industry to achieve healthy growth<sup>4</sup>.

Of the 4.3 billion passengers worldwide, the OECD<sup>5</sup> countries made up around 60% of the total, with Europe and North America each contributing about 30%. Asia and the Pacific contribute roughly 25% of total passengers<sup>6</sup>.

In 2013, passengers in North America numbered 1.2 billion, an increase of 1.3% on the previous year. Slower growth with respect to the global context reflects the preponderance in this area of domestic traffic, whose growth in 2013 (+0.6%<sup>5</sup>) was less dynamic than international traffic (+4.1%<sup>5</sup> with respect to 2012).

In Europe there were around 1.3 billion passengers, an increase of 2.6% on the previous year, thanks to the solid growth in international traffic (+3.6%<sup>5</sup>).

Asia, with about 1.1 billion passengers, made a strong contribution to worldwide traffic growth with an increase of 7.2%<sup>5</sup>.

In South America, traffic was up by 4.8%<sup>5</sup> to about 350 million passengers, while the Middle East (166 million passengers) showed a 10.1% increase thanks to record growth in international traffic at airports like Dubai and Abu Dhabi<sup>5</sup>.

The favorable context in terms of passenger volumes was reflected in a 5.2% increase in revenue generated by the air transport sector, which amounted to \$ 566 billion for the year.

### 1.2.1.2 The trend in motorway traffic

In Italy, the Group's largest motorway market, traffic decreased by a total of 1.7%, with heavy traffic showing the worst performance (-2.3%) due to the ongoing economic difficulties. Light traffic declined by 1.5%<sup>7</sup>.

In the United States, traffic from January to December showed a relatively minor decrease (-0.2%) with respect to the previous year<sup>8</sup>.

3. Source: BLOOMBERG, Crude Oil WT

4. Source: IATA - Industry Financial Forecast, December 2013

5. OECD countries excluding Japan

6. Source: ACI PaxFlash and FreightFlash, December 2013

7. Source: AISCAT, December 2013

8. Source: Federal Highway Administration (FHWA)

## 1.2.2 Highlights

Due to the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A. with effect from 1 October 2013, the profit of the Travel Retail & Duty Free business for the first nine months of the year, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations," is presented on a single line of the consolidated

income statement ("Net profit from discontinued operations [demerger]") below the result from continuing operations. The figures in the table below, where not otherwise specified, refer to Food & Beverage only (continuing operations) and do not include the Travel Retail & Duty Free segment.

(€m)	2013	2012	Change	
			2012	At constant exchange rates
Revenue	3,984.8	4,075.6	(2.2%)	(0.3%)
EBITDA	314.0	327.6	(4.1%)	(1.9%)
EBITDA margin	7.9%	8.0%		
EBIT	88.3	102.2	(13.7%)	(10.3%)
EBIT margin	2.2%	2.5%		
Profit for the year	8.3	7.4	12.1%	58.7%
% of revenue	0.2%	0.2%		
Profit from discontinued operations	91.1	102.8	(11.4%)	(8.8%)
Profit attributable to owners of the parent	87.9	96.8	(9.2%)	(4.4%)
Earnings per share (€ cents) *				
- basic	34.7	38.2		
- diluted	34.6	38.2		
Net cash flows from operating activities	148.1	230.7		
Net investment	162.6	252.6	(35.6%)	(33.8%)
% of net sales	4.1%	6.2%		

\* Includes Net profit from discontinued operations [demerger]

(€m)	31.12.2013	31.12.2012	Change	
			31.12.2012	At constant exchange rates
Net invested capital	1,117.5	1,149.0	(31.5)	6.2
Net financial position	672.7	933.2	(260.4)	(238.1)

## Condensed consolidated income statement<sup>9</sup>

Due to the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A. effective 1 October 2013, the profit of the Travel Retail & Duty Free business is shown separately on the line "Net profit from discontinued operations [demerger]" both for 2013 (first nine months) and 2012, in accordance with IFRS 5 "Non-current

Assets Held for Sale and Discontinued Operations".

Unless otherwise stated, the Group's results refer to the Food & Beverage and Corporate segment only. See the section "Discontinued operations - demerger" for a description of the performance of the Travel Retail & Duty Free business.

(€m)	2013	% of revenue	2012	% of revenue	Change	
					2012	At constant exchange rates
Revenue	3,984.8	100.0%	4,075.6	100.0%	(2.2%)	(0.3%)
Other operating income	146.3	3.7%	125.3	3.1%	16.8%	17.0%
<b>Total revenue and other operating income</b>	<b>4,131.1</b>	<b>103.7%</b>	<b>4,200.9</b>	<b>103.1%</b>	<b>(1.7%)</b>	<b>0.2%</b>
Raw materials, supplies and goods	(1,331.4)	33.4%	(1,366.2)	33.5%	(2.6%)	(1.1%)
Personnel expense	(1,318.2)	33.1%	(1,331.8)	32.7%	(1.0%)	0.8%
Leases, rentals, concessions and royalties	(677.4)	17.0%	(679.5)	16.7%	(0.3%)	1.6%
Other operating expense	(490.2)	12.3%	(495.7)	12.2%	(1.1%)	0.5%
<b>EBITDA</b>	<b>314.0</b>	<b>7.9%</b>	<b>327.6</b>	<b>8.0%</b>	<b>(4.1%)</b>	<b>(1.9%)</b>
Depreciation, amortization and impairment losses	(225.8)	5.7%	(208.7)	5.1%	8.2%	10.1%
Impairment losses on goodwill	-	-	(16.7)	0.4%	(100.0%)	(100.0%)
<b>EBIT</b>	<b>88.3</b>	<b>2.2%</b>	<b>102.2</b>	<b>2.5%</b>	<b>(13.7%)</b>	<b>(10.3%)</b>
Net financial expense	(50.5)	1.3%	(71.1)	1.7%	(29.0%)	(28.4%)
Impairment losses on financial assets	(2.4)	0.1%	(2.2)	0.1%	8.8%	12.4%
<b>Pre-tax profit</b>	<b>35.4</b>	<b>0.9%</b>	<b>28.9</b>	<b>0.7%</b>	<b>22.4%</b>	<b>37.0%</b>
Income tax	(27.1)	0.7%	(21.5)	0.5%	25.9%	31.5%
<b>Profit from continuing operations</b>	<b>8.3</b>	<b>0.2%</b>	<b>7.4</b>	<b>0.2%</b>	<b>12.1%</b>	<b>58.7%</b>
Profit from discontinued operations (demerger)	91.1	2.3%	102.8	2.5%	(11.4%)	(8.8%)
<b>Profit for the year attributable to:</b>	<b>99.4</b>	<b>2.5%</b>	<b>110.3</b>	<b>2.7%</b>	<b>(9.9%)</b>	<b>(5.4%)</b>
- owners of the parent	87.9	2.2%	96.8	2.4%	(9.2%)	(4.4%)
- non-controlling interests	11.5	0.3%	13.5	0.3%	(14.7%)	(12.6%)

9. "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated 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 management's protocol for the analysis of Group figures. This revenue came to € 561.1m in 2013 (€ 609.2m in 2012) and the cost to € 542.7m (€ 588.5m the previous year)

### Revenue

The Group closed 2013 with consolidated revenue of € 3,984.8m, a decrease of 0.3% (-2.2% at current exchange rates) compared with the previous year's revenue of € 4,075.6m.

Revenue was on the rise in North America, sustained by the positive traffic trend, which led to an increase in the number of transactions and

in the average purchase per customer. In Europe, revenue went down as the negative trend in Italy – still suffering from a recession that is holding back traffic and consumer spending – offset the positive contribution from other countries, in particular Belgium, Germany and the UK.

Sales by channel are detailed below:

(€m)	2013	2012	Change	
			2012	At constant exchange rates
Airports	1,989.6	2,020.6	(1.5%)	1.5%
Motorways	1,629.9	1,666.1	(2.2%)	(1.3%)
Railway stations	157.8	153.1	3.0%	3.3%
Other	207.6	235.7	(11.9%)	(11.2%)
<b>Total</b>	<b>3,984.8</b>	<b>4,075.6</b>	<b>(2.2%)</b>	<b>(0.3%)</b>

The upturn in passenger traffic sustained the healthy performance of airports, where revenue increased by 1.5%<sup>10</sup>. Although lower than like-for-like growth due to the sale of the North American travel retail business in the fourth quarter of 2013 to World Duty Free Group and Autogrill's departure from some locations in the United States, overall growth in this channel and expansion at railway stations compensated for much of the weakness in the motorway channel and the steep decline in sales at other locations (high streets, trade fairs and shopping centres), many of which are no longer operated by the Group.

### EBITDA

Consolidated EBITDA in 2013 amounted to € 314.0m, a decrease of 1.9% (-4.1% at current exchange rates) compared with the previous year's € 327.6m, and went from 8% of revenue in 2012 to 7.9% this year.

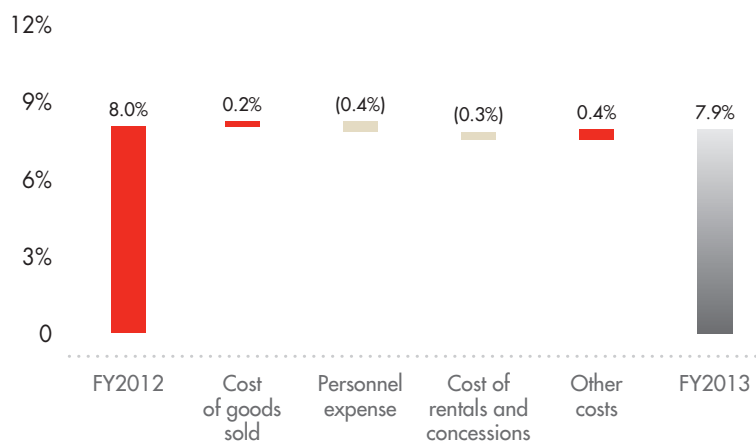
Excluding non-recurring components<sup>11</sup> and the contribution of the US Retail division (sold in the fourth quarter of 2013) to results for the fourth quarter of 2012, EBITDA would have decreased by 3.1% (-5.3% at current exchange rates) and amounted to 7.9% of revenue; the change stems mainly from the rigidity of fixed costs for rent and labour, in the face of declining sales in Europe.

10. -1.5% at current exchange rates

11. 2013: net non-recurring expense of € 2.3m (€ 11.6m in reorganization costs, € 4.5m in demerger costs and € 13.8m in non-recurring income); 2012: € 9.6m in reorganization costs



## Change in Food & Beverage EBITDA margin



### Corporate costs

Corporate costs in 2013 amounted to € 33.7m (€ 28.5m the previous year), increasing due to the centralization of some strategic functions and the costs incurred for the demerger of the Travel Retail & Duty Free business (€ 4.5m).

### Depreciation, amortization and impairment losses

These came to € 225.8m, up from € 208.7m in 2012 (+10.1%)<sup>12</sup>. The change results from greater amortization and depreciation in Italy and North America and from an increase in impairment losses on property, plant and equipment and intangible assets (from € 7.4m in 2012 to € 15.7m).

### Impairment losses on goodwill

There was no goodwill impairment in 2013, while in 2012 impairment losses of € 16.7m were recognised on the goodwill on Spanish Food & Beverage operations.

### Net financial expense

Net financial expense in 2013 came to € 50.5m, down from € 71.1m the previous year, due mainly to the fact that the amortization of interest rate hedging instruments was no longer a factor as such instruments were cancelled ahead of their original maturity (March 2013) during the debt refinancing of July 2011. Also contributing were the reduction in debt (thanks in part to the demerger, which brought in a dividend of € 220m from the Travel Retail & Duty Free business in April 2013) and the lower average cost of borrowing, which fell from 6.5% in 2012 to 5.4% due to the lower proportion of fixed-rate loans.

12. +8.2% at current exchange rates

### Income tax

Tax increased from € 21.5m in 2012 to € 27.1m. The tax charge for 2012 had benefited from an IRES (corporate income tax) refund in Italy of about € 12.5m, due to the recognition of the deductibility of IRAP (Italian regional business tax) pertaining to personnel expense for the years 2007-2011. The average tax rate, calculated excluding IRAP and CVAE<sup>13</sup> for both years (€ 9.2m in 2013 and € 10.5m in 2012), came to 50.4% in 2013 and 37.9% the previous year. The high tax rate in both years, compared with the theoretical rate, is explained primarily by the decision not to recognize deferred tax assets in Italy, due to the continued negative business performance in the country and the limited visibility as to when a recovery will occur.

### Profit from continuing operations (Food & Beverage)

In 2013 the profit from continuing operations was € 8.3m, a slight increase on the previous year's € 7.4m; the decline in operating performance and the higher tax charge were more than offset by the reduction in financial expense.

### Profit from discontinued operations (demerger) (Travel Retail & Duty Free)

Because of the demerger carried out on 1 October 2013, the Travel Retail & Duty Free business contributed to the Group's profit for nine months, as opposed to twelve months the previous year.

In the first nine months of 2013 the net profit for this segment came to € 91.1m, while for the twelve months of 2012 it amounted to € 102.8m (€ 100.5m net of € 2.3m in non-controlling interests).

See section 1.5, "Discontinued operations - demerger (Travel Retail & Duty Free)" for a description of the segment's performance.

### Profit for the year attributable to the owners of the parent

The 2013 profit attributable to the owners of the parent amounted to € 87.9m, down from € 96.8m in 2012, due mainly to the reduced contribution of the Travel Retail & Duty Free business for the reasons explained above. Non-controlling interests in profit for the year came to € 11.5m (€ 13.5m the previous year).

13. IRAP, which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense, came to € 7.4m in 2013 (€ 8.3m the previous year); CVAE, charged on French operations and calculated on the basis of revenue and value added, amounted to € 1.8m in 2013 (€ 2.2 m in 2012)

## 1.2.3 Financial position

### Reclassified consolidated statement of financial position<sup>14</sup>

Due to the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A. with effect from 1 October 2013, the assets and liabilities of the Travel Retail & Duty Free business are not included in the consolidated statement of financial position at

31 December 2013 and at 31 December 2012 are shown separately on the line "Discontinued operations (demerger)" in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

(€m)	31.12.2013	31.12.2012 *	Change	
			2012	At constant exchange rates
Intangible assets	811.1	845.0	(33.9)	(10.5)
Property, plants and equipment	782.5	870.7	(88.2)	(65.7)
Financial assets	22.0	14.5	7.5	8.3
<b>A) Non-current assets</b>	<b>1,615.6</b>	<b>1,730.2</b>	<b>(114.6)</b>	<b>(67.9)</b>
Inventories	106.1	114.6	(8.5)	(6.5)
Trade receivables	46.4	46.6	(0.3)	1.1
Other receivables	191.1	210.7	(19.6)	(16.7)
Trade payables	(396.2)	(440.1)	43.9	39.0
Other payables	(287.5)	(351.9)	64.5	56.5
<b>B) Working capital</b>	<b>(340.0)</b>	<b>(420.0)</b>	<b>80.0</b>	<b>73.4</b>
<b>C) Invested capital, less current liabilities</b>	<b>1,275.6</b>	<b>1,310.2</b>	<b>(34.6)</b>	<b>5.5</b>
<b>D) Other non-current non-financial assets and liabilities</b>	<b>(158.1)</b>	<b>(161.2)</b>	<b>3.1</b>	<b>0.7</b>
<b>E) Invested capital from continuing operations</b>	<b>1,117.5</b>	<b>1,149.0</b>	<b>(31.5)</b>	<b>6.2</b>
<b>F) Invested capital from discontinued operations (demerger)</b>	<b>(0.0)</b>	<b>598.2</b>	<b>(598.2)</b>	<b>(604.6)</b>
<b>G) Net invested capital</b>	<b>1,117.5</b>	<b>1,747.2</b>	<b>(629.7)</b>	<b>(598.3)</b>
Equity attributable to the owners of the parent	413.6	787.7	(374.1)	(364.8)
Equity attributable to non-controlling interests	31.2	26.4	4.8	4.6
<b>H) Equity</b>	<b>444.8</b>	<b>814.0</b>	<b>(369.3)</b>	<b>(360.2)</b>
Non-current financial liabilities	748.2	891.9	(143.7)	(163.2)
Non-current financial assets	(11.1)	(83.9)	72.7	72.7
<b>I) Non-current financial indebtedness</b>	<b>737.0</b>	<b>808.0</b>	<b>(71.0)</b>	<b>(90.5)</b>
Current financial liabilities	128.2	277.9	(149.7)	(149.7)
Cash and cash equivalents and current financial assets	(192.5)	(152.7)	(39.7)	(45.3)
<b>L) Current net financial indebtedness</b>	<b>(64.3)</b>	<b>125.2</b>	<b>(189.4)</b>	<b>(195.0)</b>
<b>Net financial position (I + L)</b>	<b>672.7</b>	<b>933.2</b>	<b>(260.4)</b>	<b>(238.1)</b>
<b>M) Total as in G)</b>	<b>1,117.5</b>	<b>1,747.2</b>	<b>(629.7)</b>	<b>(598.3)</b>

\* Figures have been adjusted since their original publication due to the application of the accounting standards IFRS 5 and IAS 19 revised as described in para 2.2.1 of the Notes

14. The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and notes, with the exception of "other receivables" and "other non-current non-financial assets and liabilities" which include deferred tax assets and liabilities (these are shown indistinctly under non-current assets in the consolidated statement of financial position)

Net invested capital at 31 December 2013 from continuing operations came to € 1,117.5m, down

from € 1,149.0m the previous year, due chiefly to the change in the euro/dollar exchange rate.

## Cash flow

(€m)	2013	2012
EBITDA	314.0	327.6
Change in net working capital	(87.9)	(17.3)
Other items	(1.9)	(2.8)
<b>Cash flows from operating activities</b>	<b>224.2</b>	<b>307.4</b>
Tax (paid)/refund	(33.9)	(34.8)
Net interest paid	(42.1)	(42.0)
<b>Net cash flows from operating activities</b>	<b>148.1</b>	<b>230.7</b>
Net Capex paid	(184.9)	(250.8)
Vietnam acquisition	(16.0)	-
Disposal of US Retail division	74.1	-
<b>Free operating cash flow</b>	<b>21.4</b>	<b>(20.2)</b>

In 2013 the Group generated free operating cash flow of € 21.4m, reversing the negative € 20.2m reported the previous year.

Two non-recurring events contributed to this result: the receipt of € 74.1m from the sale to World Duty Free Group of the majority<sup>15</sup> of the Travel Retail operations managed by HMSHost in North America, and the outlay of € 16.0m for the Group's debut in Vietnam, through the acquisition of a controlling interest in a company that manages Food & Beverage outlets at domestic and international airports.

Net of those transactions, free operating cash flow for 2013 would be a negative € 36.7m. This is explained mainly by the variation in net working capital, which in 2013 absorbed € 87.9m in cash (€ 17.3m the previous year), due especially to the decreased turnover in Italy and – to a lesser degree – the payment during the year of long-term incentives to managers.

Negative cash flow from investing activities (net of disposals) decreased to € 184.9m, from € 250.8m in 2012.

### Capital expenditure

Net capital expenditure<sup>16</sup> in 2013, mostly concerning the airport channel, came to € 162.6m (€ 252.6m the previous year). The decrease reflects the high concentration of investments in 2012, due to the acquisition of several new contracts at US airports.

15. More than 90% of those agreed

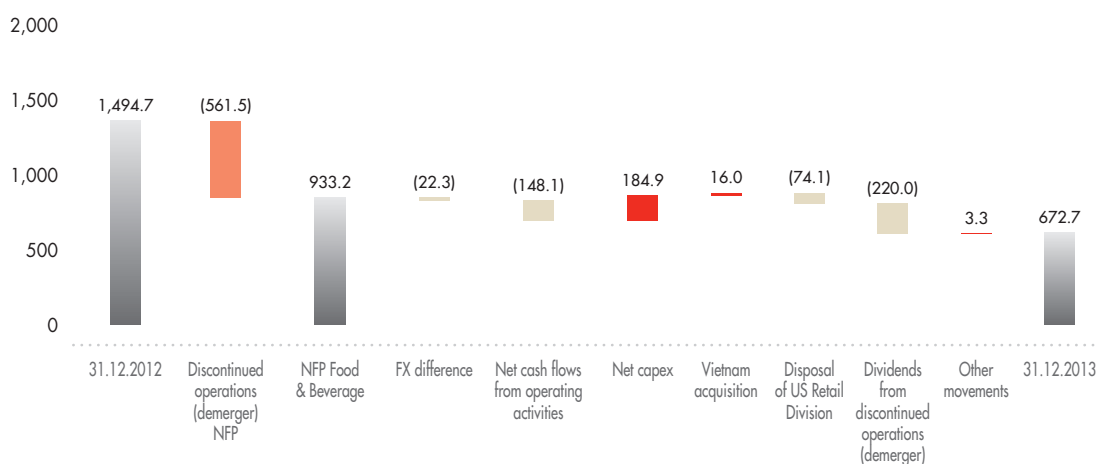
16. The amount of net investments consists of gross investments recognized for the year (€ 165.1m), net of proceeds from the sale of assets (€ 2.5m)

### Net financial position

The net financial position at 31 December 2013

was € 672.7m, down from € 933.2m the previous year.

### Change in net financial position (€m)



The main reason for the decrease in net financial indebtedness is the receipt of an extraordinary dividend of € 220m (paid by World Duty Free Group S.A.U. to Autogrill S.p.A. in relation to the demerger), as well as the sale of the North American travel retail operations to the World Duty Free Group for € 74.1m. Net cash flow from operating activities was completely absorbed by capital expenditure.

The fair value loss on interest rate hedging derivatives at 31 December 2013 was € -1.3m, compared with a fair value loss of € 3.2m at the close of 2012 (continuing operations).

At 31 December 2013, 52% of net financial indebtedness was denominated in US dollars and the rest in euros, while 62% was fixed-rate, including by way of interest rate swaps. In 2013 the weighted average cost of debt was 5.4%, down from 6.5% the previous year, thanks to the smaller proportion of fixed-rate loans. Debt consists mainly of committed non-current credit lines from banks and of long-term bonds (private placements). Loans had an average remaining life of four years and two months.

In 2013 the subsidiary HMSHost Corporation redeemed bonds issued in 2003 for \$ 266m, and subscribed to new bond loans for \$ 150m maturing in 2023 and for \$ 200m maturing from September 2020 to September 2025. Since 22 April 2013, further to agreements with its lenders, Autogrill S.p.A. has no longer been guarantor of the bonds issued by HMSHost Corporation. The subsidiary has also obtained a new revolving credit facility of \$ 300m maturing in March 2016, which is likewise not guaranteed by Autogrill S.p.A.

The Group's loan contracts and bond loans require it to uphold certain financial ratios. At 31 December 2013 all of these were amply satisfied.



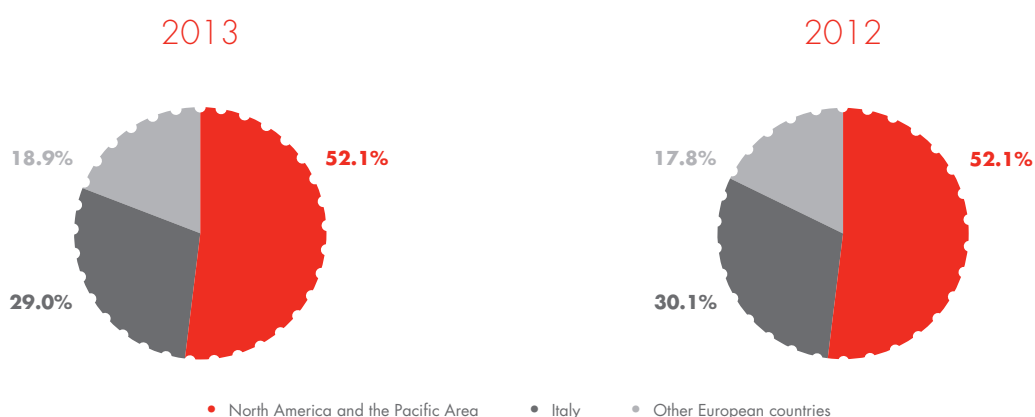
1.3 Business

## Revenue by geographical area

Revenue is broken down below by geographical area:

(€m)	2013	2012	Change	
			2012	At constant exchange rates
North America and the Pacific Area	2,077.7	2,124.9	(2.2%)	1.3%
Italy	1,154.1	1,227.8	(6.0%)	(6.0%)
Other European countries	753.0	723.0	4.2%	4.7%
<b>Total</b>	<b>3,984.8</b>	<b>4,075.6</b>	<b>(2.2%)</b>	<b>(0.3%)</b>

And here as a percentage of total revenue:



## EBITDA by geographical area

Below are the details of EBITDA by geographical area:

(€m)	2013	% of revenue	2012	% of revenue	Change	
					2012	At constant exchange rates
North America and the Pacific Area	225.5	10.9%	226.9	10.7%	(0.6%)	2.7%
Italy	73.2	6.3%	87.8	7.1%	(16.6%)	(16.6%)
Other European countries	49.0	6.5%	41.4	5.7%	18.1%	18.5%
<b>Total before Corporate costs</b>	<b>347.7</b>	<b>8.7%</b>	<b>356.1</b>	<b>8.7%</b>	<b>(2.4%)</b>	<b>(0.3%)</b>
Corporate costs	(33.7)	-	(28.5)	-	18.1%	18.1%
<b>Total</b>	<b>314.0</b>	<b>7.9%</b>	<b>327.6</b>	<b>8.0%</b>	<b>(4.1%)</b>	<b>(1.9%)</b>

# segments

## North America and the Pacific Area

In 2013, North America and the Pacific Area<sup>17</sup> generated sales revenue of \$ 2,759.3m, up from \$ 2,730.0m the previous year (+1.1), with the following performance by channel:

(\$m)	2013	2012	Change
Airports	2,264.6	2,237.1	1.2%
Motorways	440.4	433.2	1.7%
Others	54.3	59.8	(9.1%)
<b>Total</b>	<b>2,759.3</b>	<b>2,730.0</b>	<b>1.1%</b>

On a comparable basis<sup>18</sup>, revenue at US airports<sup>19</sup> increased by 8.9%, outperforming a 1.5% rise in traffic<sup>20</sup>. This excellent performance with respect to traffic reflects a greater number of transactions and especially an increase in the average purchase per customer, thanks to the addition of new concepts with broader menu options and to targeted marketing initiatives. The overall increase in airport sales was 1.2%, significantly lower than growth on a comparable basis due to the sale of the North American travel retail business in the fourth quarter of 2013, the Group's exit from various locations, and the reduction in retail space at the airports of San Diego, Los Angeles, Atlanta, Phoenix and New York JFK after renewals in prior years.

US motorway revenue was up by 7.2% on a comparable basis despite a 0.2% decline<sup>21</sup> in

traffic, while overall revenue growth in this channel came to 1.7%, due to the lapse of the Maryland Turnpike contract that was only partially offset by openings on the Ontario Turnpike in Canada.

Sales in the other channels were down by 9.1% for the year, because of the Group's exit from certain shopping centre locations.

In North America and the Pacific, EBITDA amounted to \$ 299.5m, an increase of 2.7% on the \$ 291.5m in 2012, and rose from 10.7% to 10.9% of revenue. The improved profitability stems mainly from the reduction in general and administrative costs. The figure includes restructuring expenses of \$ 3.9m (\$ 5.3m in 2012). Excluding those non-recurring expense and the sale of the US travel retail business, EBITDA grew by 3.7% and came to 11% of revenue in 2013.

17. Results for this geographical area also include the business at Schiphol Airport in Amsterdam and operations in Australia, Canada, India, Malaysia, United Arab Emirates, Turkey, New Zealand, Singapore and Vietnam

18. Same locations and menus

19. Accounting for around 80% of the channel's revenue

20. Source: A4A, number of passengers, January-December 2013

21. Source: Federal Highway Administration, January-December 2013 (stretches of road served by the Group)



## Italy

**Revenue** generated in Italy in 2013 came to € 1,154.1m, a decrease of 6.0% on the previous year's € 1,227.8m. For the second year in a row, sales in Italy were sharply curbed by the difficult economy, which caused motorway traffic to

decrease along with consumer confidence and travelers' purchasing power. The decline also reflects the closure of several unprofitable outlets on high streets, at shopping centres and at trade fairs. Sales by channel are detailed below:

(€m)	2013	2012	Change
Motorways	878.3	929.6	(5.5%)
Airports	83.1	88.1	(5.7%)
Railway stations	45.4	43.7	3.9%
Other *	147.3	166.3	(11.4%)
<b>Total</b>	<b>1,154.1</b>	<b>1,227.8</b>	<b>(6.0%)</b>

\* Including sales to franchisees

The influence of macroeconomic factors is especially evident in the motorway channel, which closed the year with revenue of € 878.3m, down from € 929.6m in 2012 (-5.5%). Compared with a 1.7% decrease in traffic<sup>22</sup>, sales on a like-for-like basis were down by 6.0% on the previous year. In part, the underperformance with respect to traffic reflects a shift toward lower spending per customer. Thanks also to the many promotional initiatives, sales of served foods & beverages (-5.5%) and of groceries (+1.1%) fared better than non-food market products and complementary items, which decreased by 9.1% and 8.3%, respectively.

On a like-for-like basis, sales in the airport channel showed an uptick (+0.4%) despite a 2.1% reduction in traffic<sup>23</sup>, while overall revenue decreased by 5.7% for the year, due mainly to the closure of the locations at Catania and Bari airports and of one outlet at Rome Fiumicino.

Sales at railway stations increased by 3.9% with respect to 2012, thanks to the acquisition of contracts at new stations (Florence Santa Maria Novella, Venice Santa Lucia and Verona Porta Nuova) and the opening of new concepts at stations already served, such as Bistrot at Milano Centrale.

The negative sales performance on high streets, at shopping centres and at trade fairs (-11.4% for the year) reflects the closure of several outlets in Verona, Cantù, Brescia, Rome and Milan.

In Italy **EBITDA** came to € 73.2m, down from € 87.8m the previous year (-16.6%), and fell from 7.1% to 6.3% of revenue. The 2013 figure includes net non-recurring income<sup>24</sup> of € 9.1m (in 2012 there were net non-recurring charges of € 3.5m). Excluding those elements, EBITDA would have declined by 30%. The decrease on the previous year was caused by the steep reduction in sales, which in addition to hurting margins allowed less absorption of fixed costs (rent and labor), especially in the motorway channel.

22. Source: AISCAT, January-December 2013

23. Source: Group estimates on AssoAirports data, January-December 2013 (airports served by the Group)

24. 2013: non-recurring income of € 13.8m from the waiver of pre-emption rights on the renewal of expiring subconcessions and reorganization costs of € 4.7m; 2012: reorganization costs of € 3.5m

## Other European countries

**Revenue** from other European countries in 2013 came to € 753.0m, an increase of 4.7% on the previous year's € 723.0m (+4.2% at current exchange rates).

Sales by channel are detailed below:

(€m)	<b>2013</b>	<b>2012</b>	Change	
			<b>2012</b>	<b>At constant exchange rates</b>
Motorways	402.1	381.2	5.5%	5.9%
Airports	201.2	191.3	5.2%	5.9%
Railway stations	112.2	109.4	2.5%	3.0%
Other	37.6	41.1	(8.5%)	(7.4%)
<b>Total</b>	<b>753.0</b>	<b>723.0</b>	<b>4.2%</b>	<b>4.7%</b>

The motorway channel, showing overall growth of 5.9% (+5.5% at current exchange rates), experienced diverse trends from one country to another: 10 new openings in Germany and the acquisition of contracts at 10 rest stops in Belgium more than offset the ongoing crisis in Spain and the closure of 11 locations in France.

The airport channel performed well (+5.9% or +5.2% at current exchange rates), thanks to new openings in Marseille and the United Kingdom, revised menus at some Zurich airport locations, and sales growth in Northern Europe.

Sales at railway stations were up by 3.0% (+2.5% at current exchange rates), mostly on the strength of new openings at Gare de l'Est and Gare Saint-Lazare in Paris.

**EBITDA** in other European countries amounted to € 49.0m, an increase of 18.5% on the previous year's € 41.4m (+18.1% at current exchange rates). The 2013 figure includes net non-recurring charges<sup>25</sup> of € 0.5m (€ 1.9m in 2012). Excluding non-recurring items, EBITDA would have grown by 14.5% (14.1% at current exchange rates) thanks to the positive impact of the reorganizations carried out in prior years in Greece, Spain and Switzerland; the contribution of new locations in Belgium; and the increased revenue in Northern Europe. As a result of these improvements, the EBITDA margin rose from 5.7% to 6.5%.

25. 2013: non-recurring income of € 2.7m from restructuring of the Swiss pension fund; reorganization costs of € 3.2m; 2012: reorganization costs of € 1.9m

## Capital expenditure by geographical area

Details of net capital expenditure by geographical area are shown below:

(€m)	2013	2012	Change	
			2012	At constant exchange rates
North America and the Pacific Area	89.8	156.0	(42.4%)	(39.8%)
Italy	29.8	55.2	(46.0%)	(46.0%)
Other European countries	37.8	35.1	7.4%	8.0%
Corporate and unallocated costs	5.2	6.2	(15.8%)	(15.8%)
<b>Total Food &amp; Beverage</b>	<b>162.6</b>	<b>252.6</b>	<b>(35.6%)</b>	<b>(33.8%)</b>

Most capital expenditure concerned the airports of Los Angeles, San Diego, Atlanta, Amsterdam, St. Petersburg and Marseille, rest stops on the

Pennsylvania Turnpike in the US and Villoresi Est in Italy and various railway stations in France (Paris) and Italy (Milan).



## 1.4 Performance



# in the fourth quarter of 2013

Due to the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A., effective 1 October 2013, the income trend of the fourth

quarter refers solely to the Food & Beverage and Corporate sector.

## Revenue

Fourth quarter revenue amounted to € 1,040.0m, an increase at constant exchange rates of 0.1% with respect to the € 1,070.3m grossed in the last quarter of 2012 (-2.8% at current exchange rates). Adjusting 2012 revenue to account for the sale of

the US Travel Retail business, revenue for the fourth quarter would have grown by 4.4% (+1.3% at current exchange rates).

Sales by channel are detailed below:

(€m)	Fourth quarter 2013	Fourth quarter 2012	Change	
			2012	At constant exchange rates
Airports	547.3	582.0	(6.0%)	(1.6%)
Motorways	395.6	385.8	2.5%	4.0%
Railway stations	40.2	39.4	2.1%	2.5%
Other	56.9	63.2	(10.0%)	(8.9%)
<b>Total</b>	<b>1,040.0</b>	<b>1,070.3</b>	<b>(2.8%)</b>	<b>0.1%</b>

In the final quarter of 2013<sup>26</sup>, total revenue in **North America and the Pacific Area** came to \$ 804.1m, compared with \$ 806.1m in the corresponding period of the previous year (-0.2%), but rose by 11.0% on a comparable basis. Overall performance was affected by the sale to World Duty Free Group of the North American Travel Retail operations, the reduction in retail space at the airports of San Diego, Los Angeles, Atlanta, Phoenix and New York JFK (following two years of renewals), and the lapse of the Maryland Turnpike contract. Revenue at US airports rose by 13.2% on a comparable basis, against a 2.2% increase in passenger traffic<sup>27</sup>. During the same period, revenue from American motorways grew by 11.1% on a comparable basis, versus traffic growth of 0.7%<sup>28</sup>.

Fourth quarter revenue in **Italy** amounted to € 271.0m, down from € 283.7m in the fourth quarter of 2012 (-4.5%). The Italian motorway channel grossed € 203.9m, down by 3.6% (-4.3% on a like-for-like basis) on the fourth quarter of 2012 (€ 211.5m), showing a smaller decline than those suffered in the previous quarters. Traffic remained weak in the final quarter (-0.5%<sup>29</sup>), as did consumer confidence, continuing a now two-year trend.

**Other European countries** in the fourth quarter of 2013 earned revenue of € 175.8m, up from € 163.9m in the corresponding period of the previous year (+8.0% or +7.3% at current exchange rates), thanks to new openings in Belgium, Germany and the United Kingdom.

26. The fourth quarter of 2013 benefitted from an extra week due to the way in which HMSHost arranges its calendar: 2013 was 53 weeks long, compared with 52 weeks in 2012

27. Source: Airlines for America, October-December 2013

28. Source: Federal Highway Administration, October-December 2013

29. Source: AISCAT, October-December 2013

## EBITDA

Fourth quarter EBITDA fell from € 73.3m in 2012 to € 62.0m, for a decrease of 11.9% (-15.4% at current exchange rates). The decrease is due partly to the sale of the US Travel Retail business, which in the final quarter of 2012 contributed EBITDA of \$ 4.3m. Net of that effect and of € 2.3m in demerger costs, the decrease would have amounted to 4.2% (-8.0% at current exchange rates). The EBITDA margin was 6.0%, down from 6.9% in the fourth quarter of 2012.

EBITDA in **North America and the Pacific Area** totaled \$ 77.6m for the final quarter, compared with \$ 82m the previous year (-5.4%); as a percentage of revenue it declined from 10.2% to 9.6%. The decrease in EBITDA for the period is due almost entirely to the sale of the North American Travel Retail operations. Excluding that factor, EBITDA would have fallen by 0.2%, reflecting performance at the airports where the Group's retail space has been reduced.

Fourth quarter EBITDA in **Italy** came to € 5.4m, down 46.0% with respect to the previous year's € 10.1m and falling from 3.6% to 2.0% of revenue, due chiefly to the decrease in sales.

In the **Other European countries**, EBITDA for the fourth quarter climbed from € 2.5m in 2012 to € 8.8m and from 1.5% to 5.0% of revenue, thanks to improved profitability (due in part to restructuring in previous years) and to non-recurring income of € 2.7m relating to the reorganization of the Swiss pension fund.

## Capital expenditure

Net capex in the fourth quarter came to € 69.4m (€ 78.2m in the corresponding period of the previous year) and mostly concerned airports in the United States.

# 1.5 Discontinued operations



- demerger



Due to the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A. with effect from 1 October 2013, the profit of the Travel Retail & Duty Free business is shown separately in the consolidated income statement on the line "Net

profit from discontinued operations (demerger)" for both 2013 and 2012. To facilitate comprehension of the segment's performance in the first nine months of 2013, income statement figures are detailed below.

(€m)	First nine months 2013	% of revenue	First nine months 2012	% of revenue	Change		2012	% of revenue
					2012	At constant exchange rates		
Revenue	1,531.4	100.0%	1,517.2	100.0%	0.9%	3.9%	2,002.0	100.0%
Other operating income	18.8	1.2%	20.1	1.3%	(6.5%)	(6.3%)	25.4	1.3%
<b>Total revenue and other operating income</b>	<b>1,550.2</b>	<b>101.2%</b>	<b>1,537.3</b>	<b>101.3%</b>	<b>0.8%</b>	<b>3.8%</b>	<b>2,027.4</b>	<b>101.3%</b>
Raw materials, supplies and goods	(624.8)	40.8%	(624.8)	41.2%	(0.0%)	2.1%	(820.0)	41.0%
Personnel expense	(154.2)	10.1%	(152.4)	10.0%	1.2%	3.4%	(205.9)	10.3%
Leases, rentals, concessions and royalties	(488.2)	31.9%	(464.8)	30.6%	5.0%	7.6%	(615.5)	30.7%
Other operating costs	(89.0)	5.8%	(91.3)	6.0%	(2.5%)	(0.6%)	(123.7)	6.2%
<b>EBITDA</b>	<b>194.1</b>	<b>12.7%</b>	<b>204.1</b>	<b>13.4%</b>	<b>(4.9%)</b>	<b>(2.6%)</b>	<b>262.3</b>	<b>13.1%</b>
Depreciation, amortization and impairment losses	(65.9)	4.3%	(85.1)	5.6%	(22.5%)	(21.2%)	(112.7)	5.6%
<b>EBIT</b>	<b>128.1</b>	<b>8.4%</b>	<b>119.0</b>	<b>7.8%</b>	<b>7.7%</b>	<b>10.8%</b>	<b>149.7</b>	<b>7.5%</b>
Net financial expense	(23.7)	1.5%	(14.4)	0.9%	64.3%	66.7%	(18.5)	0.9%
Impairment losses on financial assets	2.2	0.1%	1.7	0.1%	28.9%	28.9%	1.8	0.1%
<b>Pre-tax profit</b>	<b>106.6</b>	<b>7.0%</b>	<b>106.3</b>	<b>7.0%</b>	<b>0.3%</b>	<b>3.3%</b>	<b>133.0</b>	<b>6.6%</b>
Income tax	(15.6)	1.0%	(22.9)	1.5%	(32.1%)	(30.2%)	(30.2)	1.5%
<b>Profit for the year attributable to:</b>	<b>91.1</b>	<b>5.9%</b>	<b>83.4</b>	<b>5.5%</b>	<b>9.2%</b>	<b>12.6%</b>	<b>102.8</b>	<b>5.1%</b>
- owners of the parent	89.3	5.8%	81.6	5.4%	9.4%	12.9%	100.5	5.0%
- non-controlling interests	1.7	0.1%	1.7	0.1%	(1.6%)	(1.6%)	2.3	0.1%



## Revenue

In the first nine months of 2013, revenue in the Travel Retail & Duty Free business amounted to € 1,531.4m, compared with € 1,517.2m (+3.9%) in the same period in 2012 (+0.9% at current exchange rates). Good results in the United

Kingdom and outside Europe compensated for the weak performance in Spain, caused by the decline in traffic and the closure of some outlets at Madrid airport.

## EBITDA

In the first nine months of 2013 EBITDA in the Travel Retail & Duty Free segment came to € 194.1m, falling by 2.6% (+4.9% at constant exchange rates) compared with the corresponding period of the previous year's € 204.1m, due primarily to the

increase in rent further to the renewal of Spanish airport concessions and the start-up of activities in Düsseldorf, Germany and Los Cabos, Mexico. The EBITDA margin decreased from 13.4% to 12.7%.

## Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses in the first nine months of 2013 came to € 65.9m, down from € 85.1m the first nine months of the previous year, due in part to a € 9.3m decrease in

amortization of the Spanish concessions when their useful life was recalculated further to the extension until 2020 obtained at the end of 2012.

## Net financial expense

In the first nine months of the year financial expense came to € 23.7m, compared with € 14.4m in the corresponding period of 2012. The difference is explained by higher debt and the portion of bank

fees (€ 5.2m) paid in 2011 on loans cancelled as part of the refinancing process, completed on 5 June 2013, which had not yet been amortized as of that date.

## Profit for the year

Profit for this segment in the first nine months of the year was € 89.3m (€ 81.6m for the same period in 2012). Profit attributable to non-controlling

interests amounts to € 1.7m, in line with the corresponding period of the previous year.



## 1.6 Outlook

Sales in the first nine weeks of 2014 <sup>30</sup> increased by 3.7% at constant exchange rates with respect to the same period in 2013 (excluding sales by the Travel Retail business in North America, which has since been sold).

Operations in North America and the Pacific Area have grown by 4.9%, which is especially impressive considering the adverse weather conditions on the North American Atlantic coast. Revenue in the airport channel is up by 6.3%, even though in the month of January alone, more than 50,000 flights were cancelled for bad weather (10,000 in January 2013). The weather had a stronger impact on sales in the motorway channel, which have fallen by 0.6%.

In Italy, revenue has decreased by 1.3%, due mainly to the closure of various locations in 2013.

Performance at motorway locations has gone against the trend, rising by 0.9%, in line with the first available traffic data for the year underway.

Revenue in the Other European countries has grown by a significant 8.5%, thanks to new openings in 2013 and to a more solid turnaround in consumption with respect to Italy.

In 2014 the Group aims to boost sales and margins in North America, taking advantage of new commercial initiatives designed to increase the penetration of traffic, as well as efficiency measures targeted first and foremost at procurement costs. In Italy it will continue to pursue a strategy of streamlining its operations, using the tendering season to its best advantage, to develop new commercial ideas and cost-cutting initiatives.

## Events after the reporting period

Since 31 December 2013, no events have occurred that if known in advance would have entailed an

adjustment to the figures reported or required additional disclosures.

30. Average exchange rates used to translate figures in the main non-euro currency: 2014, €/€ 1.3633; 2013, €/€ 1.3314

# 1.7 Other information

## 1.7.1 Corporate social responsibility

The Autogrill Group's commitment to sustainability began in 2005 with the publication of its first Sustainability Report, which cleared the way for the development of projects based on a sense of corporate responsibility.

In 2007, the Afuture project was established with the goal of building innovative Autogrill locations that would be both environmentally friendly and economically efficient. Over the years, it has evolved into an international breeding ground for ideas, design concepts and best practices to be shared throughout the Group. The Afuture experience has allowed the business to grow and its people to achieve a greater awareness of sustainability issues, by comprehending the value of this process.

In 2011 Autogrill decided to build on this concept by laying out goals for an even more sustainable approach to the business, in the form of the Afuture Roadmap and guidelines for the constant improvement of performance. In 2012 the Group reinforced its monitoring efforts and in 2013 it moved forward with activities designed to improve sustainability on an ongoing basis.

### Autogrill's policy for employees

A clear, structured policy concerning the Group's relations with its employees gives it a competitive edge, because employees are its human capital: the wealth of skills, competencies and qualifications that make the company stand out.

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

To better integrate the regional and international teams and make the most of the Group's size by leveraging the skills and expertise found in different countries, in 2013 it developed the practical mechanisms needed to enhance the European organizational model designed in 2012. In addition, to improve team integration and reduce language barriers, an online English learning campaign was launched for the European region.

### "Feel good?" and "Do you Feel good?"

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

In 2012 an online survey called "Do you Feel good?" was created to measure employee engagement. The survey involved 14 countries in Autogrill's European Food & Beverage business, to identify areas in need of improvement and the most effective ways of getting employees more engaged in their work. In 2013, the results of the customer satisfaction survey were compared with those of the employee engagement survey, showing an interesting correlation between the two indices.

There was also a focus on reading and sharing the results and on empowering the management team, which was involved first-hand in coming up with plans for areas in need of improvement. Specifically, after the results were read and shared, every head office manager and each of the 800 points of sale involved in the survey drew up a plan of action with a number of concrete initiatives aimed at improving one or more aspects considered.

The second edition of "Do you Feel good?" was kicked off in January 2014.

### Work-life balance

A healthy relationship between company and staff is rooted in care for the individual and his or her

wellbeing, both on and off the job. For Autogrill, this means working on two different planes: professional and individual growth, by way of work-life balance initiatives. Regarding the professional plane, the Autogrill Group focuses on selection processes based on aptitudes and skills, training and development plans tailored to employees' profiles and needs, and international job rotation. To work on these aspects effectively and uniformly, in 2013 Autogrill accelerated the adoption of a single process and a single platform for appraising performance and skills throughout Europe.

As for the "life" part of the work-life balance, Autogrill provides its employees with a broad range of initiatives designed to increase leisure time and spending power (discounts on products and services that differ from country to country: from insurance to online shopping).

#### Health and safety

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

### Autogrill and the environment

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

Autogrill believes it is the personal contribution of each individual that makes the difference. Simple, everyday habits can help reduce energy consumption without sacrificing quality of life. Although the Autogrill Group's impact on the environment is relatively minor, we feel a responsibility to reduce our consumption of energy and natural resources in favour of clean energies and recycled materials that are friendly to our Earth.

We do this by designing green facilities, properly managing resources and processes, monitoring performance and, above all, enlisting the help of our employees.

#### Innovation and environmental efficiency

Protecting the environment and conserving energy and water means, first and foremost, consuming less. And consuming less means a commitment from everyone, from those who design our buildings and their plants & systems to those who run our operations day to day.

Given the different contexts in which it works, Autogrill conducts a wide variety of projects on various levels. Below is a summary of some of the projects carried out in 2013 that are especially important in terms of environmental sustainability.

In Italy, Autogrill's commitment to the environment takes several forms. We showed our finest colors in 2013 with the Villoresi Est location: the Group's international best practice for sustainable innovation, as it has combined at the local level a number of virtuous solutions and design principles that have since been adopted for other points of sale. This is a 360° sustainability program that is thoroughly compliant with the energy and carbon footprint standards of the Leadership in Energy and Environmental Design (LEED) Protocol, and with the Design for All and Dasa-Rägister standards for the creation of a structure fully accessible to everyone. Of particular note are the geothermal plant with thermal battery and 420 underground probes; the 350 square meter collector roof that captures solar energy or cold, depending on the season; indoor/outdoor LED lighting; and the rainwater and groundwater collection system.

In North America, the subsidiary HMSHost is increasingly committed to an eco-sustainable approach to the business, from LEED® certified rest stops on Canadian motorways to a series of telephone seminars with location managers in order to share environmental best practices and learn what sustainability projects have been developed, how they have been conducted, and what results have been achieved by those who have applied them first-hand.

In Spain, "Project Edison" has been underway for a few years now with a view to reducing energy

consumption. An important is employee awareness, considered to be the key point to a successful conservation policy. The project includes training courses for location managers, a manual for the proper use of equipment and information on energy consumption, and communication campaigns. In addition, a calendar has been set up for each location to help make the most efficient use of air conditioning and heating.

#### Environmental certification

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

The Villoresi Est rest stop in Italy, opened to the public in early 2013, obtained "LEED® NC for RETAIL" (Gold level) during the year: the first time this standard has been achieved in Italy in the Food & Beverage business. This milestone is in addition to the fifteen LEED® certified rest stops in Canada (eleven Silver and four Gold), and the LEED® Silver certified rest stop on the Delaware Turnpike in the United States.

In Italy, ISO 14001 certification has been kept for the environmental management systems of headquarters, the Brianza Sud location and the outlets at Turin airport, as is EMAS certification for HQ and Brianza Sud; both of these certifications were also recognised by the Villoresi Est location. In Spain, ISO 14001 certification has been kept for the outlets inside the Telefónica building in Madrid.

#### Keeping tabs through the Sustainability Report

Since 2005 we have been publishing a Sustainability Report, prepared on the basis of international standards set by the Global Reporting Initiative (GRI-G3), and submitted each year (since 2008) to the Board of Directors. The information provided in the Corporate Social Responsibility section is further detailed in that report, which can be downloaded from the Sustainability section at [www.autogrill.com](http://www.autogrill.com).

## 1.7.2 Main risks and uncertainties faced by the Autogrill Group

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

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

The updated risk matrix is essentially the same as that produced the previous year.

The main risk areas – divided into business risks and financial risks – are presented below.

#### Business risks

##### Exogenous factors: traffic statistics and propensity to consume

The Group's operations are influenced by traffic trends. Any factor with the potential to reduce traffic flows significantly in the countries and channels served by the Group constitutes a threat to the production of value.

Exogenous (hence uncontrollable) factors that may affect the flow of traffic and travelers' propensity to consume include the general economic situation and its contributing trends – consumer confidence, inflation, unemployment and interest rates – along with rising oil prices and, in general, the increasing cost of transport. Traffic and average spending may also be sensitive to other uncontrollable events, such as the spread of alternative means of travel, changes to laws and regulations that govern or in any case influence how the Group operates in a given channel (this is especially relevant for airports), strikes and political instability, acts or threats of

terrorism; natural disasters, and hostilities or wars. The impact of this risk is mainly economic, leading to a reduction in sales and thus profitability. The Autogrill Group's sales are also subject to seasonal fluctuations and are higher in the summer, when passenger traffic goes up. Therefore, should one of the above events occur in the summer, the negative impact could be amplified.

One factor that helps mitigate this risk is the diversification of the Group's activities in terms of:

- channels (airports, motorways and railway stations);
- geographical areas served.

The Group also has the following tools available to counter recessions or soften the impact of any concentration of its businesses in channels or areas hit by a downturn:

- constant revision of products and customer services, to keep them competitive in terms of quality and price and adapt to consumers' different spending habits;
- regularly updated operating models to ensure the most efficient mix of technologies and human resources;
- 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

The Group's reputation with customers and with concession grantors and licensors is of great importance and is also a significant factor when grantors decide to award or renew concessions.

With customers, loss of or damage to reputation is caused by the perceived deterioration of service, which can drive dissatisfied customers away, while with grantors and licensors it stems from an inability to satisfy contractual commitments that threatens good business relations and the prospect of extending contracts.

To counter that risk, Autogrill constantly monitors the quality of the service it provides to customers (in terms of perceived satisfaction and product safety) and to the grantor (in light of the quantitative and qualitative standards defined in the concession

contract), by way of:

- the constant monitoring of procedures and processes, both internally and by outside firms, to keep service efficient and customers and workers safe;
- portfolio reviews to make sure the company's brands, concepts and products remain appealing;
- the development of customer retention initiatives and customer satisfaction surveys;
- training programs to ensure high standards of service.

Loss of reputation can also have indirect causes beyond our control. In Italy, for example, the fact that many travelers use the Group's name to refer to highway rest stops in general ("let's stop at the autogrill") exposes operations in the motorway channel to reputation risk caused by any shortcomings on the part of competitors. Suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill.

Likewise, for operations involving the sale of third-party brands under license, any reputation damage suffered by the licensor may expose Autogrill to a potential loss of business, due to factors outside of its control.

### Consumption habits

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

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

In addition, an extensive portfolio of brands and commercial formulas helps to mitigate this risk.

### Concession fees

Most of the Group's operations are conducted under long-term contracts awarded through competitive bidding by the owner of the infrastructure management concession (airport/motorway/station). Concession contracts are therefore a fundamental asset for the Group, and their extension under competitive conditions or the acquisition of new ones is a strategic factor.

The contracts signed by the Group generally have a duration exceeding one year and require the operator to pay minimum guaranteed rent, regardless of the revenue earned. Should the revenue earned through the concession fall short of the amount forecast when the contract was awarded, perhaps due to a reduction in traffic or propensity to consume, the contract could become less profitable or even a liability given the obligation to pay minimum rent.

Over time, there have been changes in the competitive context and in the details of calls for tenders, so that in the case of new and/or extended contracts, the conditions set by the grantors may be less favorable than those valid today. This risk might expose the Group to long-term losses in profitability, especially if it coincides with a wane in traffic or consumer confidence.

Some concession agreements involving Group companies restrict the operator's sphere of movement, e.g. by limiting the range of products that can be sold or how they are priced. The need to comply with such limits could reduce or eliminate the Group's ability to adapt its product range and terms of sale to customers' changing needs and preferences, which, as mentioned above, is one of the key points of its commercial strategy.

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

#### Labour

Labour is a significant factor for the Group, whose business has a strong customer service component. The need to maintain service standards acceptable to customers and to the concession grantor, and the complexity of international labour laws, limit the flexibility of HR management.

Therefore, major increases in the cost per employee or more stringent regulations can have a significant impact on the Group's profitability.

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

#### Regulatory compliance

The business in which the Group works is highly regulated in terms of operating practices and customer and worker safety, which involves personal protections as well as product quality. Any violation of such norms would not only expose the Group to legal consequences but could diminish its reputation with concession grantors and customers, possibly leading to reduced sales, the loss of existing contracts and/or the inability to compete for new ones.

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

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

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

#### Innovation

The Group's ability to maintain a constant process of innovation for its business model, concepts, products and processes is key to offering a level of service and quality that keeps up with customers' demands and strategically important to operations. The potential loss of such an ability would have a direct impact on sales performance and reputation. 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 mitigate this threat as well.

#### Development in emerging markets

The Autogrill Group is active in some emerging markets and hopes to expand into others; such markets typically present greater risks than those found in the areas it prevalently serves.

The exogenous risks of operating in emerging markets may include the disruption of business due



to political or social instability, and the establishment/enforcement of trade restrictions.

It is also difficult to pinpoint local tastes and choose an appropriate selection of products and brands.

To mitigate this risk, the Group has a broad portfolio of brands and commercial formulas and constantly monitors customer satisfaction and the attractiveness of the portfolio in terms of brands, concepts and pricing schemes, so it can react promptly to any issues.

### Financial risks

Autogrill manages its financial risks by defining Group-wide guidelines that necessarily inform the financial management of its operating units, as part

of an overall policy of financial independence.

The Finance department ensures that the financial risk management policies are harmonized, indicating the most suitable financial instruments and monitoring the results achieved.

The Autogrill Group does not allow the use of speculative derivative instruments.

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

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

### 1.7.3 Corporate governance

All information on corporate governance is included in the Corporate Governance Report (prepared in accordance with art. 123-bis of the Consolidated

Finance Act), available at Autogrill's headquarters and secondary office and online at [www.autogrill.com](http://www.autogrill.com) (Governance section).

### 1.7.4 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. (which on 18 November 2013 became a "società per azioni" and was therefore renamed Schematrentaquattro S.p.A.), on 18 January 2007 the Board of Directors agreed

that there were still no conditions whereby Autogrill would be subject to the management and coordination of its parent, Schematrentaquattro. 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. (now Schematrentaquattro S.p.A.) that might be evidence of management or coordination.

### 1.7.5 Related party transactions

With a demerger act signed on 26 September 2013 and filed with the Novara Companies Register on 27 September 2013, Autogrill (the assigning company) transferred to World Duty Free S.p.A. – the beneficiary and wholly-owned

subsidiary of Autogrill, which founded it on 27 March 2013 for the express purpose of the demerger ("WDF" or the "Beneficiary") – the Autogrill Group's operations in the Travel Retail & Duty Free business, namely its wholly-owned

subsidiary World Duty Free Group S.A.U. ("WDFG S.A.U."), the Spanish holding company through which Autogrill indirectly conducted that business (the "Demerger"). The proportional partial demerger took effect on 1 October 2013.

For further information on the Demerger, see, in addition to this Report and the Notes to the Consolidated Financial Statements, the Information Document drawn up in accordance with art. 57(1) of Consob Regulation no. 11971/1999, published on 27 September 2013 on Autogrill's website ([www.autogrill.com](http://www.autogrill.com)) and on the website of Borsa Italiana ([www.borsaitaliana.it](http://www.borsaitaliana.it)) (the "Information Document").

Transactions with the Group's related parties do not qualify as atypical or unusual and fall within the normal sphere of operations. They are conducted in the interests of Autogrill S.p.A. and the Group on an arm's length basis. See the section "Other information" in the notes to the consolidated financial statements for further information on related party transactions, including the disclosures required by Consob Resolution 17221 of 12 March 2010 (amended with Resolution 17389 of 23 June 2010). The "Procedure for related party transactions" is available online at [www.autogrill.com](http://www.autogrill.com).

### **1.7.6 Statement pursuant to art. 2.6.2(8) 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 consolidated financial statements, we report

that due two companies fall under these provisions (HMSHost Corp. and Host International Inc.), that suitable procedures have been adopted to ensure full compliance with said rules, and that the conditions stated in art. 36 have been satisfied.

### **1.7.7 Research and development**

In relation to the nature of its activities, the Group invests in innovation, product development, and improvements to the quality of service.

It does not conduct technological research as such.

### **1.7.8 Treasury shares**

The annual shareholders' meeting of 6 June 2013, after revoking the authorization granted on 19 April 2012 and pursuant to arts. 2357 and following articles of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2013, Autogrill S.p.A. held 1,004,934 treasury shares, unchanged since the previous year, with a carrying amount of € 3,982k and an average carrying amount of € 3.96 per

share. The decrease in the carrying amount of treasury shares is explained by the demerger and the consequent issue of 1,004,934 ordinary shares of World Duty Free S.p.A., recognized as "Other financial assets" in the balance sheet.

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

## 1.7.9 Significant non-recurring events and transactions

Save for the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A., in 2013 there were no significant non-recurring events or transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

## 1.7.10 Atypical or unusual transactions

In 2013 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006, save for the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A., which was announced to the market in accordance with Consob Regulation 11971/99.

## 1.7.11 Information pursuant to arts. 70 and 71 of Consob Regulation no. 11971/1999

On 20 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by Consob Resolution 18079 of 20 January 2012 that removes the obligation to make available to the public the disclosure documents required by arts. 70 and 71 of the Listing Rules (Consob Regulation 11971/1999) in the case of significant mergers, demergers, increases in share capital through the transfer of goods in kind, acquisitions and transfers.

## 1.7.12 Reconciliation between parent and consolidated equity

(€k)	Equity at 31.12.2012 revised	Changes in equity	Effect of Demerger (Travel Retail & Duty Free) ***	Profit (loss) for 2013	Equity at 31.12.2013
Autogrill S.p.A. separate financial statements	679,851	5,367	(421,537)	110,401	374,081
Effect of the consolidation of subsidiaries' financial statements and related deferred taxation	109,128	(6,699)	(35,637)	(22,543)*	44,250
Translation reserve	4,417	(38,408)	29,243	-	(4,749)
Hedging reserve **	(5,710)	3,677	2,033	-	-
<b>Group consolidated financial statements</b>	<b>787,686</b>	<b>(36,063)</b>	<b>(425,898)</b>	<b>87,858</b>	<b>413,583</b>
Equity attributable to non-controlling interests	26,351	(343)	(6,363)	11,530	31,175
<b>Total consolidated equity</b>	<b>814,036</b>	<b>(36,405)</b>	<b>(432,261)</b>	<b>99,388</b>	<b>444,758</b>

\* The amount includes the combined effect of the subsidiaries contribution to consolidated profit (€ 142,842k), the elimination of dividends paid by subsidiaries to the parent (€ 221,285k) and the impairment losses on investments (€ 55,900k)

\*\* Net of tax effect

\*\*\* The item includes the effect on treasury shares and the share based payments reserve

## 2. Consolidated financial

statements



# 2.1 Consolidated financial statements

## 2.1.1 Statement of financial position

Note	(€k)	31.12.2013	Of which related parties	31.12.2012 * (revised)	Of which related parties
<b>ASSETS</b>					
<b>Current assets</b>					
I	Cash and cash equivalents	171,516		154,562	
II	Other financial assets	31,241	3,868	17,030	
III	Tax assets	5,981		29,375	
IV	Other receivables	176,310	34,323	225,340	14,500
V	Trade receivables	46,371	1,082	53,599	2,181
VI	Inventories	106,123		257,105	
<b>Non-current assets</b>					
VII	Property, plant and equipment	782,537		957,999	
VIII	Goodwill	749,237		1,394,254	
IX	Other intangible assets	61,816		678,724	
X	Investments	1,660		12,393	
XI	Other financial assets	21,220		29,165	
XII	Deferred tax assets	43,596		80,375	
XIII	Other receivables	7,409		27,386	
<b>TOTAL ASSETS</b>		<b>2,205,017</b>		<b>3,917,307</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
XIV	Trade payables	396,205	36,587	643,958	35,857
XV	Tax liabilities	7,015		25,164	
XVI	Other payables	266,890	2,131	402,705	157
XIX	Due to banks	118,755		128,869	
XVII	Other financial liabilities	9,416		12,039	
XX	Bonds	-		201,607	
XXII	Provisions for risks and charges	13,549		24,408	
<b>Non-current liabilities</b>					
XVIII	Other payables	23,289		28,212	
XIX	Loans, net of current portion	362,278		1,183,028	
XX	Other financial liabilities	18,207		30,952	
XXI	Bonds	367,706		123,665	
XII	Deferred tax liabilities	50,795		144,895	
XXII	Defined benefit plans	90,336		109,454	
XXIII	Provisions for risks and charges	35,818		44,314	
XXIV	<b>EQUITY</b>	<b>444,758</b>		<b>814,037</b>	
	- attributable to owners of the parent	413,583		787,686	
	- attributable to non-controlling interests	31,175		26,351	
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,205,017</b>		<b>3,917,307</b>	

\* Please refer to section 2.2.1 for the description of adjustments made to the 2012 figures since their original publication due to the application of the IAS 19 revised

## 2.1.2 Income statement

Note	(€k)	2013	Of which related parties	2012 **	Of which related parties
	<b>Continuing operations</b>				
XXV	Revenue	4,545,922	56	4,684,748	52
XXVI	Other operating income	127,967	17,746	104,673	1,887
	<b>Total revenue and other operating income</b>	<b>4,673,889</b>		<b>4,789,421</b>	
XXVII	Raw materials, supplies and goods	1,874,103		1,954,775	
XXVIII	Personnel expense	1,318,190	131	1,331,823	129
XXIX	Leases, rentals, concessions and royalties	677,407	77,156	679,547	76,330
XXX	Other operating expense	490,168	3,828	495,669	3,447
XXXI	Depreciation and amortization	210,099		201,253	
XXXI	Impairment losses on property, plant and equipment and intangible assets	15,654		24,104	
	<b>Operating profit</b>	<b>88,268</b>		<b>102,249</b>	
XXXII	Financial income	1,274	52	2,373	
XXXII	Financial expense	(51,745)	(1,381)	(73,491)	(1,774)
	Adjustment to the value of financial assets	(2,399)		(2,206)	
	<b>Pre-tax profit</b>	<b>35,398</b>		<b>28,925</b>	
XXXIII	Income tax	(27,065)		(21,490)	
	<b>Profit for the year - Continuing operations</b>	<b>8,333</b>		<b>7,435</b>	
	Profit for the year attributable to:				
	- owners of the parent	(1,482)		(3,791)	
	- non-controlling interests	9,815		11,226	
XXXIV	Profit for the year - Discontinued operations (net of tax effects)	91,056	(144)	102,829	(1,175)
	<b>Profit for the year</b>	<b>99,389</b>		<b>110,264</b>	
	Profit for the year attributable to:				
	- owners of the parent	87,859		96,753	
	- non-controlling interests	11,530		13,511	
XXXV	<b>Earnings per share (in € cents)</b>				
	- basic	34.7		38.2	
	- diluted	34.6		38.2	
XXXV	<b>Earnings per share - continuing operations (in € cents)</b>				
	- basic	(0.6)		(1.5)	
	- diluted	(0.6)		(1.5)	

\*\* Please refer to section 2.2.2 for the description of adjustments made to the 2012 figures since their original publication due to the IFRS 5 revised

## 2.1.3 Statement of comprehensive income

Note	(€k)	2013	2012
	<b>Profit for the year</b>	<b>99,389</b>	<b>110,264</b>
	<b>Items that will never be reclassified to profit or loss</b>		
XXIV	Remeasurements of the defined benefit liability (asset)	(7,380)	(37,025)
XXIV	Tax on items that will never be reclassified to profit or loss	917	9,501
	<b>Items that will be reclassified subsequently to profit or loss</b>		
XXIV	Effective portion of fair value change in cash flow hedges	6,832	(2,157)
XXIV	Net change in fair value of cash flow hedges reclassified to profit or loss	4,490	24,965
XXIV	Share of other comprehensive income on entities accounted for using the equity method	(163)	116
XXIV	Gain on fair value of available-for-sale financial assets	262	-
XXIV	Foreign currency translation differences for foreign operations	(43,715)	4,542
XXIV	Gains (losses) on net investment hedge	7,861	(7,103)
XXIV	Tax on items that will be reclassified subsequently to profit or loss	(5,530)	(4,088)
	<b>Total comprehensive income for the year</b>	<b>62,963</b>	<b>99,016</b>
	- attributable to owners of the parent	51,379	86,364
	- attributable to non-controlling interests	11,584	12,652



## 2.1.4 Statement of changes in equity (note XXIV)

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Treasury shares	Available-for-sale financial assets reserve	Profit for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2012 *	132,288	26,458	(15,743)	4,417	551,237	(7,724)	-	96,753	787,686	26,351
<b>Comprehensive income for the year</b>										
Profit for the year	-	-	-	-	-	-	-	87,859	87,859	11,530
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	8,129	-	-	-	-	-	8,129	-
Foreign currency translation differences for foreign operations and other changes	-	-	-	(43,769)	-	-	-	-	(43,769)	54
Gains (losses) on net investment hedges, net of the tax effect	-	-	-	5,523	-	-	-	-	5,523	-
Share of other comprehensive income on entities accounted for using the equity method	-	-	-	(163)	-	-	-	-	(163)	-
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	262	-	262	-
Actuarial gains (losses) on defined benefit plans, net of the tax effect	-	-	-	-	(6,462)	-	-	-	(6,462)	-
<b>Total comprehensive income for the year</b>	-	-	8,129	(38,409)	(6,462)	-	262	87,859	51,379	11,584
<b>Transactions with owners of the parent, recognised directly in equity</b>										
<b>Contributions by and distributions to owners of the parent</b>										
Effects of Demerger (Travel Retail & Duty Free)	(63,600)	(12,720)	2,033	29,243	(297,593)	-	-	(89,341)	(431,978)	(6,363)
Effects of Demerger on treasury shares and on the share based payments reserve	-	-	-	-	2,338	3,742	-	-	6,080	-
Allocation of 2012 profit to reserves	-	-	-	-	96,753	-	-	(96,753)	-	-
Capital increase	-	-	-	-	-	-	-	-	-	14,714
Dividend distribution	-	-	-	-	-	-	-	-	-	(17,050)
Stock options	-	-	-	-	416	-	-	-	416	-
<b>Total contributions by and distributions to owners of the parent</b>	(63,600)	(12,720)	2,033	29,243	(198,086)	3,742	-	(186,094)	(425,482)	(8,699)
<b>Changes in ownership interests in subsidiaries</b>										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	1,939
<b>Total transactions with owners of the parent</b>	(63,600)	(12,720)	2,033	29,243	(198,086)	3,742	-	(186,094)	(425,482)	(6,760)
31.12.2013	68,688	13,738	(5,581)	(4,749)	346,689	(3,982)	262	(1,482)	413,583	31,175

\* Please refer to section 2.2.1 for the description of adjustments made to the 2012 figures since their original publication due to the application of the IAS 19 revised

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Treasury shares	Profit for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2011 *	132,288	26,458	(32,341)	3,881	524,068	(7,724)	126,304	772,934	19,642
<b>Comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	-	96,753	96,753	13,511
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	16,598	-	-	-	-	16,598	-
Foreign currency translation differences for foreign operations and other changes	-	-	-	5,401	-	-	-	5,401	(859)
Gains (losses) on net investment hedges, net of the tax effect	-	-	-	(4,981)	-	-	-	(4,981)	-
Share of other comprehensive income on entities accounted for using the equity method	-	-	-	116	-	-	-	116	-
Actuarial gains (losses) on defined benefit plans, net of the tax effect	-	-	-	-	(27,523)	-	-	(27,523)	-
<b>Total comprehensive income for the year</b>	-	-	16,598	536	(27,523)	-	96,753	86,364	12,652
<b>Transactions with owners of the parent, recognised directly in equity</b>									
<b>Contributions by and distributions to owners of the parent</b>									
Allocation of 2011 profit to reserves	-	-	-	-	126,304	-	(126,304)	-	-
Capital increase	-	-	-	-	-	-	-	-	9,754
Dividend distribution	-	-	-	-	(70,951)	-	-	(70,951)	(15,579)
Share-based payments	-	-	-	-	(778)	-	-	(778)	-
<b>Total contributions by and distributions to owners of the parent</b>	-	-	-	-	54,575	-	(126,304)	(71,729)	(5,826)
Acquisition of non-controlling interests	-	-	-	-	117	-	-	117	(117)
<b>Total transactions with owners of the parent</b>	-	-	-	-	54,692	-	(126,304)	(71,612)	(5,943)
31.12.2012	132,288	26,458	(15,743)	4,417	551,237	(7,724)	96,753	787,686	26,351

\* Please refer to section 2.2.1 for the description of adjustments made to the 2012 figures since their original publication due to the application of the IAS 19 revised

## 2.1.5 Statement of cash flows

(€k)	2013	2012 ***
<b>Opening net cash and cash equivalents</b>	<b>96,770</b>	<b>179,628</b>
Pre-tax profit and net financial expense for the year	85,869	100,043
Amortization, depreciation and impairment losses on non-current assets, net of reversals	225,753	225,357
Adjustment and (gains)/losses on disposal of financial assets	2,399	2,206
(Gain)/losses on disposal of non-current assets	(2,346)	(3,293)
Other non-cash items	406	470
Change in working capital *	(79,512)	8,989
Net change in non-current non-financial assets and liabilities	(8,403)	(26,324)
<b>Cash flow from operating activities</b>	<b>224,166</b>	<b>307,449</b>
Taxes paid	(33,925)	(34,848)
Interest paid	(42,096)	(41,951)
<b>Net cash flow from operating activities</b>	<b>148,145</b>	<b>230,650</b>
Acquisition of property, plant and equipment and intangible assets	(187,365)	(254,538)
Proceeds from sale of non-current assets	2,504	3,736
Acquisition of consolidated equity investments	(16,160)	(576)
Dividends from discontinued operations (demerger)	220,000	70,000
Disposal of US Retail division	74,121	-
Net change in non-current financial assets	184	(160)
<b>Net cash flow from (used in) investing activities</b>	<b>93,284</b>	<b>(181,539)</b>
Issues of bond	251,953	-
Repayments of bond	(192,879)	-
Issue of new non-current loans	24,677	6,574
Repayments of non-current loans	(402,236)	-
Repayments of non-current loans from discontinued operations (demerger)	70,000	116,553
Repayments of current loans, net of new loans	63,513	(148,010)
Dividends paid	-	(70,951)
Other cash flows **	(6,209)	(5,808)
<b>Net cash flow used in financing activities</b>	<b>(191,181)</b>	<b>(101,642)</b>
<b>Cash flow for the year</b>	<b>50,248</b>	<b>(52,532)</b>
Net cash flow from (used in) operating activities - discontinued operations (demerger)	(116,584)	188,623
Net cash flow used in investing activities - discontinued operations (demerger)	(119,397)	(29,879)
Net cash flow from (used in) financing activities - discontinued operations (demerger)	232,299	(187,695)
<b>Cash flow for the period from discontinued operations (demerger)</b>	<b>(3,683)</b>	<b>(28,951)</b>
Effect of Demerger	(11,683)	-
Effect of exchange on net cash and cash equivalents	(2,073)	(1,374)
<b>Closing net cash and cash equivalents</b>	<b>129,579</b>	<b>96,770</b>

\* Includes the exchange rate gains (losses) on income components

\*\* Includes dividends paid to non-controlling interests in subsidiaries

\*\*\* Figures have been adjusted since their original publication due to the application of the accounting standard IFRS 5

## Reconciliation of net cash and cash equivalents

(€m)	<b>2013</b>	<b>2012 ***</b>
Opening - net cash and cash equivalents - balance as of 31 December 2012 and as of 31 December 2011	96,770	179,628
Cash and cash equivalents	154,562	212,381
Current account overdrafts	(57,792)	(32,753)
Closing - net cash and cash equivalents - balance as of 31 December 2013 and as of 31 December 2012	129,579	96,770
Cash and cash equivalents	171,516	154,562
Current account overdrafts	(41,937)	(57,792)

\*\*\* Figures have been adjusted since their original publication due to the application of the accounting standard IFRS 5

## 2.2 Notes to the consolidated financial statements

### Group operations

The Autogrill Group operates in the food & beverage and retail sectors at airports, motorway rest stops and railway stations, under contracts known as concessions.

### Significant events during the year – Demerger of Autogrill S.p.A. to World Duty Free S.p.A.

On 1 October 2013 the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A. ("WDF S.p.A."), defined the "Demerger", became effective, as approved by the companies' shareholders' meetings of shareholders on 6 June 2013.

The demerger plan was written jointly by the Boards of Directors of Autogrill S.p.A. and WDF S.p.A. pursuant to and for the purposes of arts. 2506-bis and 2501-ter of the Italian Civil Code, and approved by those boards on 3 May 2013. The plan was published on Autogrill's website on 4 May 2013. The demerger act was signed on 26 September 2013 and filed with the Novara Companies Register on 27 September 2013.

The demerger had the predominantly industrial purpose of separating the two sectors in which the Autogrill Group operated, Food & Beverage and Travel Retail & Duty Free, given that they are substantially different in terms of both market and competitive landscape and management and development strategies. Also, the two sectors were managed independently and no significant synergies connect one to the other. These characteristics are reflected in the different past and projected results of the two sectors, and in the development strategies that they will pursue in the foreseeable future.

The demerger created two distinct groups, each focused on its own business, allowing both of them

to better pursue their strategies and improve their performance by leveraging their respective strengths.

With the demerger, Autogrill S.p.A. transferred to WDF S.p.A. its interest in WDFG S.A.U., the parent of a subgroup operating in the Travel Retail & Duty Free business.

As a result of the demerger, on 1 October 2013, the net equity of Autogrill S.p.A. decreased by € 428,878k and that of WDF S.p.A. increased by the same amount; the net equity of Autogrill Group decreased by € 431,978k. At the effective date of the demerger, the shareholders of Autogrill S.p.A. were assigned WDF S.p.A. shares free of charge, in the same number and of the same category as the Autogrill shares held previously.

Since 1 October 2013, Autogrill S.p.A. and WDF S.p.A. shares have been listed separately on Milan's Mercato Telematico Azionario (MTA).

The two companies, which operate separately and independently, are related parties as they are both controlled by Schematrentaquattro S.p.A., which at 31 December 2013 owned 50.1% of Autogrill S.p.A. and 50.1% of WDF S.p.A. Schematrentaquattro S.p.A. is a wholly-owned subsidiary of Edizione S.r.l.

The demerger, effective from 1 October 2013, qualifies as a transaction under common control. Consequently, the demerger is explicitly outside the scope of IFRIC 17 and IFRS 3 and is recognised on the basis of the carrying amounts in their financial statements prior to the combination.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the income statement and cash flow figures for the Travel Retail & Duty Free business (for full-year 2012 and for 2013 up to the effective date of the demerger) have been presented under "Profit from discontinued operations (demerger)" and "Cash flow from

discontinued operations (demerger).” Section 2.2.2 explains the content of the items relating to the demerger as presented in the consolidated income

statement and statement of cash flows for 2012 and 2013 and in the statement of financial position at 31 December 2012.

## 2.2.1 Accounting policies and basis of consolidation

### General standards

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

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

The consolidated financial statements were prepared on a going-concern basis using the euro as the functional currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k).

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 2013:

- Amendments to IAS 1 - Presentation of financial statements - Presentation of items of other comprehensive income;
- IAS 19 - Employee benefits;

- Amendments to IAS 12 - Income taxes - Deferred taxation: recovery of underlying assets;
- Amendments to IFRS 7 - Financial instruments: Disclosures - offsetting financial assets and financial liabilities;
- IFRS 13 - Fair value measurement;
- Annual improvements to IFRS (2009-2011 cycle).

Except as specified below, the newly adopted standards have not had a material impact on the consolidated financial statements.

IAS 19 revised (Employee benefits) introduces, among other things, (I) the obligation to recognize actuarial gains and losses in the statement of comprehensive income, eliminating the possibility to use the corridor method; and (II) the recognition in net interest of the yield on plan assets and of the interest expense determined by applying the discount rate for liabilities to liabilities net of plan assets.

The retroactive application of IAS 19 revised entailed the recalculation of certain statement of financial position figures with respect to those originally published in the consolidated financial statements at 31 December 2012 and at 1 January 2012, as shown below.

Note	(€k)	31.12.2012 Published	IAS 19 revised effects	31.12.2012 Revised
XII	Deferred tax assets	71,023	9,352	80,375
XII	Deferred tax liabilities	146,528	(1,633)	144,895
XXII	Post-employment benefits and other employee benefits	63,826	45,628	109,454
XIV	Equity - Attributable to owners of the parent	822,328	(34,642)	787,686

Note	(€k)	01.01.2012 Published	IAS 19 revised effects	01.01.2012 Revised
XII	Deferred tax assets	94,894	5,903	100,797
XII	Deferred tax liabilities	164,331	4,507	168,838
XXII	Post-employment benefits and other employee benefits	75,945	8,239	84,184
XIV	Equity - Attributable to owners of the parent	779,776	(6,843)	772,933

Application of IAS 19 revised had no significant impact on the income statement for 2012.

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

- IFRS 10 - Consolidated financial statements;
- IFRS 11 - Joint arrangements;
- IFRS 12 - Disclosure of interests in other entities;
- IAS 27 (2011) - Separate financial statements;
- IAS 28 (2011) - Investments in associates and joint ventures;
- Amendments to IFRS 10 - Consolidated financial statements, IFRS 12 - Disclosure of interests in other entities and IAS 27 - Separate financial statements;
- Amendments to IAS 39 - Financial instruments: novation of derivatives and continuation of hedge accounting;
- Amendments to IAS 36 - Impairment of assets: recoverable amount disclosures for non-financial assets;
- Guide to the transition: amendments to IFRS 10 - Consolidated financial statements, IFRS 11 - Joint arrangements and IFRS 12 - Disclosure of interests in other entities;
- Amendments to IAS 32 - Financial instruments: Presentation – Offsetting financial assets and financial liabilities.

IFRS 10 establishes a single model of control to determine whether an investee should be consolidated. According to IFRS 11, investments in

joint ventures, i.e. arrangements whereby the parties have rights to the net assets of the entity, will be accounted for using the equity method. There is a possibility that the Group will have to reclassify its joint arrangements and therefore modify its current method of accounting for these investments. IFRS 12 combines, in a single standard, the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. The Group is currently evaluating these accounting standards with respect to current obligations, and believes that the impact will not be material.

### Structure, format and content of the consolidated financial statements

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

In accordance with IAS 1 and IAS 7, the formats used in the 2013 consolidated financial statements are as follows:

- Statement of financial position, with assets and liabilities split between current and non-current items;
- Income statement, with costs classified by nature;
- Statement of comprehensive income;
- Statement of changes in equity;

- Statement of cash flows, using the indirect method to determine cash flows from operating activities.

In the interests of fair disclosure, the following have been reclassified with respect to the 2012 consolidated financial statements: i) the liability for defined contribution plans from "Other payables (non-current)" to "Other payables (current)" in the amount of € 9,142k; ii) the non-current portion of the positive fair value of interest rate swaps from "Other financial assets (current)" to "Other financial assets (non-current)" in the amount of € 9,846k; iii) the non-current portion of the negative fair value of interest rate swaps from "Other financial liabilities (current)" to "Other financial liabilities (non-current)" in the amount of € 19,588k.

The financial statements of each company in the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with

a functional currency other than the euro, including goodwill and fair value adjustments generated by the acquisition of a foreign business, are translated at the rates prevailing at year end. Income and expense are converted at average exchange rates for the year, which approximate those in force when the corresponding transactions took place. Exchange differences are recognized in the statement of comprehensive income and shown under "translation reserve" in the statement of changes in equity. Exchange gains and losses arising from receivables or payables with foreign operations, the collection or payment of which is neither planned nor likely in the foreseeable future, are treated as part of the net investment in foreign operations and are recognized in other comprehensive income and shown under "translation reserve" in the statement of changes in equity.

Below are the exchange rates used to translate the financial statements of the main subsidiaries with a functional currency other than the euro:

	2013		2012	
	Rate on 31 December	Average rate for the year	Rate on 31 December	Average rate for the year
US Dollar	1.3791	1.3281	1.3194	1.2848
Canadian Dollar	1.4671	1.3684	1.3137	1.2842
Swiss Franc	1.2276	1.2311	1.2072	1.2053
British Sterling	0.8337	0.8493	0.8161	0.8109

## Basis of consolidation

The scope of consolidation includes subsidiaries (companies for which the parent, Autogrill S.p.A., has the power to determine financial and operational policies so as to obtain benefits from their business) and joint ventures (entities subject to joint control, as defined by IAS 31). The list of consolidated companies is annexed to these notes.

Specifically, the consolidated financial statements include the financial statements at 31 December 2013 of Autogrill S.p.A. and all companies of which it directly or indirectly holds (or held during the year) the majority of the voting rights or over which it exerts dominant influence. These latter

include the French companies Sorebo S.A., Soberest S.a.s., Volcares S.A. and SRSRA S.A., as well as some joint ventures belonging to the American sub-group (see annex), which are controlled on the basis of a 50% or lower stake and an agreement that puts their business under the management of Autogrill.

The financial statements of subsidiaries are consolidated on a line-by-line basis, i.e. by recognizing the full amount of their assets and liabilities at the close of the year and their income and expenses for the entire year or for the portion of the year during which control was maintained, and eliminating the carrying amount of the consolidated equity investments held by the parent against the relative share of equity.



Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from equity attributable to the owners of the parent. They are determined on the basis of the non-controlling investors' share of the fair value of the assets and liabilities recognized at the date of acquisition (see "Business combinations") and of changes in equity attributable to non-controlling interests after that date.

Any material unrealized gains and losses arising out of transactions between consolidated companies are eliminated, as are all significant payables, receivables, income and expenses between Group companies. These adjustments, like the other consolidation adjustments, take account of any deferred tax effects.

The Autogrill Group also holds joint control of Caresquick N.V. (Belgium), which is evaluated using the proportionate method. Starting in 2014, in accordance with IFRS 10, it will be recognised using the equity method. The company's revenue, net profit, assets and liabilities are not significant for the Group.

The income and expense of subsidiaries acquired or sold during the year are included in the consolidated income statement from the actual date of acquisition or to the actual date of disposal, with slight timing adjustments where these dates do not coincide with monthly accounting dates. If necessary, adjustments are made to subsidiaries' financial statements to bring their accounting policies into line with those of the Group.

If control of a subsidiary is lost, the Group eliminates assets and liabilities, non-controlling interests, and other components of equity relating to the former subsidiaries. Gain or loss resulting from loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value on the date of loss of control. It is subsequently measured using the equity method, or as a financial asset depending on the degree of influence retained.

The scope of consolidation has changed since 31 December 2012 with the acquisition by HMSHost Corporation, on 9 April 2013, of Autogrill VFS F&B Company in Vietnam. See

section 2.2.3 for further information on this transaction.

In addition, as described previously, on 1 October 2013 the proportional partial demerger of Autogrill S.p.A. took effect with the transfer to World Duty Free S.p.A. of the investment in World Duty Free Group S.A.U. and of the entire subgroup operating in the Travel Retail & Duty Free sector.

HMSHost Corporation (formerly Autogrill Group Inc.) and its subsidiaries close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last which is a 16-week quarter. As a result, the financial schedules included in the 2013 consolidated financial statements cover the period 29 December 2012 to 3 January 2014, while the previous year's financial schedules covered the period 31 December 2011 to 28 December 2012.

## Accounting policies

The Group 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 Group has followed the rules of IFRS 3 (2008) - Business combinations.

The Group accounts for all business combinations using the purchase method. The consideration transferred in a business combination includes the fair value, as of the acquisition date, of the assets and liabilities transferred and of the interests issued by the Group, 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 Group and the acquiree, the lesser of the settlement provision, 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 interest in 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

The Group accounts for all business combinations using the purchase method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group 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 Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognized on acquisition.

Non-controlling interests in the acquiree are initially measured according to their percentage interest in the fair value of the 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 Group decided not to apply IFRS 3 - Business Combinations retroactively 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.

#### Business combinations under common control

A business combination in which the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, when that control is not transitory, qualifies as a combination "under common control." Business combinations under common control are outside the scope of IFRS 3 "Business Combinations" and of other IFRS. In the absence of an accounting principle that deals specifically with these transactions, the most suitable accounting principle to be chosen should meet the general object of IAS 8, that is, faithful and reliable presentation of the transaction. Furthermore, the accounting treatment of business combinations under common control should reflect the economic substance of the transaction, regardless of its legal form. The pre-eminence of economic substance is therefore the key factor guiding the method chosen to account for these business combinations. Economic substance must refer to the creation of added value that translates into significant changes in the cash flows of the net assets transferred.

The accounting treatment of the transaction should

also take account of current interpretations and trends, in particular OPI 1 (*Orientamenti Preliminari Assirevi in tema di IFRS - Preliminary Orientations on IFRS* by the Italian Association of Auditors), "Accounting treatment of business combinations of entities under common control in separate and consolidated financial statements."

The Autogrill Group recognizes the net assets transferred at the carrying amounts presented in the consolidated financial statements of the common parent and treats the resulting difference between the acquisition price and the value of the net assets transferred as an adjustment of net equity reserves attributable to the Group. Conversely, in the case of discontinued operations, the difference between the disposal price and the value of the net assets transferred is treated as an adjustment of the Autogrill Group's share of net equity reserves.

#### Acquisitions of non-controlling interests

The Group applies IAS 27 - Consolidated and separate financial statements (as amended in 2008) to all interests acquired in an entity after control is assumed. On that basis, such acquisitions are treated as transactions carried out with shareholders in their capacity as owners, and do not give rise to goodwill. Adjustments to non-controlling investments are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non-controlling interest in a subsidiary represented the excess cost of the additional investment with respect to the carrying amount of the interest in the net assets acquired on the transaction date.

#### Associates

An associate is a company over which the Group has a significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies.

The associate's income, expenses, assets and liabilities are recognized in the consolidated financial statements at equity, except where the investment is classified as held for sale.

Under this method investments in associates are initially recognized at cost, adjusted to reflect subsequent changes in the associates' net assets

and any impairment losses on individual equity investments.

The amount by which the acquisition cost exceeds the Group's share of the fair value of the associate's assets, liabilities and contingent liabilities identifiable on acquisition is recognized as goodwill.

#### Recognition of revenue and costs

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

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

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

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

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

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

#### Recognition of financial income and expense

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

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

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

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

#### Employee benefits

All employee benefits are recognized and disclosed on an accruals basis

Group companies provide defined benefit and defined contribution plans.

Post-employment benefit plans are formalized and non-formalized agreements whereby the Group provides post-employment benefits to one or more employees. The manner in which these benefits are provided varies according to legal, fiscal and economic conditions in the countries in which the Group operates, and are normally based on compensation and years of service.

Defined-contribution plans are post-employment benefit plans under which the Group 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 else entirely or partly funded by contributions paid by the employer, and sometimes by the employee, to a company or fund which is legally separate from the company that pays the benefits.

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

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Group, 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 Group plan are considered. An economic benefit is available to the Group when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities.

Actuarial valuations are made by actuaries external to the Group. Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

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

#### Share-based payments

In the case of share-based payment transactions settled with equity instruments of the company, the grant-date fair value of the options granted to employees is recognized in personnel expense with a corresponding increase in equity ("Other reserves and retained earnings"), over the period in which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of options for which the related service and non-market conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that will definitively vest. Likewise, when estimating the fair value of the options granted, all non-vesting conditions must be considered.

In the case of cash-settled share-based payment transactions (or those settled with equity or other financial instruments of a different entity), the fair value of the amount payable to employees is recognized as an expense with a corresponding increase in liabilities over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as employee benefit expenses in the income statement.

#### Income tax

Tax for the year is the sum of current and deferred taxes recognized in the profit or loss for the year, with the exception of those relating to business combinations or 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 enacted (on an official or de facto basis) on the reporting date in the countries where the Group operates.

For three-year period 2013-2015, Autogrill S.p.A. and its Italian subsidiary Nuova Sidap 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 profits times the IRES (corporate tax) rate; for payment in full of the amount corresponding to the transferred losses times the IRES (corporate tax) rate, in case of utilization by Edizione S.r.l.; 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 Group 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 enacted at the close of the year. Deferred tax assets are recognized when they are likely to be used against taxable income.

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 Group 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 capital 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 Group reviews the estimated useful life and amortization method of these assets at each year end and whenever there is evidence of possible impairment losses. If impairment losses arise - determined in accordance with the section "Impairment losses on assets" - the asset is impaired accordingly.

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

<b>Concessions, licenses, trademarks and similar rights:</b>	
Software licenses	3-6 years or term of license
License to sell state monopoly goods	Term of license
Trademarks and brands	5-20 years
Contractual rights	Term of the rights
<b>Other:</b>	
Software on commission	3-6 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 asset.

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 Group 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.

The depreciation rates are as follows:

Industrial buildings	2%-10%
Plant and machinery	7%-34%
Industrial and commercial equipment	10%-33%
Furniture and fittings	10%-20%
Motor vehicles	25%
Other	10%-33%

Land is not depreciated.

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

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

Regardless of depreciation already recognized, if there are impairment losses (determined as described under "Impairment losses on assets"), the asset is written down 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 to the asset and amortized over its useful life. 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 expense".

#### Leased assets

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

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

Operating lease payments are 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 recognized on a straight-line basis over the term of the lease (see section 2.2.10 - Operating leases).

#### Impairment of assets

At each annual or interim reporting date, the Group tests whether there is internal or external evidence of impairment of its property, plant and equipment or intangible assets. 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 Group 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 sales outlet or sales outlets covered by a single concession agreement.

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

The cash-generating units to which goodwill has been allocated are grouped so that the level of detection of impairment reflects the level of greatest detail 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 fair value less costs to sell and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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 written back 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.

#### Assets/liabilities held for sale and discontinued operations

Assets and liabilities are classified as held for sale if their carrying value has been or will be recovered mainly through their sale and not through continued use. Once an asset/liability is classified as held for sale, it is recognized at the lower of carrying value and fair value net of costs to sell.

In the financial statements:

- the net profit or loss of discontinued operations is shown separately in the income statement, net of tax effects and transfer costs (if sold), along with any capital gain or loss realized with the sale; the corresponding amounts from the prior year are reclassified for the sake of comparison;
- financial assets and liabilities held for sale and discontinued operations are shown in the statement of financial position separately from other assets/liabilities and are not offset.

#### Current assets and current & non-current liabilities

##### Inventories

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

#### Financial assets and liabilities

##### Trade and other receivables

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



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

#### Other financial assets

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

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

Financial assets available for sale are initially recognized at fair value plus any directly attributable transaction costs. After first-time recognition, they are carried at fair value and any changes in fair value, other than impairment losses and exchange losses on debt instruments, are recognized as other comprehensive income and presented in the fair value reserve. When a financial asset is derecognized, the cumulative loss or gain is reclassified from other comprehensive income to profit (loss) for the year.

#### Cash and cash equivalents

Cash and cash equivalents include cash and current accounts with banks and post offices, as

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

#### Loans and borrowings

Interest-bearing bank loans, bonds 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

The Group's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates. To manage these risks the Group uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. Some Group companies have a policy of converting part of floating-rate debt into fixed-rate. The use of derivatives is governed by Group policies approved by Autogrill S.p.A.'s Board of Directors, which establish precise written procedures concerning the use of derivatives in accordance with the Group'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. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.

For information on the criteria and protocols followed to manage financial risks, see the policy described in section 2.2.6.2 - "Financial risk management".

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

All derivative financial instruments are initially measured at fair value in accordance with IFRS 13 and IAS 39, 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 (based on government securities) of the country/currency of the instrument's user.

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 reclassified from comprehensive income and recognized in profit or loss in the same year in which the economic effect of 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;

- Hedge of net investment: if a derivative is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediary holding company, the effective portion of the gain or loss on the hedge is recognized in comprehensive income and presented in the "translation reserve" under equity, while the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the gain or loss on the effective portion of the hedge that has been cumulatively recognized in the translation reserve is also taken 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 Group 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 Group 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 Group 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 presentation currency at the exchange rate in effect on the transaction date. Foreign currency assets and liabilities are converted at the year end exchange rate. Exchange rate gains and losses arising from translation are recognized in the income statement.

#### Share capital and purchase of treasury shares

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

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

is transferred to or from retained earnings.

#### Earnings per share

Autogrill presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period, adjusted for treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, as defined above, for the effects of all dilutive potential ordinary shares and stock options granted to employees.

#### Use of estimates

The preparation of the consolidated financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, expense and income and the disclosure about contingent assets and liabilities at the year-end date. Actual results may differ. Estimates are used to determine the effects of business combinations, asset impairment, the fair value of derivatives, provisions for impaired receivables and inventory obsolescence, amortization and depreciation, employee benefits, tax and other provisions. Estimates and assumptions are periodically reviewed and the effect of any change is taken to the income statement of the current and future years.

## 2.2.2 Discontinued operations - demerger (Travel Retail & Duty Free)

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations," income/costs and cash flows for the Travel Retail & Duty Free business for 2013 (up to the effective date of the demerger) and 2012 are shown on the lines "Net profit from discontinued operations (demerger)" and "Cash flow from discontinued operations (demerger)." The income statement and statement of cash flows originally published by the Autogrill Group for 2012 have been restated accordingly.

The following are presented below:

- statement of financial position at 30 September 2013 and 31 December 2012;
- income statement and statement of cash flows for the first nine months of 2013 and for 2012.

## Statement of financial position

(€k)	30.09.2013	31.12.2012
<b>ASSETS</b>		
<b>Current assets</b>	<b>311,409</b>	<b>220,238</b>
Cash and cash equivalents	29,647	18,684
Other financial assets	1,754	193
Tax assets	7,885	7,798
Other receivables	91,576	44,143
Trade receivables	18,218	6,958
Inventories	162,329	142,462
<b>Non-current assets</b>	<b>1,652,210</b>	<b>1,372,501</b>
Property, plant and equipment	109,963	87,287
Goodwill	617,821	605,117
Other intangible assets	566,128	622,874
Investments	9,370	9,136
Other financial assets	31,598	3,975
Deferred tax assets	47,756	30,092
Other receivables	269,574	14,020
<b>TOTAL ASSETS</b>	<b>1,963,619</b>	<b>1,592,739</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>	<b>1,525,278</b>	<b>994,541</b>
<b>Current liabilities</b>	<b>436,844</b>	<b>368,832</b>
Trade payables	276,316	203,845
Tax liabilities	18,881	18,694
Other payables	93,112	69,254
Due to banks	29,964	63,839
Other financial liabilities	7,073	798
Provisions for risks and charges	11,498	12,403
<b>Non-current liabilities</b>	<b>1,088,434</b>	<b>625,708</b>
Other payables	1,315	2,000
Loans, net of current portion	997,559	509,299
Other financial liabilities	4,015	6,408
Deferred tax liabilities	70,481	90,923
Defined benefit plan	8,204	10,223
Provisions for risks and charges	6,860	6,854
<b>EQUITY</b>	<b>438,341</b>	<b>598,198</b>
- attributable to owners of the parent	431,978	595,541
- attributable to non-controlling interests	6,363	2,657
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,963,619</b>	<b>1,592,739</b>

## Income statement

(€k)	<b>First nine months 2013</b>	<b>2012</b>
Revenue	1,531,436	2,001,973
Other operating income	18,803	25,416
<b>Total revenue and other operating income</b>	<b>1,550,239</b>	<b>2,027,389</b>
Raw materials, supplies and goods	624,753	819,989
Personnel expense	154,192	205,891
Leases, rentals, concessions and royalties	488,242	615,470
Other operating expense	88,988	123,703
Depreciation and amortization	65,932	112,379
Impairment losses on property, plant and equipment and intangible assets	3	287
<b>Operating profit</b>	<b>128,129</b>	<b>149,670</b>
Financial income	7,575	815
Financial expense	(31,246)	(19,288)
Adjustment to the value of financial assets	2,161	1,844
<b>Pre-tax profit</b>	<b>106,618</b>	<b>133,041</b>
Income tax	(15,563)	(30,212)
<b>Profit for the year</b>	<b>91,056</b>	<b>102,829</b>
Profit for the year attributable to:		
- owners of the parent	89,341	100,544
- non-controlling interests	1,715	2,285

## Statement of cash flows

(€k)	<b>First nine months 2013</b>	<b>2012</b>
<b>Opening net cash and cash equivalents</b>	<b>15,366</b>	<b>44,317</b>
Pre-tax profit and net financial expense for the year	130,289	151,513
Amortization, depreciation and impairment losses on non-current assets, net of reversals	65,935	112,666
Adjustment and (gains)/losses on disposal of financial assets	(2,161)	(1,844)
(Gain)/losses on disposal of non-current assets	421	969
Change in working capital *	6,488	(8,141)
Net change in non-current non-financial assets and liabilities	(267,463)	(5,722)
<b>Cash flows from/(used in) operating activities</b>	<b>(66,491)</b>	<b>249,442</b>
Taxes paid	(30,841)	(42,470)
Interest paid	(19,253)	(18,349)
<b>Net cash flows from/(used in) operating activities</b>	<b>(116,584)</b>	<b>188,623</b>
Acquisition of property, plant and equipment and intangible assets	(19,471)	(28,407)
Proceeds from sale of non-current assets	112	117
Disposal of US Retail division	(74,121)	-
Net change in non-current financial assets	(25,918)	(1,589)
<b>Net cash flows used in investing activities</b>	<b>(119,397)</b>	<b>(29,879)</b>
Issue of new non-current loans	996,078	-
Repayments of non-current loans	(481,311)	(5,682)
Repayments of non-current loans to Autogrill S.p.A.	(70,000)	(116,553)
Repayments of current loans, net of new loans	10,650	4,000
Dividends paid to Autogrill S.p.A.	(220,000)	(70,000)
Other cash flows **	(3,118)	540
<b>Net cash flows from/(used in) financing activities</b>	<b>232,299</b>	<b>(187,695)</b>
<b>Cash flow for the period</b>	<b>(3,683)</b>	<b>(28,951)</b>
<b>Closing net cash and cash equivalents</b>	<b>11,683</b>	<b>15,366</b>

\* Includes the exchange rate gains (losses) on income components.

\*\* Includes dividends paid to non-controlling interests in subsidiaries.

## Reconciliation of net cash and cash equivalents

(€k)	<b>First nine months 2013</b>	<b>2012</b>
<b>Opening - net cash and cash equivalents - balance as of 31 December 2012 and as of 31 December 2011</b>	<b>15,366</b>	<b>44,317</b>
Cash and cash equivalents	18,684	45,358
Current account overdrafts	(3,318)	(1,041)
<b>Closing - net cash and cash equivalents - balance as of 30 September 2013 and as of 31 December 2012</b>	<b>11,683</b>	<b>15,366</b>
Cash and cash equivalents	29,647	18,684
Current account overdrafts	(17,964)	(3,318)

## 2.2.3 Business combinations

The Autogrill Group, through the subsidiary HMSHost Corporation and Vietnam Food and Beverage Services Company Ltd. ("Vietnam FBS"), a local food and beverage operator controlled by IPP Group, has formed Autogrill VFS F&B Company ("Autogrill VFS"). The new company is owned 70% by the Autogrill Group.

The transaction took place on 9 April 2013 and Autogrill VFS has therefore been consolidated since April. It was realized through the acquisition by Autogrill VFS of the assets and liabilities of Vietnam FBS, whose fair value was determined on the basis of valuation methods generally used in acquisitions. The transaction increased goodwill by € 7,653k (\$ 9,980k) and raised concession contracts by € 10,245k (\$ 13,359k). Because the revised

version of IFRS 3 allows the recognition, within 12 months of the acquisition date, of any further items that should emerge as applicable at the time of the acquisition, the following information is provisional.

Autogrill VFS, in addition to operating the 28 locations that IPP Group had managed at Ho Chi Minh and Da Nang airports (the first and third largest in Vietnam) and at Phu Quoc airport, built four more outlets during the second half of 2013: one at Hanoi (the country's second largest airport) and an additional three at Ho Chi Minh. According to an ambitious development plan entailing the opening of 40 more points of sale over the next 12 months, the group will be present at the top six airports in Vietnam and will soon gross more than \$ 20m per year.

(€m)	Autogrill VFS F&B Company	Adjustments	Autogrill VFS F&B Company adjusted
Property, plant and equipment	2.6		2.6
Intangible assets	-	10.2	10.2
<b>A) Non-current assets</b>	<b>2.6</b>	<b>10.2</b>	<b>12.9</b>
<b>B) Working capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Other non-current non-financial assets and liabilities</b>	<b>-</b>	<b>(2.6)</b>	<b>(2.6)</b>
<b>D) Net invested capital</b>	<b>2.6</b>	<b>7.7</b>	<b>10.3</b>
Equity attributable to owners of the parent	2.6	5.7	8.4
Equity attributable to non-controlling interests	-	1.9	1.9
<b>E) Equity</b>	<b>2.6</b>	<b>7.7</b>	<b>10.3</b>
<b>F) Net financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>G) Total, as in D)</b>	<b>2.6</b>	<b>7.7</b>	<b>10.3</b>
Acquisition cost			16.0
Goodwill			7.7

## 2.2.4 Disposals

In order to transfer all of the Group's Travel Retail & Duty Free operations to World Duty Free S.p.A. (beneficiary of the Autogrill S.p.A. demerger), on 7 September 2013 HMSHost Corporation and its subsidiary Host International Inc. implemented an agreement with World Duty Free Group US Inc. (an indirect subsidiary of World Duty Free S.p.A.) for the sale of the North American Travel Retail business for the sum of € 120m.

That business operates under concession contracts, whose transfer to third parties requires consent from the grantor. As of this writing, the transfer is effective for more than 90% of the operations covered by the sale agreement, valued at \$ 105.3m, and has been achieved through:

- the complete transfer of WDFG North America LLC which, in the context of the acquisition, received the existing concession contracts (with prior consent

from the grantor), along with the operations relating to the management of those concessions, and

- the direct transfer of those concession contracts for which consent from the grantor was obtained after the date of sale.

In accordance with the contract provisions, from the total sale price WDF has withheld 5% to guarantee compliance with the penalty obligations, to be released at the end of the ninth month following the date of the sale agreement. At the same time the contracts were transferred, net working capital was also transferred in the amount of \$ 18.2m.

The sale of the US Retail business qualifies as a "business combination under common control" and is therefore outside the scope of IFRS 3. Therefore, the capital gain from the sale, net of the tax effect, has been recognized directly in equity.

## 2.2.5 Notes to the statement of financial position

For the sake of comparison with balances at 31 December 2013, the prior-year balances presented in the notes below have been restated with respect

to those originally published, isolating the amounts pertaining to the discontinued operations (Travel Retail & Duty Free).

### Current assets

#### I. Cash and cash equivalents

(€k)	31.12.2013	31.12.2012	Change
Bank and post office deposits	102,153	71,918	30,235
Cash and equivalents on hand	69,363	63,960	5,402
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	18,684	(18,684)
<b>Total</b>	<b>171,516</b>	<b>154,562</b>	<b>16,954</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)



“Cash and equivalents on hand” include cash floats at stores and amounts in the process of being credited to bank accounts. The amount may vary

substantially depending on the frequency of pick-ups for deposit, which are generally handled by specialized third-party carriers.

## II. Other financial assets

(€k)	31.12.2013	31.12.2012	Change
Receivables from associates	13,910	10,890	3,019
Other equity investments	10,292	-	10,292
Fair value of interest rate hedging derivatives	1,329	1,335	(6)
Fair value of exchange rate hedging derivatives	23	414	(391)
Other financial assets	5,687	4,197	1,490
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	193	(193)
<b>Total</b>	<b>31,241</b>	<b>17,030</b>	<b>14,211</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

“Receivables from associates” consists mostly of receivables from the non-controlling shareholders of the North American subsidiaries; the change reflects the increased capital expenditure in 2013. “Other financial assets” include also the financial receivables against World Duty Free US Inc. for \$ 5.3m, in relation to the sale of the US Retail business, equal to 5% of the transaction price and withheld by the buyers as a compliance guarantee.

“Fair value of exchange rate hedging derivatives” refers to the current portion of the fair value measurement of the derivatives entered into to hedge currency risk, in particular to the forward purchase and/or sale of currency, in connection with intercompany loans. See section 2.2.6.2 - “Financial risk management,” for a more detailed analysis of how the Group manages these risks.

“Other equity investments” (€ 10,292k) covers the fair value of World Duty Free S.p.A. shares,

calculated on the basis of market value (stock market price) at the close of the year. In the context of the demerger, Autogrill S.p.A. received 1,004,934 ordinary World Duty Free S.p.A. shares free of charge in exchange for the treasury shares it held in its portfolio. As a result, the portion of the cost of treasury shares recognized under net equity and attributable to the World Duty Free shares has been restated as financial assets available for sale under the item “Other financial assets,” in the amount of € 3,742k. This allocation was determined in proportion to the net equity values of World Duty Free S.p.A. and Autogrill S.p.A. on the demerger date. At the same time it was adjusted to the stock market value of World Duty Free S.p.A. shares on the initial listing date, with a balancing entry in “Unallocated earnings (losses carried forward),” in the amount of € 5,025k. After first-time recognition, the investment was measured at fair value with a balancing entry in the “reserve for financial assets available for sale”.

Due to the adjustment of the stock option plans in force at 31 December 2013 (see section 2.2.11), the shares of World Duty Free S.p.A. are held to service those plans and are thus correlated with the liability for share-based payments; therefore, in accordance with IAS 39 and its interpretations and to reduce the accounting mismatch with the change in the fair value of the option implicit in the stock option cost, the effects of which are recognized in the income statement, the subsequent fair value adjustment of the investment is charged to profit or loss in an amount equal to the cost of the plan.

### III. Tax assets

These amount to € 5,981k, compared with € 21,577k at 31 December 2012 for continuing operations, and refer to income tax advances and credits. The decrease is due mainly to the refund of United States taxes overpaid the previous year, as a result of changes in tax law introduced at the beginning of 2013.

### IV. Other receivables

(€k)	31.12.2013	31.12.2012	Change
Suppliers	67,890	70,650	(2,760)
Lease and concession advance payments	16,854	21,738	(4,884)
Inland revenue and government agencies	19,114	24,197	(5,083)
Receivables from credit card companies	8,919	10,621	(1,702)
Personnel	1,101	1,784	(684)
Advances to grantors for investments	4,002	10,212	(6,210)
Sub-concessionaires	2,875	2,153	722
Receivables from the parent	14,564	14,282	282
Other	40,991	25,559	15,432
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	44,143	(44,143)
<b>Total</b>	<b>176,310</b>	<b>225,340</b>	<b>(49,030)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

"Suppliers" refers chiefly to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received.

"Lease and concession advance payments" consist of lease instalments paid in advance, as required by contract.

Amounts due from "Inland revenue and government agencies" relate mostly to indirect taxes.

Amounts due from "Sub-concessionaires" refer to businesses licensed to others, while "Advances to grantors for investments" concern commercial investments carried out on behalf of concession grantors.

"Receivables from the parent" concern the amount due from Edizione S.r.l. to the Italian companies participating in the domestic tax consolidation scheme; they increased from € 14,282k at 31 December 2012 to € 14,564k.

"Other" includes prepayments for maintenance and insurance policies, advances on local taxes, and commissions receivable on commission-generating businesses. The increase concerns a receivable due to the US subsidiary from the World Duty Free Group for the sale of the US Travel Retail business for approximately \$ 18.2m.

## V. Trade receivables

(€k)	31.12.2013	31.12.2012	Change
Third parties	52,208	56,471	(4,263)
Allowance for impairment	(5,837)	(9,830)	3,993
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	6,958	(6,958)
<b>Total</b>	<b>46,371</b>	<b>53,599</b>	<b>(7,228)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

"Third parties" refers mainly to catering service agreements and accounts with affiliated companies.

Movements in the "Allowance for impairment" are shown below for continuing operations:

(€k)	
Allowance for impairment at 31.12.2012	9,831
Increases	754
Other movements and exchange rate differences	(100)
Utilizations	(4,648)
Allowance for impairment at 31.12.2013	5,837

Utilizations refer to uncollectable receivables written off in full in prior years, mainly by the parent.

## VI. Inventories

(€k)	31.12.2013	31.12.2012	Change
Food & Beverage	106,123	114,643	(8,521)
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	142,462	(142,462)
<b>Total</b>	<b>106,123</b>	<b>257,105</b>	<b>(150,983)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

Inventories are shown net of the write-down provision of € 646k (€ 1,336k at 31 December 2012 for continuing operations), determined on the basis of recoverability of slow-moving goods.

## Non-current assets

## VII. Property, plant and equipment

The following tables show movements in "Property, plant and equipment" in 2013 and 2012.

## Property, plant and equipment

(€k)	31.12.2012			Change in gross carrying amount				
	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other movements
Industrial land and buildings	155,579	(83,493)	72,086	-	(1,080)	3,070	(3,685)	10,073
Leasehold improvements	1,045,151	(719,224)	325,927	3,237	(35,219)	7,561	(111,945)	62,543
Plant and machinery	211,773	(168,210)	43,563	-	(1,677)	5,598	(6,411)	7,087
Industrial and commercial equipment	757,342	(587,991)	169,351	200	(15,715)	15,103	(71,582)	60,019
Assets to be transferred free of charge	462,158	(349,628)	112,530	-	-	14,225	(32,447)	7,027
Other	49,314	(44,414)	4,900	-	(244)	780	(1,457)	1,677
Assets under construction and payments on account	142,355	-	142,355	-	(4,428)	108,670	(3,382)	(148,659)
Discontinued operations - demerger (Travel Retail & Duty Free) *	311,436	(224,149)	87,287	-	(6,069)	44,248	(18,254)	(240)
<b>Total</b>	<b>3,135,108</b>	<b>(2,177,109)</b>	<b>957,999</b>	<b>3,438</b>	<b>(64,432)</b>	<b>199,255</b>	<b>(249,163)</b>	<b>(473)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

(€k)	31.12.2011			Change in gross carrying amount		
	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases
Industrial land and buildings	152,771	(80,763)	72,008	-	424	4,344
Leasehold improvements	1,066,591	(745,549)	321,042	69	(11,448)	44,849
Plant and machinery	202,603	(167,376)	35,227	-	757	9,056
Industrial and commercial equipment	742,637	(578,207)	164,430	251	(4,629)	38,785
Assets to be transferred free of charge	451,559	(338,917)	112,642	-	-	17,840
Other	49,025	(42,857)	6,168	-	41	1,251
Assets under construction and payments on account	115,228	-	115,228	-	(1,192)	132,055
Discontinued operations - demerger (Travel Retail & Duty Free) *	302,410	(205,759)	96,651	-	3,463	25,917
<b>Total</b>	<b>3,082,824</b>	<b>(2,159,428)</b>	<b>923,396</b>	<b>320</b>	<b>(12,584)</b>	<b>274,097</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

Change in gross carrying amount		Depreciation/Impairment losses							31.12.2013		
		Increases							Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount
Demerger	Total	Exchange rate gains (losses)	Deprec.	Imp. losses	Decreases	Other movements	Demerger	Total			
	8,378	656	(3,234)	(1,367)	3,269	44		(632)	163,957	(84,125)	79,832
	(73,823)	24,611	(77,752)	(3,750)	100,976	1,051		45,136	971,328	(674,088)	297,240
	4,597	1,359	(11,219)	(326)	6,411	18		(3,757)	216,370	(171,967)	44,403
	(11,975)	12,586	(65,030)	(1,455)	66,675	(807)		11,969	745,367	(576,022)	169,345
	(11,195)	-	(34,710)	(6,458)	32,475	-		(8,693)	450,963	(358,322)	92,641
	756	242	(2,545)	(19)	1,374	(187)		(1,135)	50,069	(45,549)	4,520
	(47,799)	-	-	-	-	-		-	94,556	-	94,556
(331,121)	(311,436)	4,075	(18,803)	(3)	17,722	-	221,158	224,149	-	-	-
(331,121)	(442,497)	43,529	(213,293)	(13,378)	228,902	119	221,158	267,037	2,692,610	(1,910,073)	782,537

Change in gross carrying amount			Depreciation/Impairment losses						31.12.2012		
			Increases						Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount
Decreases	Other movements	Total	Exchange rate gains (losses)	Deprec.	Imp. losses	Decreases	Other movements	Total			
(225)	(1,735)	2,808	(251)	(3,161)	515	164	3	(2,730)	155,579	(83,493)	72,086
(102,456)	47,546	(21,440)	9,413	(78,463)	(6,305)	101,042	638	26,325	1,045,151	(719,224)	325,927
(11,046)	10,403	9,170	(643)	(10,156)	(760)	10,670	55	(834)	211,773	(168,210)	43,563
(48,992)	29,290	14,705	4,413	(62,463)	(401)	48,674	(7)	(9,784)	757,342	(587,991)	169,351
(18,986)	11,745	10,599	-	(30,368)	(448)	20,104	-	(10,712)	462,158	(349,628)	112,530
(955)	(47)	290	(22)	(2,494)	(5)	920	45	(1,556)	49,314	(44,414)	4,900
(4,231)	(99,505)	27,127	-	-	-	-	-	-	142,355	-	142,355
(20,965)	610	9,025	(2,108)	(35,059)	(287)	19,898	(834)	(18,390)	311,436	(224,149)	87,287
(207,856)	(1,693)	52,284	10,802	(222,164)	(7,691)	201,472	(100)	(17,681)	3,135,108	(2,177,109)	957,999

Investments in 2013 amounted to € 155,007k (for continuing operations), while the net carrying value of disposals, for continuing operations, came to € 19,729k mostly due to the sale of the US Retail division.

In addition to depreciation of € 194,490k, impairment testing of individual CGUs resulted in impairment losses of € 13,375k. Impairment testing was based on estimated future cash flows (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country of operation.

Leasehold improvements refer to expenses incurred to set up or adapt leased premises and concessions. This includes costs for the development of locations managed at airports, at shopping centers in North America, and at several motorway locations.

The increase in "Assets under construction and payments on account" mainly reflects the greater investments underway in North America.

In accordance with the financial method, this item includes the contractual value of the following property, plant and equipment held under finance leases:

(€k)	31.12.2013			31.12.2012		
	Gross amount	Accumulated depreciation & impairment losses	Carrying amount	Gross amount	Accumulated depreciation & impairment losses	Carrying amount
Land and buildings	12,795	(10,558)	2,237	12,795	(10,416)	2,379
Plant and machinery	759	(495)	263	761	(344)	417
Assets to be transferred free of charge	12,788	(10,667)	2,121	12,788	(10,328)	2,460
Leasehold improvements	59	(25)	33	60	(14)	46
Industrial and commercial equipment	7	(3)	4	7	(2)	6
Other	10	(4)	5	10	(2)	8
<b>Total</b>	<b>26,416</b>	<b>(21,753)</b>	<b>4,663</b>	<b>26,421</b>	<b>(21,107)</b>	<b>5,315</b>

The financial liability for these goods amounts to € 11,042k and is included under "Other financial liabilities" (current) for € 893k (€ 1,103k at the end of 2012) and "Other financial liabilities" (non-current) for € 10,149k (€ 11,076k the previous year). Future lease payments due after 31 December 2013 amounted to € 19,141k (€ 20,990k at the end of 2012).

The Group also uses third party assets worth € 1,486k and rents businesses with assets worth € 12,769k.

## VIII. Goodwill

At 31 December 2013 goodwill amounted to € 749,237k, compared with € 789,137k the previous year for continuing operations. The decrease is explained by exchange rate differences (€ 22,290k) and goodwill for the North American Travel Retail business sold to World Duty Free Group US Inc. (€ 25,263k), partially offset by new goodwill on the acquisitions in Vietnam (€ 7,653k).

The cash-generating units (CGUs) were identified on the basis of business segment, consistently with the minimum level at which goodwill is monitored for internal management purposes.

The carrying amounts of CGUs grouped by business segment and geographical area are presented below:

(€k)	31.12.2013	31.12.2012	Change
Italy	83,631	83,631	-
North America and Pacific Area	414,426	452,020	(37,594)
Switzerland	118,772	120,775	(2,003)
Belgium	47,136	47,136	-
France	65,280	65,280	-
Other	19,993	20,295	(303)
<b>Total Food &amp; Beverage</b>	<b>749,237</b>	<b>789,137</b>	<b>(39,900)</b>
Discontinued operations - demerger (Travel Retail & Duty Free) *		605,117	(605,117)
<b>Total</b>	<b>749,237</b>	<b>1,394,254</b>	<b>(645,017)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

The recoverability of the goodwill allocated to each CGU is tested by estimating their value in use, defined as the present value of estimated future cash flows discounted at a rate differentiated by geographical area reflecting the specific risks of the individual CGUs at the measurement date.

The discount rate was set in consideration of the capital assets pricing model, which is based, as far as possible, on indicators and variables that can be observed from the market.

Future cash flows have been estimated on the basis of the 2014 budget and forecasts for 2015-2018 (explicit forecast period). Cash flows beyond 2018 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 CGU's sector and country

of operation, and by using the perpetuity method to calculate terminal value.

Below are the main assumptions used for impairment testing. The discount rate has changed since the previous year, to reflect the different market conditions at 31 December 2013:

	Forecast nominal growth rate "g"	Discount rate 2013		Discount rate 2012	
		Post tax	Pre tax	Post tax	Pre tax
<b>Food &amp; Beverage</b>					
Italy	1.0%	7.52%	13.61%	8.70%	14.53%
North America and Pacific Area	2.0%	5.40%	7.76%	5.15%	6.97%
Switzerland	1.0%	4.37%	5.30%	4.32%	5.36%
Belgium	2.0%	5.62%	7.30%	6.23%	8.12%
France	2.0%	5.44%	7.00%	5.86%	7.56%
Other	1.0%-2.0%	4.96%-7.71%	6.17%-10.41%	5.06%-9.95%	6.34%-11.46%

To estimate cash flows for the period 2014-2018, management has made some assumptions including an estimate of air and road traffic volumes, future sales, operating costs, investments, and changes in working capital.

The principal assumptions used to estimate cash flows are broken down below by geographical area:

#### Food & Beverage

- Italy: motorway traffic is expected to keep slowing in 2014 and enjoy a moderate recovery in the following years. The selective strategy with regard to investments is reflected in the lower expected renewal rate for expiring concessions with respect to the Group's historical trends. The reduced sphere of activity due to the assumed decrease in the number of renewals is offset by an expected improvement in the performance of locations whose contracts are renewed, as a result of renovation work and updated menus. Operating expense, in particular rent, as a percentage of

revenue have been revised in accordance with the expiration of leases and concession contracts.

- North America and Pacific Area: assumptions for 2014 include continued moderate growth in airport traffic. For 2014-2018, average annual growth is expected to outperform the trend in Europe. The renewal rate of existing contracts was estimated on the basis of the Group's historical trends. The total incidence of operating costs is expected to decrease slightly due to the positive effect of operating leverage.



- Other European countries: revenue projections are based on motorway traffic and airport traffic assumptions that differ from country to country. The total weight of location operating expense is expected to decrease thanks to the cost-cutting measures undertaken.

For all CGUs, growth investments are correlated with the expiration of contracts, while maintenance investments are assumed to be consistent with historical trends.

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

The following table shows the levels at which, for the most significant assumptions used in the impairment tests and the most important CGUs, there would no longer be a gap between the CGU's value in use and its carrying amount:

	<b>Discount rate net of taxes</b>	<b>g</b>
<b>Food &amp; Beverage</b>		
Italy	22.4%	(62.5%)
North America and Pacific Area	15.0%	(24.8%)
Switzerland	7.3%	(3.1%)
Belgium	8.4%	(1.9%)
France	11.4%	(8.1%)

## IX. Other intangible assets

The following tables show movements in "Other intangible assets" in 2013 and 2012.

## Intangible assets

(€k)	31.12.2012			Change in gross carrying amount				
	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other movements
Concessions, licenses, trademarks and similar rights	136,124	(96,649)	39,475	10,245	(3,868)	5,213	(6,965)	5,178
Assets under development and payments on account	7,594	-	7,594	-	-	3,993	(154)	(6,953)
Other	56,633	(47,852)	8,781	-	(27)	909	(53)	6,930
Discontinued operations - demerger (Travel Retail & Duty Free) *	1,031,529	(408,655)	622,874	-	(14,892)	217	(22)	239
<b>Total</b>	<b>1,231,880</b>	<b>(553,156)</b>	<b>678,724</b>	<b>10,245</b>	<b>(18,787)</b>	<b>10,332</b>	<b>(7,194)</b>	<b>5,394</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

(€k)	31.12.2011			Change in gross carrying amount				
	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	
Concessions, licenses, trademarks and similar rights	137,428	(98,393)	39,035	254	(90)	6,176	(11,210)	
Assets under development and payments on account	6,102	-	6,102	-	-	7,148	(74)	
Other	52,303	(43,901)	8,402	-	(1)	1,293	(15)	
Discontinued operations - demerger (Travel Retail & Duty Free) *	1,021,693	(331,557)	690,136	-	8,219	2,526	(1,306)	
<b>Total</b>	<b>1,217,526</b>	<b>(473,851)</b>	<b>743,675</b>	<b>254</b>	<b>8,128</b>	<b>17,143</b>	<b>(12,605)</b>	

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

Change in gross carrying amount		Amortization/Impairment losses							31.12.2013		
Demerger	Total	Exchange rate gains (losses)	Increases			Other movements	Demerger	Total	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount
			Amort.	Imp. losses	Decreases						
	9,803	2,939	(10,919)	(2,279)	6,965	(572)	(3,866)	145,927	(100,515)	45,412	
	(3,114)	-	-	-	-	-	-	4,480	-	4,480	
	7,759	21	(4,690)	-	53	-	(4,616)	64,392	(52,468)	11,924	
(1,017,071)	(1,031,529)	4,818	(47,129)	-	22	-	450,945	408,656	-	-	
(1,017,071)	(1,017,081)	7,778	(62,738)	(2,279)	7,040	(572)	450,945	400,174	214,799	(152,983)	61,816

Change in gross carrying amount		Amortization/Impairment losses							31.12.2012		
Other movements	Total	Exchange rate gains (losses)	Increases			Other movements	Total	Gross carrying amount	Accumulated amort. and impair. losses	Carrying amount	
			Amort.	Imp. losses	Decreases						
3,566	(1,304)	274	(9,697)	-	11,125	42	1,744	136,124	(96,649)	39,475	
(5,582)	1,492	-	-	-	-	-	-	7,594	-	7,594	
3,054	4,331	(2)	(4,451)	-	193	310	(3,950)	56,633	(47,852)	8,781	
397	9,836	(1,003)	(77,320)	-	1,287	(63)	(77,099)	1,031,529	(408,655)	622,874	
1,435	14,355	(731)	(91,468)	-	12,605	289	(79,305)	1,231,880	(553,156)	678,724	

Investments in 2013 came to € 10,115k for continuing operations.

In addition to amortization of € 15,609k, impairment testing of individual locations or contracts resulted in net impairment losses of € 2,279 k. Impairment testing was based on estimated future cash flows (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country of operation.

All "Other intangible assets" have finite useful lives.

## X. Investments

This item is mainly comprised of associates, measured at the equity method.

Any surplus of an investment's carrying amount over pro rata equity represents future profitability inherent in the investment.

Using the equity method, € -2,399k was recognized in the income statement under "Adjustment to the value of financial assets."

Investments at 31 December 2013 and 31 December 2012 are detailed below:

<b>31.12.2013</b>										
Name	Registered office	Country	% held	Currency	Revenue	Profit/ (loss) for the year	Total assets	Total liabilities	Carrying amount (€k)	
					Currency/000					
Dewina Host Sdn Bhd	Kuala Lumpur	Malaysia	49%	MYR	28,289	2,261	19,358	4,613	1,161	
TGIF National Airport Restaurant Joint Venture	Texas	USA	25%	USD	2,650	82	2	-	-	
HKSC Developments L.P. (Projecto)	Winnipeg	Canada	49%	CAD	47,038	(7,783)	59,791	61,593	-	
HKSC Opco L.P. (Opco)	Winnipeg	Canada	49%	CAD	56	55	352	129	74	
Other									424	
<b>Total 31 December 2013</b>									<b>1,660</b>	
<b>31.12.2012</b>										
Name	Registered office	Country	% held	Currency	Revenue	Profit/ (loss) for the year	Total assets	Total liabilities	Carrying amount (€k)	
					Currency/000					
Dewina Host Sdn Bhd	Kuala Lumpur	Malaysia	49%	MYR	23,841	317	14,876	2,890	1,453	
TGIF National Airport Restaurant Joint Venture	Texas	USA	25%	USD	2,600	76	10	-	-	
HKSC Developments L.P. (Projecto)	Winnipeg	Canada	49%	CAD	28,528	(5,111)	71,468	67,798	1,516	
HKSC Opco L.P. (Opco)	Winnipeg	Canada	49%	CAD	68	57	389	226	61	
Other									227	
<b>Continuing operations</b>									<b>3,256</b>	
Souk al Mouhajir S.A.	Tangier	Morocco	36%	DHS	4,169	(406)	18,188	2,746	468	
Creuers del Port de Barcelona S.A.	Barcelona	Spain	23%	Euro	18,020	1,789	54,454	12,900	8,668	
<b>Discontinued operations - demerger (Travel Retail &amp; Duty Free)*</b>									<b>9,136</b>	
<b>Total 31 December 2012</b>									<b>12,393</b>	

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

## XI. Other financial assets

(€k)	31.12.2013	31.12.2012	Change
Interest-bearing sums with third parties	3,016	3,359	(342)
Guarantee deposits	7,056	7,922	(866)
Other financial receivables from third parties	4,800	4,064	736
Fair value of interest rate hedging derivatives	6,348	9,846	(3,498)
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	3,975	(3,975)
<b>Total</b>	<b>21,220</b>	<b>29,165</b>	<b>(7,945)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

“Fair value of interest rate hedging derivatives” includes the non-current portion of derivatives outstanding at 31 December 2013, with a combined notional value of \$ 75m.

“Other financial receivables” consist primarily of amounts due from US joint venture partners.

Details of the derivatives outstanding at year end are provided in section 2.2.6.2 - “Financial risk management”.

## XII. Deferred tax assets

Deferred tax assets, shown net of offsettable deferred tax liabilities, amount to € 43,596k (€ 50,283k at 31 December 2012 for continuing operations).

The main components of this item are detailed below:

- € 17,730k (€ 25,363k at 31 December 2012) for the Italian companies, where deferred tax assets are generated primarily by the different depreciation/amortization period of non-current assets and the deferred deductibility of provisions for risks and charges;

- € 11,845k (€ 10,064k at 31 December 2012) for the French Food & Beverage companies, mostly in connection with losses carried forward and the different amortization and depreciation periods.

Tax losses existing at 31 December 2013 on which deferred tax assets have not been recognized amount to € 124,709k (€ 70,453k at 31 December 2012 for continuing operations). The corresponding unrecognized tax effect would be € 37,341k (€ 21,100k the previous year for continuing operations).

At 31 December 2013, “Deferred tax liabilities” not offsettable against deferred tax assets amounted to € 50,795k (€ 53,972k at 31 December 2012 for continuing operations) and refer mainly to the different amortization and depreciation periods and the effect of deferred taxation on the retained earnings of subsidiaries.

Total net deferred tax assets at 31 December 2013 (€ 7,199k) are analyzed below:

(€k)	31.12.2013		31.12.2012	
	Temporary differences	Tax effect	Temporary differences	Tax effect
Trade receivables	5,183	1,426	8,433	2,275
Other receivables	18,124	7,530	27,964	8,889
Property, plant and equipment and other intangible assets	(215,176)	(58,683)	(175,524)	(63,447)
<b>Total temporary differences on assets</b>	<b>(191,869)</b>	<b>(49,728)</b>	<b>(139,127)</b>	<b>(52,284)</b>
Other payables	(13,280)	(4,864)	(20,329)	(7,837)
Defined benefit plans	(71,897)	(25,756)	(58,523)	(30,474)
Provisions for risks and charges	(9,821)	(3,169)	(17,392)	(5,633)
Other reserves and retained earnings	231,840	7,295	176,495	7,886
<b>Total temporary differences on liabilities and equity</b>	<b>136,842</b>	<b>(26,494)</b>	<b>80,251</b>	<b>(36,058)</b>
<b>Net deferred tax</b>		<b>(23,234)</b>		<b>(16,226)</b>
Deferred tax assets arising from tax losses		16,036		12,538
Discontinued operations - demerger (Travel Retail & Duty Free) *		-		(60,832)
<b>Total net deferred tax</b>		<b>(7,199)</b>		<b>(64,519)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

The deferred tax liabilities on "Other reserves and retained earnings" refer to the effect of

deferred taxation on the retained earnings of subsidiaries.

### XIII. Other receivables

Most of the other non-current receivables (€ 7,409k at 31 December 2013) consist of

amounts due from suppliers in relation to instalments paid in advance.

(€k)	31.12.2013	31.12.2012	Change
Advance rents and royalties	6,705	8,024	(1,319)
Other	704	5,341	(4,638)
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	14,020	(14,020)
<b>Total</b>	<b>7,409</b>	<b>27,386</b>	<b>(19,977)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

## Current liabilities

### XIV. Trade payables

Trade payables at 31 December 2013 amounted to € 396,205k, down from € 440,113k at 31 December 2012 for continuing operations, due to

the decreased purchasing in connection with the reduction in revenue (especially in Italy).

### XV. Tax liabilities

At € 7,015k, these increased by € 545k for continuing operations and refer to taxes accrued during the year net of offsettable credits. The income tax balance of the Italian companies

participating in Edizione S.r.l.'s domestic tax consolidation scheme is recognized under "Other receivables" in current assets.

### XVI. Other payables

(€k)	31.12.2013	31.12.2012	Change
Personnel expense	106,559	133,428	(26,869)
Due to suppliers for investments	56,401	82,846	(26,444)
Social security and defined contribution plans	45,310	52,087	(6,777)
Indirect taxes	21,181	21,190	(10)
Withholding taxes	9,908	11,491	(1,583)
Other	27,531	32,409	(4,878)
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	69,254	(69,254)
<b>Total</b>	<b>266,890</b>	<b>402,705</b>	<b>(135,815)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

Most of the change in "Personnel expense" reflects the payment in 2013 of long-term bonuses to management for the period 2010-2012. At 31 December 2013 this item also included the liability for stock options generated by the change in stock option plans as a result of the demerger, as described in section 2.2.11.

fair value changes in this liability are taken to profit and loss.

The heading "Other" includes amounts due to directors and statutory auditors (€ 1,141k), as well as accrued liabilities for insurance, utilities, and maintenance pertaining to 2013.

In accordance with IFRS 2 and IAS 39, the amount of the stock option reserve corresponding to the component of the plan that will be serviced with World Duty Free S.p.A. shares was initially reclassified from net equity to "other personnel expense." At the same time, the liability was adjusted to the fair value calculated as of the listing date (1 October 2013), with a balancing entry in "Retained earnings". After first-time recognition, the

## XVII. Other financial liabilities

(€k)	31.12.2013	31.12.2012	Change
Fair value of interest rate hedging derivatives	1,197	1,201	(4)
Accrued expenses and deferred income for interest on loans	6,678	7,286	(607)
Lease payments due to others	893	1,103	(210)
Fair value of exchange rate hedging derivatives	336	845	(509)
Other financial accrued expenses and deferred income	311	806	(496)
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	798	(798)
<b>Total</b>	<b>9,416</b>	<b>12,039</b>	<b>(2,623)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

“Fair value of interest rate hedging derivatives” refers to the current portion of the fair value of interest rate swaps outstanding at 31 December 2013, with a notional value of € 120m.

Details of the derivatives outstanding at year end are provided in section 2.2.6.2 - “Financial risk management”.

“Fair value of exchange rate hedging derivatives” refers to the fair value measurement of the transactions entered into to hedge currency risk, in particular to the forward sale and/or purchase of currency, in connection with intercompany loans.



## Non-current liabilities

### XVIII. Other payables

These amount to € 23,289k (€ 26,212k at 31 December 2012 for continuing operations) and include mainly the liability to personnel and for the defined contribution plans.

### XIX. Loans

(€k)	31.12.2013	31.12.2012	Change
Current account overdrafts	41,937	54,474	(12,537)
Unsecured bank loans current	76,819	10,556	66,262
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	63,839	(63,839)
<b>Total current</b>	<b>118,755</b>	<b>128,869</b>	<b>(10,114)</b>
Unsecured bank loans non-current	366,541	749,419	(382,878)
Commissions on bond issues	(4,262)	(5,690)	1,427
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	439,299	(439,299)
<b>Total non-current</b>	<b>362,278</b>	<b>1,183,028</b>	<b>(820,750)</b>
<b>Total</b>	<b>481,033</b>	<b>1,311,897</b>	<b>(830,864)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

In 2013 the Group:

- terminated a € 200m revolving facility agreement maturing in November 2013. The facility was unutilized at 31 December 2012;
- terminated a € 200m term loan agreement maturing in June 2015 (fully utilized at 31 December 2012);
- terminated a \$ 250m revolving facility agreement maturing in June 2014. This line was available exclusively to the subsidiary HMSHost Corporation and was unutilized at 31 December 2012;
- obtained a new \$ 300m revolving credit facility maturing in March 2016, available solely to the subsidiary HMSHost Corporation. This line calls for the borrowed amount to be reduced by \$ 25m at 12, 18 and 24 months from the contract date (total \$ 75m), with the remainder reimbursed in a lump-sum payment at maturity. It is an unsecured facility and at 31 December 2013 had been drawn down by € 26,373k.

amount of € 700m. The facility is no longer available for use by the US companies HMSHost Corporation and Host International Inc., and since October 2013, the maximum amount available has been reduced from € 700m to € 500m.

In 2013 some changes were also made to the multicurrency revolving facility originally in the

The breakdown of "Unsecured bank loans" at the close of 2013 and 2012 is shown below:

Credit lines	Expiry	31.12.2013		31.12.2012	
		Amount (€k)	Drawdowns in €k *	Amount (€k)	Drawdowns in €k *
Term Loan - Autogrill S.p.A.	June 2015	-	-	200,000	200,000
2005 Syndicated line		-	-	200,000	200,000
Multicurrency Revolving Facility - Autogrill S.p.A. **	July 2016	500,000	340,167	700,000	549,419
2011 Syndicated lines		500,000	340,167	700,000	549,419
Revolving facility agreement - HMSHost Corporation	June 2014	-	-	189,480	-
Revolving facility agreement - Autogrill S.p.A.	November 2013	-	-	200,000	-
2012 lines		-	-	389,480	-
Revolving facility agreement - HMSHost Corporation	March 2016	217,533	26,373	-	-
2013 lines		217,533	26,373	-	-
<b>Total credit lines</b>		<b>717,533</b>	<b>366,541</b>	<b>1,289,480</b>	<b>749,419</b>
<i>Current portion</i>		<i>36,256</i>	<i>-</i>	<i>200,000</i>	<i>-</i>
<b>Total credit lines - Continuing operations</b>		<b>681,278</b>	<b>366,541</b>	<b>1,089,480</b>	<b>749,419</b>
Multicurrency Revolving Facility (Travel Retail & Duty Free)	July 2016	-	-	650,000	500,756
<i>Current portion</i>		<i>-</i>	<i>-</i>	<i>66,666</i>	<i>56,521</i>
<b>Total lines of credit net of current portion - Discontinued operations - demerger (Travel Retail &amp; Duty Free)</b>		<b>-</b>	<b>-</b>	<b>583,334</b>	<b>444,235</b>
<b>Total lines of credit net of current portion</b>		<b>681,278</b>	<b>366,541</b>	<b>1,672,814</b>	<b>1,193,654</b>

\* Drawdowns in currency are measured based on exchange rates at 31 December 2013 and 31 December 2012

\*\* As of 31 December 2013 this line can not be drawn down by HMSHost Corporation and Host International Inc., as originally agreed. Since 1 October 2013, the maximum amount available has been reduced from € 700m to € 500m

At 31 December 2013 the credit facilities maturing after one year (with respect to continuing operations) had been drawn down by about 53.8%.

The contract for the credit facility of € 500m (originally € 700m) requires the Group to uphold certain financial ratios: a leverage ratio (net debt/EBITDA) of 3.5 or less and interest coverage (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole.

The loan contract signed by HMSHost Corporation for \$ 300m requires the 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, referring solely to the companies headed up by HMSHost Corporation.

For the calculation of these ratios, net debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, the final ratios are not readily apparent from the financial statements.

At 31 December 2013 all of the above covenants were amply satisfied.

## XX. Other financial liabilities

(€k)	31.12.2013	31.12.2012	Change
Lease payments due to others	10,149	11,076	(928)
Liabilities due to others	283	288	(5)
Fair value of interest rate hedging derivatives	7,775	13,179	(5,404)
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	6,408	(6,408)
<b>Total</b>	<b>18,207</b>	<b>30,952</b>	<b>(12,745)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

“Fair value of interest rate hedging derivatives” refers to the non-current portion of interest rate swaps outstanding at 31 December 2013, with a notional value of € 120m. The change in value reflects the trend in interest rates, net of payments made.

Details of the derivatives outstanding at year end are provided in section 2.2.6.2 - “Financial risk management”.

## XXI. Bonds

(€k)	31.12.2013	31.12.2012	Change
Bonds	-	201,607	(201,607)
<b>Total current</b>	<b>-</b>	<b>201,607</b>	<b>(201,607)</b>
Bonds	369,911	124,508	245,402
Commissions on bond issues	(2,205)	(843)	(1,361)
<b>Total non-current</b>	<b>367,706</b>	<b>123,665</b>	<b>244,041</b>
<b>Total</b>	<b>367,706</b>	<b>325,272</b>	<b>42,434</b>

“Bonds” refer to private placements, originally guaranteed by Autogrill S.p.A., issued by HMS Host Corporation:

- in May 2007 for a total of \$ 150m, maturing in May 2017 and paying interest half-yearly at a fixed annual rate of 5.73%. Exposure to fair value fluctuations is partially hedged by an interest rate swap with a notional amount of \$ 75m. For this private placement, the interest rate may be adjusted depending on the trend in the leverage ratio of the

group headed up by HMSHost Corporation;

- in January 2013 for a total of \$ 150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%; the proceeds were used to pay back the 2003 bond issue that matured in January 2013, which at 31 December 2012 amounted to \$ 266m;
- in March 2013 for a total of \$ 200m, paying interest half-yearly and split into tranches as summarized in the table below:

Nominal amount (\$m)	Issue date	Annual fixed rate	Expiry
25	March 2013	4.75%	September 2020
40	March 2013	4.97%	September 2021
80	March 2013	5.40%	September 2024
55	March 2013	5.45%	September 2025

Note that as from 22 April 2013, further to agreements with its lenders, Autogrill S.p.A. has no longer been guarantor of the above bonds issued by HMSHost Corporation.

On the whole, at 31 December 2013 this item amounted to € 367,706k, compared with € 325,272k the previous year. The change reflects redemptions and new subscriptions as well as the translation effect and the change in the fair value of hedging instruments.

Regarding the bond issue of 2007, during the year there was a gain on the hedged item of \$ 4m (€ 2.9m) and a loss on the hedge of a similar amount, so the effect on the income statement was practically nil. The cumulative amount of fair value changes on the hedged item increased the liability at 31 December 2013 by \$ 10.7m (€ 7.7m). The fair value of the bonds outstanding 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 (as defined by IFRS 7), with no change on the previous year.

The bond regulations require the Group to uphold certain financial ratios: a leverage ratio (net debt/EBITDA) of 3.5 or less and interest coverage (EBITDA/net financial expense) of at least 4.5. Calculated solely with respect to HMSHost Corporation and its subgroup, these ratios are checked every six months, at 30 June and 31 December of every year. For the calculation of

these ratios, net debt, EBITDA and financial expense are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, they are not readily apparent from the financial statements.

At 31 December 2013 these contractual requirements were fully satisfied.

## XXII. Defined benefit plans

At 31 December 2013 this item amounted to € 90,336k (€ 99,231k at 31 December 2012 for continuing operations). Application of IAS 19 revised required recalculating the amount at 1 January 2012.

The table below shows details of employee benefits recognized as defined benefit plans. The legal obligation for Italian post-employment benefits (*trattamento di fine rapporto* or "TFR") is € 67,566k, compared with € 68,529k determined on an actuarial basis.

(€k)	31.12.2013	31.12.2012	Change
<b>Defined benefit plans:</b>			
Post-employment benefit	68,528	72,615	(4,086)
Health insurance plans	242	304	(62)
Other defined benefit plans	21,566	26,312	(4,747)
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	10,223	(10,223)
<b>Total</b>	<b>90,336</b>	<b>109,454</b>	<b>(19,118)</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

The following is a reconciliation of the present value of the obligation and the fair value of assets against the liability recognized at 31 December 2013:

(€k)	31.12.2013	31.12.2012	31.12.2011
Present value of the funded plans	91,005	94,806	89,635
Fair value of the plan assets	(74,601)	(73,164)	(71,676)
	<b>16,404</b>	<b>21,642</b>	<b>17,959</b>
Present value of the unfunded plans	73,932	77,589	54,281
Discontinued operations - demerger (Travel Retail & Duty Free)	-	10,223	11,944
<b>Net liabilities recognised</b>	<b>90,336</b>	<b>109,454</b>	<b>84,184</b>

The actuarial assumptions used to calculate defined benefit plans are summarized in the following table:

(€k)	Italy		Switzerland		The Netherlands		Other plans	
	2013	2012	2013	2012	2013	2012	2013	2012
Discount rate	2.5%	2.7%	2.6%	2.0%	3.7%	4.2%	2.5%-3.3%	1.9%-5.3%
Inflation rate	2.0%	2.2%	2.0%	1.8%	2.0%	2.0%	2.0%	2.0%
Yield on assets	-	-	3.9%	2.0%	3.7%	4.2%	-	-
Salary increase rate	-	-	1.0%	1.0%	1.8%	1.8%	2.0%-2.5%	2.0%-2.9%
Pension increase rate	3.0%	3.2%	-	-	2.0%	2.0%	-	-
Increase in healthcare costs	-	-	-	-	-	-	7.7%	8.4%

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

Below are the amounts recognized in the income statement for defined benefit plans:

(€k)	2013	2012	Change
Current service costs	1,706	3,187	(1,481)
Past service costs	(2,065)	(166)	(1,899)
Interest expense	2,547	2,854	(307)
<b>Total</b>	<b>2,188</b>	<b>5,875</b>	<b>(3,687)</b>

Interest expense is recognized under "Financial expense" net of interest income on plan assets, while the post-employment benefit cost is recognized under "Personnel expense."

Movements in the present value of post-employment benefit obligations are as follows:

(€k)	Italy	Switzerland	The Netherlands	Other plans	Total Food & Beverage	Travel Retail & Duty Free *	Total
<b>Present value of the obligation at 31.12.2011</b>	<b>49,331</b>	<b>75,476</b>	<b>14,159</b>	<b>4,950</b>	<b>143,916</b>	<b>137,380</b>	<b>281,296</b>
Current service costs	730	2,021	124	312	3,187	393	3,580
Past service cost	-	-	-	(166)	(166)	-	(166)
Interest expense	2,202	1,815	807	272	5,096	6,700	11,796
Actuarial losses (gains) due to:							
- demographic assumptions	-	1,164	99	(30)	1,234	(6,521)	(5,287)
- financial assumptions	24,739	1,208	4,375	156	30,478	13,218	43,696
- experience adjustments	-	(1,573)	(11)	(147)	(1,731)	112	(1,619)
Employees' share of contributions	-	1,778	-	70	1,848	109	1,958
Benefit paid	(4,966)	(5,883)	(533)	(365)	(11,747)	(3,575)	(15,322)
Exchange rate gains (losses)	-	519	-	(6)	513	3,159	3,672
Other	579	(740)	-	(73)	(233)	34	(199)
<b>Present value of the obligation at 31.12.2012</b>	<b>72,615</b>	<b>75,786</b>	<b>19,020</b>	<b>4,974</b>	<b>172,395</b>	<b>151,009</b>	<b>323,404</b>
Current service costs	-	1,166	187	353	1,706	101	1,807
Past service cost	-	(2,046)	-	(19)	(2,065)	-	(2,065)
Interest expense	1,907	1,740	788	205	4,640	3,205	7,845
Actuarial losses (gains) due to:							
- demographic assumptions	-	-	5	(22)	(17)	-	(17)
- financial assumptions	349	(1,306)	2,087	980	2,109	2,350	4,459
- experience adjustments	(674)	(711)	-	(241)	(1,626)	-	(1,626)
Employees' share of contributions	-	2,452	-	59	2,511	53	2,564
Benefit paid	(5,028)	(6,329)	(577)	(561)	(12,494)	(2,781)	(15,275)
Exchange rate gains (losses)	-	(1,257)	-	(13)	(1,270)	(3,535)	(4,805)
Other	(640)	-	-	(312)	(952)	-	(952)
Effect of Demerger	-	-	-	-	-	(150,403)	(150,403)
<b>Present value of the obligation at 31.12.2013</b>	<b>68,528</b>	<b>69,495</b>	<b>21,510</b>	<b>5,403</b>	<b>164,936</b>	<b>-</b>	<b>164,936</b>

\* Travel Retail & Duty Free figures are represented in Discontinued operations

This table shows movements in the present value of plan assets:

(€k)	Italy	Switzerland	The Netherlands	Other plans	Total Food & Beverage	Travel Retail & Duty Free *	Total
<b>Fair value of the assets at 31.12.2011</b>	-	57,632	14,044	-	71,676	125,436	197,112
Interest income	-	1,430	812	-	2,242	7,116	9,358
Estimated yield on plan assets, except interest income	-	(6,333)	4,023	-	(2,310)	2,076	(234)
Employees' share of contributions	-	1,778	-	-	1,778	109	1,887
Group's share of contributions	-	5,302	561	-	5,863	6,493	12,356
Benefits paid	-	(5,883)	(533)	-	(6,416)	(3,370)	(9,785)
Exchange rate gains (losses)	-	399	-	-	399	2,900	3,298
Other	-	-	(69)	-	(69)	27	(42)
<b>Fair value of the assets at 31.12.2012</b>	-	54,326	18,838	-	73,164	140,787	213,950
Interest income	-	1,304	789	-	2,093	3,022	5,115
Estimated yield on plan assets, except interest income	-	(85)	1,677	-	1,592	7,963	9,555
Employees' share of contributions	-	2,452	-	-	2,452	53	2,504
Group's share of contributions	-	2,570	597	-	3,167	9,989	13,156
Benefits paid	-	(6,329)	(577)	-	(6,906)	(2,192)	(9,098)
Exchange rate gains (losses)	-	(899)	-	-	(899)	(3,310)	(4,209)
Other	-	-	(61)	-	(61)	(14,112)	(14,173)
Effect of Demerger	-	-	-	-	-	(142,199)	(142,199)
<b>Fair value of the assets at 31.12.2013</b>	-	53,338	21,263	-	74,601	-	74,601

\* Travel Retail & Duty Free figures are represented in Discontinued operations

The main categories of plan assets are:

(€k)	Switzerland	The Netherlands
Cash and cash equivalents	24.5%	-
Equity instruments	14.9%	-
Bonds	40.8%	-
Real estate	18.5%	-
Other securities	1.3%	100.0%

Equity instruments and bonds have official market prices.

The occurrence of reasonably possible variations in actuarial assumptions at the close of the year would have affected the defined benefit obligation as quantified in the table below.

(€k)	Italy			Switzerland			The Netherlands			Other plans		
	Increase	Decrease	Var.	Increase	Decrease	Var.	Increase	Decrease	Var.	Increase	Decrease	Var.
Discount rate	(1,253)	1,326	0.25%	(1,973)	2,109	0.25%	(931)	994	0.25%	(3,774)	4,323	0.5%
Salary increase rate	-	-	-	319	(325)	0.25%	58	(50)	0.25%	4,149	(3,604)	0.5%
Pension increase rate	-	-	-	-	-	-	868	(814)	0.50%	-	-	-
Inflation rate	888	(842)	0.25%	-	-	-	-	-	-	-	-	-



At the close of the year, the weighted average duration of the defined benefit obligation was 11.7 years for 31 December 2013 and 10.7 years for 31 December 2012 for continuing operations.

### XXIII. Provisions for risks and charges

The change is due to normal allocations and utilizations for the year, and to the release of provisions as described below.

(€k)	31.12.2012	Other movements and exchange rate	Allocations	Reversals	Utilizations	Demerger	31.12.2013
Provision for taxes	3,154	121	361	-	(150)	-	3,486
Other provisions	8,248	(3,344)	10,144	-	(7,170)	-	7,878
Provision for legal disputes	382	(63)	1,715	(105)	(168)	-	1,762
Provision for the refurbishment of third party assets	-	337	80	-	-	-	417
Onerous contracts provision	221	(1)	-	(214)	-	-	6
Discontinued operations - demerger (Travel Retail & Duty Free) *	12,403	(905)	-	-	-	(11,498)	-
<b>Total provisions for current risks and charges</b>	<b>24,408</b>	<b>(3,854)</b>	<b>12,300</b>	<b>(319)</b>	<b>(7,488)</b>	<b>(11,498)</b>	<b>13,549</b>
Provision for taxes	390	-	-	(150)	(90)	-	150
Other provisions	21,181	2,655	1,436	(629)	(2,341)	-	22,302
Provision for legal disputes	3,454	-	2,010	(98)	(1,161)	-	4,206
Provision for the refurbishment of third party assets	5,863	(435)	300	-	(36)	-	5,692
Onerous contracts provision	6,571	(1,020)	280	(842)	(1,520)	-	3,469
Discontinued operations - demerger (Travel Retail & Duty Free) *	6,854	6	-	-	-	(6,860)	-
<b>Total provisions for non-current risks and charges</b>	<b>44,314</b>	<b>1,207</b>	<b>4,026</b>	<b>(1,719)</b>	<b>(5,148)</b>	<b>(6,860)</b>	<b>35,819</b>

(€k)	31.12.2011	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2012
Provision for taxes	3,064	406	-	(316)	-	3,154
Other provisions	8,441	(6,529)	7,696	(60)	(1,300)	8,248
Provision for legal disputes	-	353	179	(150)	-	382
Onerous contracts provision	327	-	-	(106)	-	221
Discontinued operations - demerger (Travel Retail & Duty Free) *	-	4,970	7,463	-	(30)	12,403
<b>Total provisions for current risks and charges</b>	<b>11,832</b>	<b>(800)</b>	<b>15,338</b>	<b>(632)</b>	<b>(1,330)</b>	<b>24,408</b>
Provision for taxes	988	-	-	-	(598)	390
Other provisions	28,724	2,639	2,572	(8,132)	(4,623)	21,181
Provision for legal disputes	3,458	69	1,145	(62)	(1,157)	3,454
Provision for the refurbishment of third party assets	2,502	7	3,354	-	-	5,863
Onerous contracts provision	9,003	27	102	(412)	(2,149)	6,571
Discontinued operations - demerger (Travel Retail & Duty Free) *	10,016	(2,912)	-	-	(250)	6,854
<b>Total provisions for non-current risks and charges</b>	<b>54,691</b>	<b>(169)</b>	<b>7,173</b>	<b>(8,605)</b>	<b>(8,776)</b>	<b>44,314</b>

\* Please refer to section 2.2.2 for Discontinued operations - demerger (Travel Retail & Duty Free)

#### Provision for taxes

The current portion relates primarily to disputes over US companies' direct and indirect tax obligations.

#### Other provisions

These refer mainly to a United States "self-insurance" provision of € 26,423k to cover the deductibles on third-party liability provided for in insurance plans. In 2013, € 10,144k was allocated to this provision and € 8,507k was used for insurance settlements.

#### Provision for legal disputes

This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, as well as revised amounts where necessary.

#### Provision for the refurbishment of third party assets

This represents estimated liabilities for ensuring that leased assets are returned in the contractually-agreed condition.

#### Onerous contracts provision

This refers to long-term leases or concession agreements on commercial units that are not profitable enough to cover the rent.

## XXIV. Equity

Movements in equity items during the year as well as the comparison period are detailed in a separate schedule.

#### Effect of the demerger on net equity

A significant portion of the Group's equity has been assigned to the World Duty Free Group through the transfer of 100% of World Duty Free Group S.A.U., the holding company of the Travel Retail & Duty Free operations. As a result, consolidated equity of the Autogrill Group has been reduced by the amount of consolidated equity pertaining to World Duty Free Group S.A.U. (approximately € 431,978k at 1 October 2013). Refer to the section 2.2.2 - Discontinued operations - demerger.

#### Share capital

At 31 December 2013 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares.

On 6 June 2013, the shareholders' meeting of Autogrill S.p.A. approved a change to art. 5 ("Share capital") of the company's by-laws which eliminates the par value of shares.

As a result of the demerger, on 1 October 2013 the share capital of Autogrill S.p.A. was reduced by € 63,600k.

At 31 December 2013 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

#### Legal reserve

The "legal reserve" is the portion of Autogrill S.p.A. profits that cannot be paid out as dividends, in accordance with art. 2430 of the Italian Civil Code. It amounts to € 13,738k, reduced since the previous year due entirely to the demerger.

#### Hedging reserve

The "Hedging reserve," amounting to € -5,581k (€ -15,743k at 31 December 2012), corresponds to the effective portion of the fair value of derivatives designated as cash flow hedges.

The increase of € 10,162k relates to the fair value change of derivatives designated as cash flow hedges (€ +11,322k), net of the tax effect (€ -3,193k), and also to the demerger (€ +2,033k).

#### Translation reserve

Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the proportionate method, net of the fair value of instruments designated as net investment hedges. Of the decrease, € 43,768k concerns exchange rate losses from the translation of financial statements in foreign currencies and € 163k the portion of comprehensive income for investments measured using the equity method, partially offset by the change in the fair value of instruments designated as net investment hedges net of the tax effect for € 5,523k and by the impact of the demerger for € 29,243k.

#### Other reserves and retained earnings

These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.

In accordance with the IAS 19 revised, other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement of defined benefit plan assets and liabilities.

The decrease in this item was caused by the change in the actuarial gains/losses of defined benefit plans net of the tax effect for € 6,462k and the demerger of the Travel Retail & Duty Free business for € 297,593k, partially offset by the allocation to reserves of the 2012 profit on the basis of the shareholders' meeting resolution of 6 June 2013 and the effect of the demerger on treasury shares and on the share-based payments reserve for € 2,338k.

#### Treasury shares

The shareholders' meeting of 6 June 2013, after revoking the authorization granted on 21 April 2011 and pursuant to arts. 2357 *et seq.* of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2013 the parent owned 1,004,934 treasury shares with a carrying amount of € 3,982k and an average carrying amount of € 3.96 per share. The decrease in the carrying amount of treasury shares is explained by the demerger and by the transfer of 1,004,934 ordinary shares of World Duty Free S.p.A., recognized as "Other financial assets" in the statement of financial position.

No additional shares were purchased in 2013.

#### Non-controlling interests

Non-controlling interests amount to € 31,175k, compared with € 26,351k at 31 December 2012. Most of the increase is due to the net profit for the year (€ 11,530k, of which € 1,715k from discontinued operations), capital injections (€ 14,714k) and the acquisition of non-controlling interests relating to the operations in Vietnam (€ 1,939k), net of the payment of dividends for € 17,050k and the effect of the demerger for € 6,363k.

## Other comprehensive income

The following table shows the components of comprehensive income and the relative tax effect:

(€k)	2013						
	Food & Beverage			Travel Retail & Duty Free			Net amount
	Gross amount	Tax benefit/(expense)	Net amount	Gross amount	Tax benefit/(expense)	Net amount	
Actuarial profit/(Loss) on defined benefit plans	1,126	(702)	424	(8,506)	1,619	(6,887)	(6,462)
Other consolidated comprehensive income items that will not be subsequently reclassified in the profit or loss for the year	1,126	(702)	424	(8,506)	1,619	(6,887)	(6,462)
Effective portion of fair value change in cash flow hedges	3,654	(1,005)	2,649	3,178	(953)	2,225	4,874
Net change in fair value of cash flow hedges reclassified to profit or loss	4,490	(1,235)	3,255	-	-	-	3,255
Share of other comprehensive income on entities accounted for using the equity method	(163)	-	(163)	-	-	-	(163)
Fair value gain on available-for-sale financial assets	262	-	262	-	-	-	262
Foreign currency translation differences from foreign operations	(24,646)	-	(24,646)	(19,069)	-	(19,069)	(43,715)
Gains (losses) on net investment hedges	826	(227)	599	7,035	(2,110)	4,924	5,523
Other consolidated comprehensive income items that will be subsequently reclassified in the profit or loss for the year	(15,577)	(2,467)	(18,044)	(8,856)	(3,064)	(11,920)	(29,964)
Total other consolidated comprehensive income	(14,451)	(3,169)	(17,619)	(17,362)	(1,444)	(18,807)	(36,426)

(€k)	2012						
	Food & Beverage			Travel Retail & Duty Free			
	Gross amount	Tax benefit/(expense)	Net amount	Gross amount	Tax benefit/(expense)	Net amount	Net amount
Actuarial profit/(Loss) on defined benefit plans	(32,291)	8,593	(23,698)	(4,733)	909	(3,825)	(27,523)
<b>Other consolidated comprehensive income items that will not be subsequently reclassified in the profit or loss for the year</b>	<b>(32,291)</b>	<b>8,593</b>	<b>(23,698)</b>	<b>(4,733)</b>	<b>909</b>	<b>(3,825)</b>	<b>(27,523)</b>
Effective portion of fair value change in cash flow hedges	306	(84)	222	(2,463)	739	(1,724)	(1,502)
Net change in fair value of cash flow hedges reclassified to profit or loss	24,965	(6,866)	18,100	-	-	-	18,100
Share of other comprehensive income on entities accounted for using the equity method	116	-	116	-	-	-	116
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	-
Foreign currency translation differences from foreign operations	(3,158)	-	(3,158)	7,700	-	7,700	4,542
Gains (losses) on net investment hedges	(343)	94	(249)	(6,760)	2,028	(4,732)	(4,981)
<b>Other consolidated comprehensive income items that will be subsequently reclassified in the profit or loss for the year</b>	<b>21,886</b>	<b>(6,855)</b>	<b>15,031</b>	<b>(1,523)</b>	<b>2,767</b>	<b>1,244</b>	<b>16,275</b>
<b>Total other consolidated comprehensive income</b>	<b>(10,405)</b>	<b>1,737</b>	<b>(8,668)</b>	<b>(6,256)</b>	<b>3,676</b>	<b>(2,581)</b>	<b>(11,248)</b>

## 2.2.4 Notes to the income statement

Comments on the items making up the income statement are provided below.

The income statement figures for the Travel Retail &

Duty Free sector are shown separately on line XXXIV - Net profit from discontinued operations (demerger). The comments that follow thus concern the Food & Beverage business only.

### XXV. Revenue

Revenue in 2013 came to € 4,545,922k, a decrease of € 138,826k with respect to the previous year's revenue of € 4,684,748k.

Revenue includes the sale of fuel, mostly at rest stops in Italy and Switzerland, which came to

€ 561,101k (€ 609,152k the previous year).

For details of performance by segment, see section 2.2.7 "Segment reporting" and the Directors' report.

### XXVI. Other operating income

(€k)	2013	2012	Change
Bonuses from suppliers	51,527	48,409	3,118
Income from business leases	8,590	10,450	(1,859)
Affiliation fees	2,662	2,788	(126)
Gains on sales of property, plant and equipment	2,705	3,793	(1,088)
Other revenue	62,482	39,233	23,249
<b>Total</b>	<b>127,967</b>	<b>104,673</b>	<b>23,294</b>

"Other revenue" includes € 24.5m in commissions from the sale of goods and services for which the Group acts as an agent.

Most of the change on the previous year relates to non-recurring income from having waived the right of pre-emption on the renewal of expiring subconcessions (€ 13.8m), as well as income received for the early termination of leases.

## XXVII. Raw materials, supplies and goods

(€k)	2013	2012	Change
Purchases	1,870,832	1,962,086	(91,255)
Change in inventories	3,271	(7,311)	10,582
<b>Total</b>	<b>1,874,103</b>	<b>1,954,775</b>	<b>(80,672)</b>

This item decreased mainly in correlation with the decline in revenue.

## XXVIII. Personnel expense

(€k)	2013	2012	Change
Wages and salaries	1,025,120	1,033,934	(8,813)
Social security contributions	188,456	193,464	(5,008)
Employee benefits	26,058	28,380	(2,321)
Other costs	78,556	76,046	2,509
<b>Total</b>	<b>1,318,190</b>	<b>1,331,823</b>	<b>(13,633)</b>

"Other costs" includes the portion pertaining to the year of the 2010 stock option plan (€ 416k), as well as fees paid to members of the Board of Directors (for details see section 2.2.11 below).

The average headcount, expressed in terms of equivalent full-time employees, was 41,646 (40,692 the previous year for continuing operations).

## XXIX. Leases, rentals, concessions and royalties

(€k)	2013	2012	Change
Leases, rentals and concessions	593,016	598,284	(5,268)
Royalties	84,391	81,263	3,128
<b>Total</b>	<b>677,407</b>	<b>679,547</b>	<b>(2,141)</b>

This item decreased mainly in correlation with the decline in revenue.

## XXX. Other operating expense

(€k)	2013	2012	Change
Utilities	95,410	97,585	(2,175)
Maintenance	74,932	68,586	6,346
Cleaning and disinfestations	49,484	49,695	(210)
Consulting and professional services	36,964	45,071	(8,107)
Commissions on credit card payments	36,408	34,884	1,524
Storage and transport	16,138	14,622	1,516
Advertising and market research	13,702	16,329	(2,627)
Travel expenses	23,811	26,195	(2,384)
Telephone and postal charges	15,769	15,730	38
Equipment hire and lease	8,018	9,066	(1,049)
Insurance	4,622	4,696	(73)
Surveillance	3,953	4,085	(132)
Transport of valuables	5,282	5,387	(106)
Banking services	4,567	4,748	(180)
Sundry materials	30,518	31,973	(1,455)
Other services	22,833	29,358	(6,525)
<b>Costs for materials and services</b>	<b>442,411</b>	<b>458,010</b>	<b>(15,599)</b>
<b>Impairment losses on receivables</b>	<b>1,283</b>	<b>1,188</b>	<b>94</b>
For taxes	212	(316)	527
For legal disputes	3,522	1,112	2,410
For onerous contracts	(776)	(416)	(360)
For other risks	10,951	1,725	9,226
<b>Provisions for risks</b>	<b>13,909</b>	<b>2,105</b>	<b>11,803</b>
<b>Indirect and local taxes</b>	<b>24,095</b>	<b>23,550</b>	<b>545</b>
<b>Other operating expense</b>	<b>8,470</b>	<b>10,815</b>	<b>(2,345)</b>
<b>Total</b>	<b>490,168</b>	<b>495,669</b>	<b>(5,501)</b>

"Sundry materials" refer to the purchase of inexpensive equipment and to various consumables such as uniforms, office supplies, and advertising materials.

"Consulting services" were received primarily in Italy and the United States; the cost went down due to a decrease in strategic consulting.

The item "Other services" includes miscellaneous items such as medical check-ups, public relations, general services, and personnel recruitment and training. The decrease on the previous year reflects the cost-cutting measures implemented in 2013.



### XXXI. Depreciation, amortization and impairment losses

In detail:

(€k)	2013	2012	Change
Other intangible assets	15,609	14,147	1,462
Property, plant and equipment	159,780	156,739	3,041
Assets to be transferred free of charge	34,710	30,368	4,343
<b>Total</b>	<b>210,099</b>	<b>201,253</b>	<b>8,846</b>

Impairment losses (net of reversals) were recognized in the amount of € 15,654k, following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit.

The following table provides a breakdown by type of asset:

(€k)	2013	2012	Change
Goodwill	-	16,700	(16,700)
Other intangible assets	2,279	-	2,279
Property, plant and equipment	6,917	6,956	(40)
Assets to be transferred free of charge	6,458	448	6,010
<b>Total</b>	<b>15,654</b>	<b>24,104</b>	<b>(8,450)</b>

See notes VII, VIII and IX for details of the assumptions and criteria used to measure impairment.

## XXXII. Financial income and expense

(€k)	2013	2012	Change
Interest income	933	1,056	(123)
Exchange rate gains	-	541	(541)
Interest differential on exchange rate hedges	215	308	(94)
Ineffective portion of hedging instruments	46	43	3
Other financial income	80	425	(345)
<b>Total</b>	<b>1,274</b>	<b>2,373</b>	<b>(1,099)</b>

(€k)	2013	2012	Change
Interest expense	44,049	64,425	(20,376)
Discounting of long-term liabilities	2,808	3,208	(400)
Exchange rate losses	723	-	723
Fees paid on loans and bonds	1,602	465	1,137
Time value and ineffective portion of hedging instruments	69	-	69
Other financial expense	2,494	5,394	(2,900)
<b>Total</b>	<b>51,745</b>	<b>73,491</b>	<b>(21,747)</b>
<b>Total net financial expense</b>	<b>(50,471)</b>	<b>(71,119)</b>	<b>20,648</b>

Of the change in interest expense, € 17.1m reflects the different impact in the two years of using the amortized cost method to account for the early termination of interest rate hedging contracts during the Group's refinancing in July 2011.

## XXXIII. Income tax

The balance of € 27,065k (€ 21,490k in 2012 for continuing operations) includes € 21,175k in current taxes (€ 1,811k the previous year) and € 1,496k in net deferred tax assets (€ 11,372k in 2012).

IRAP, which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense, came to € 7,387k (€ 8,307k the previous year); CVAE, charged on French operations and calculated on the basis of revenues and value added, amounted to € 1,830k (€ 2,218k in 2012). The lower amount of current taxes in 2012 is due chiefly to the IRES (corporate income tax) refund resulting from the retrospective deduction of IRAP pertaining to personnel expense for the years 2007-2011, in accordance with art. 2 of Decree Law 201/2011.

Excluding Italian IRAP and French CVAE, the average tax rate was 50.4%, compared with 37.9% in 2012.

Below is a reconciliation between the tax charge recognized in the consolidated financial statements and the theoretical tax charge. The latter was determined by applying the theoretical tax rate to

the gross income earned in each jurisdiction, including additional taxes on future profit distributions by subsidiaries.

(€k)	<b>2013</b>	<b>2012</b>
<b>Theoretical income tax</b>	<b>20,594</b>	<b>19,222</b>
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(3,415)	(4,002)
Net effect of unrecognised tax losses, of utilisation of unrecognised prior-year tax losses and the revision of estimates on the taxability/deductibility of temporary differences	6,049	5,685
IRES refund resulting from the retrospective deduction of IRAP pertaining to personnel	-	(12,467)
Effect of non-deductibility of goodwill impairment of Spain	-	5,010
Deferred taxation on the retained earnings of subsidiaries	2,751	3,627
Other permanent differences	(8,131)	(6,110)
<b>Income tax, excluding IRAP and CVAE</b>	<b>17,848</b>	<b>10,965</b>
IRAP and CVAE	9,217	10,525
<b>Recognised income tax</b>	<b>27,065</b>	<b>21,490</b>

#### XXXIV. Profit from discontinued operations (demerger)

The amount of € 91,056k (€ 102,829k in 2012) refers to the net profit of the Travel Retail & Duty Free business for the first nine months of 2013 (i.e. until the effective date of the demerger). See section 2.2.2 for details of the individual items.

#### XXXV. Basic and diluted earnings per share

Basic earnings per share is calculated as the profit for the year attributable to the owners of the parent divided by the weighted average number of ordinary shares outstanding during the year; treasury shares held by the Group are there excluded from the denominator.

Diluted earnings per share takes account of potential dilutive shares deriving from stock option plans when determining the number of shares outstanding.

Below is the calculation of basic earnings per share:

	<b>2013</b>	<b>2012</b>
Profit for the year attributable to owners of the parent (€k)	87,859	96,753
Weighted average no. of outstanding shares (no./000)	253,395	253,395
<b>Basic earning per share (€/cent)</b>	<b>34.7</b>	<b>38.2</b>

	<b>2013</b>	<b>2012</b>
Profit for the year attributable to owners of the parent (€k)	87,859	96,753
Weighted average no. of outstanding shares (no./000)	253,395	253,395
Weighted average no. of shares included in stock option plans (no./000)	204	-
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	253,599	253,395
<b>Diluted earning per share (€/cent)</b>	<b>34.6</b>	<b>38.2</b>

	<b>2013</b>	<b>2012</b>
Loss for the year from continuing operations attributable to owners of the parent (€k)	(1,482)	(3,791)
Weighted average no. of outstanding shares (no./000)	253,395	253,395
<b>Basic earning per share from continuing operations (€/cent)</b>	<b>(0.6)</b>	<b>(1.5)</b>

	<b>2013</b>	<b>2012</b>
Loss for the year from continuing operations attributable to owners of the parent (€k)	(1,482)	(3,791)
Weighted average no. of outstanding shares (no./000)	253,395	253,395
Weighted average no. of outstanding shares included in stock option plans (no./000)	204	-
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	253,599	253,395
<b>Diluted earning per share from continuing operations (€/cent)</b>	<b>(0.6)</b>	<b>(1.5)</b>

## 2.2.5 Net financial position

Details of the net financial position at 31 December 2013 and 31 December 2012 are as follows:

Note	(€m)	31.12.2013	31.12.2012	Change
I	A) Cash on hand	69.4	64.0	5.4
I	B) Cash equivalents	102.2	71.9	30.2
	C) Securities held for trading	-	-	-
	<b>D) Cash and cash equivalents (A + B + C)</b>	<b>171.6</b>	<b>135.9</b>	<b>35.6</b>
II	<b>E) Current financial assets</b>	<b>20.9</b>	<b>16.9</b>	<b>4.1</b>
XIX	F) Due to banks, current	(118.8)	(65.0)	(53.7)
XX	G) Bonds issued	-	(201.6)	201.6
XVII	H) Other financial liabilities	(9.4)	(11.3)	1.8
	<b>I) Current financial indebtedness (F + G + H)</b>	<b>(128.2)</b>	<b>(277.9)</b>	<b>149.7</b>
	<b>J) Net current financial indebtedness (I + E + D)</b>	<b>64.3</b>	<b>(125.2)</b>	<b>189.5</b>
XIX	K) Due to banks, net of current portion	(362.3)	(743.7)	381.5
XX	L) Bonds issued	(367.7)	(123.7)	(244.0)
XIX	M) Due to others	(18.2)	(24.5)	6.3
	<b>N) Non-current financial indebtedness (K + L + M)</b>	<b>(748.2)</b>	<b>(891.9)</b>	<b>143.7</b>
	<b>O) Net financial indebtedness (J + N) *</b>	<b>(683.9)</b>	<b>(1,017.1)</b>	<b>333.2</b>
XI	<b>P) Non-current financial assets</b>	<b>11.1</b>	<b>83.9</b>	<b>(72.8)</b>
	of which financial receivables vs Travel Retail & Duty Free	-	70.0	(70.0)
	<b>Net financial position from continuing operations (O + P)</b>	<b>(672.7)</b>	<b>(933.2)</b>	<b>260.4</b>
	<b>Net financial position from discontinued operation</b>	<b>-</b>	<b>(561.5)</b>	<b>561.5</b>
	<b>Net financial position - total</b>	<b>(672.7)</b>	<b>(1,494.7)</b>	<b>822.0</b>

\* As defined by Consob communication 28 July 2006 and ESMA/2011/81 recommendations

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

At 31 December 2013 the Group is owed \$ 5.3m by World Duty Free US Inc. in relation to the sale of the US Retail business. The amount is equal to 5% of the transaction price and was withheld by the buyers as a compliance guarantee.

## 2.2.6 Financial instruments – fair value and risk management

### 2.2.6.1 Fair value hierarchy

The following tables break down assets and liabilities by category at 31 December 2013 and 2012 and financial instruments measured at fair value by measurement method. The different levels are defined as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities either directly (prices) or indirectly (derived from prices);

Level 3 - inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

(€k)	<b>31.12.2013</b>			
	Fair value - hedging instruments	Carrying amount		
		Held-to- maturity	Loans and receivables	Available- for-sale
<b>Financial assets measured at fair value</b>				
Fair value of interest rate hedging derivatives	7,677	-	-	-
Fair value of exchange rate hedging derivatives	23	-	-	-
	<b>7,700</b>			
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent	-	-	171,516	-
Trade receivables	-	-	46,371	-
Other current assets	-	-	114,449	-
Other non-current assets	-	-	7,409	-
Other financial assets (current)	-	-	19,598	10,292
Other financial assets (non-current)	-	-	14,872	-
			<b>374,215</b>	<b>10,292</b>
<b>Financial liabilities measured at fair value</b>				
Fair value of interest rate hedging derivatives	8,972	-	-	-
Fair value of exchange rate hedging derivatives	336	-	-	-
	<b>9,308</b>			
<b>Financial liabilities not measured at fair value</b>				
Bank overdraft	-	-	-	-
Unsecured bank loans	-	-	-	-
Finance leases	-	-	-	-
Financial liabilities due to others	-	-	-	-
Bonds	-	-	-	-
Trade payables	-	-	-	-
Due to suppliers for investments	-	-	-	-

31.12.2013

Other financial liabilities	Carrying amount		Fair value			Total
	Total	Level 1	Level 2	Level 3		
-	7,677	-	7,677	-	7,677	
-	23	-	23	-	23	
	7,700					
-	171,516	-	-	-	-	
-	46,371	-	-	-	-	
-	114,449	-	-	-	-	
-	7,409	-	-	-	-	
-	29,890	10,292	-	-	10,292	
-	14,872	-	-	-	-	
	384,507					
-	8,972	-	8,972	-	8,972	
-	336	-	336	-	336	
	9,308					
41,937	41,937	-	-	-	-	
439,097	439,097	-	443,218	-	443,218	
11,042	11,042	-	-	-	-	
283	283	-	-	-	-	
367,706	367,706	-	367,505	-	367,505	
396,205	396,205	-	-	-	-	
56,402	56,402	-	-	-	-	
1,312,671	1,312,671					

(€k)	31.12.2012			
	Carrying amount			
	Fair value - hedging instruments	Held-to- maturity	Loans and receivables	Available- for-sale
<b>Financial assets measured at fair value</b>				
Fair value of interest rate hedging derivatives	11,182	-	-	-
Fair value of exchange rate hedging derivatives	414	-	-	-
	<b>11,596</b>			
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalent	-	-	135,879	-
Trade receivables	-	-	46,640	-
Other current assets	-	-	109,095	-
Other non-current assets	-	-	13,366	-
Other financial assets (current)	-	-	15,088	-
Other financial assets (non-current)	-	-	15,344	-
			<b>335,411</b>	
<b>Financial liabilities measured at fair value</b>				
Fair value of interest rate hedging derivatives	14,380	-	-	-
Fair value of exchange rate hedging derivatives	845	-	-	-
	<b>15,225</b>			
<b>Financial liabilities not measured at fair value</b>				
Bank overdraft	-	-	-	-
Unsecured bank loans	-	-	-	-
Finance leases	-	-	-	-
Financial liabilities due to others	-	-	-	-
Bonds	-	-	-	-
Trade payables	-	-	-	-
Due to suppliers for investments	-	-	-	-



31.12.2012

Carrying amount		Fair value			
Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
-	11,182	-	11,182	-	11,182
-	414	-	414	-	414
	11,596				
-	135,879	-	-	-	-
-	46,640	-	-	-	-
-	109,095	-	-	-	-
-	13,366	-	-	-	-
-	15,088	-	-	-	-
-	15,344	-	-	-	-
	335,411				
-	14,380	-	14,380	-	14,380
-	845	-	845	-	845
	15,225				
54,474	54,474	-	-	-	-
754,285	754,285	-	-	-	-
12,179	12,179	-	-	-	-
288	288	-	-	-	-
325,272	325,272	-	-	-	-
440,113	440,113	-	-	-	-
82,846	82,846	-	-	-	-
1,669,457	1,669,457				

In 2013 there were no transfers between different hierarchical levels.

*(a) Level 1 financial instruments*

The fair value of a financial instrument traded in an active market is based on its quoted market price at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the financial assets held by the Group is the current bid price.

*(b) Level 2 financial instruments*

The fair value of financial instruments not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For level 2, the specific valuation techniques are as follows:

- the fair value of interest rate swaps has been estimated considering the present value of future cash flows based on observable yield curves. This fair value takes into account the credit risk of the counterparty determined based on observable market data. It also takes into account the credit risk of the Group, calculated on the basis of credit and other financial ratios and benchmarking. The adjustments to the aforementioned risks are considered not significant at 31 December 2013;

- the fair value of loans and bonds was estimated by discounting future cash flows at a risk-free market interest rate gross of a spread determined on the basis of the Group's credit risk, financial ratios and benchmarking.

## 2.2.6.2 Financial risk management

The Group is exposed to the following risks:

- market risk;
- credit risk;
- liquidity risk.

The overall responsibility for the creation and supervision of a Group risk management system lies with Autogrill S.p.A.'s Board of Directors, which has set up the Control and Risks Committee and the Corporate Governance Committee. The latter is responsible for developing and monitoring the Group's risk management policies and periodically informs the Board of Directors, through the Enterprise Risk Management unit, of risk analysis and management activities.

The Group's risk management policies are designed to identify and analyze the risks to which the Group is exposed, establish appropriate limits and controls, and monitor the risks and compliance with those limits. These policies and the corresponding systems are revised regularly to reflect any changes in market conditions and the Group's operations. Through training, standards and official procedures, the Group aims to create a disciplined and constructive environment in which its employees are aware of their roles and responsibilities. The Internal Audit unit complements the Committee in its monitoring activities, conducting periodic reviews and spot checks of the controls and risk management procedures and reporting the results to the Board of Directors.

This section describes the Group'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 Group's financial position, results of operations and cash flows.

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

### Interest rate risk

The aim of interest rate risk management is to control financial expense and its volatility. 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, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly interest rate swaps (IRS).

Hedging instruments are allocated to companies with significant exposure to interest rate risk where there are borrowings paying a floating rate (thus exposing the Group to higher finance costs if interest rates rise) or a fixed rate (which means that lower interest rates do not bring about a reduction in financial expense).

At 31 December 2013, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) was 62%. The percentage of fixed-rate debt is higher when considering debt denominated in US dollars (86%) as opposed to debt in euros (36%).

Gross debt denominated in US dollars amounted to \$ 636.8m at the close of the year, including \$ 507.1m in bond loans. Part of the interest rate risk is hedged by fixed-to-floating interest rate swaps for \$ 75m, classified as fair value hedges.

When applying the policy described above, interest rate risk management instruments were accounted for as cash flow hedges in Group companies' financial statements where they were subject to this risk, and thus recognized as financial assets or liabilities with a specific balancing entry in comprehensive income and presented in the hedging reserve under equity. In the year ended 31 December 2013, a fair value change of € +11,322k was recognized in respect of derivatives found to be effective.

The basic details of IRS contracts used as cash flow hedges at 31 December 2013 are as follows:

Underlying	Notional amount	Expiry	Average fixed rate received	Floating rate received	Fair value (€k)
Term Loan € 500m	€k 120,000	24.06.2015	4.66%	3-month Euribor	(8,972)

Below are the details of financial instruments used to hedge fixed-rate debt of \$ 75m at the close of the year:

Underlying	Notional amount	Expiry	Average fixed rate received	Floating rate received	Fair value (€k)
Bond issue	€k 75,000	09.05.2017	5.73%	6-month Usd Libor + 0.4755/0.5055%	7,677

These instruments were accounted for as fair value hedges in the financial statements of Group companies subject to this risk, and thus recognized as financial assets or liabilities with a balancing entry in the income statement. In 2013, the change in fair value was a negative \$ 4m (€ 2.9m), which canceled the effects on the income statement of changes in the payable's fair value.

A hypothetical unfavorable change of 1% in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2013 would increase net financial expense by € 4,286k.

### Currency risk

The Group operates in countries with functional currencies other than the euro. In these countries, the procurement policy dictates that raw material purchases and other operating costs be conducted in the same currencies, thereby minimizing currency risk. Such a risk remains with respect to intragroup loans, when granted to subsidiaries that use non-euro currencies. Under these circumstances, the objective of currency risk management is to neutralize some of this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the euro.

The Group's exposure to currency translation risk is detailed below, in local currency:

(Currency/000)	USD	CAD	CHF
Equity	279,198	37,876	179,168
Profit	60,258	4,947	7,629

If the euro had risen or fallen by 5% against the above currencies, at 31 December 2013 equity

and profit for the year would have been altered as shown in the following table (in thousands of euros):

(€k)	USD		CAD		CHF	
	+5%	-5%	+5%	-5%	+5%	-5%
Equity	(9,640)	10,655	(1,229)	1,359	(6,950)	7,682
Profit	(2,161)	2,388	(172)	190	(295)	326

This analysis was based on the assumption that the other variables, especially interest rates, remain unchanged.

Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to profit or loss, as is the corresponding change in the amount of the hedged assets and liabilities.

Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending conversion into euros in the parent's or its subsidiaries' financial statements of equity investments denominated in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognized at fair value under financial assets or liabilities.

The fair value of hedges outstanding at 31 December 2013 is shown below:

Notional amount (currency/000)	Expiry	Spot rate	Forward rate	Fair value (€k)
CHF 1,100	08.01.2014	1.2227	1.2221	(4)
CHF 6,500	08.01.2014	1.2225	1.222	(24)
CHF 2,900	08.01.2014	1.223	1.2224	(9)
GBP 800	30.01.2014	0.8322	0.8326	1
CAD 15,061	20.01.2014	1.4412	1.4418	5
SEK 14,900	31.01.2014	8.941	8.952	17

For instruments hedging translation risk that are therefore designated as hedges of net investments, the effective component of fair value is recognized in comprehensive income and classified to the translation reserve under equity.

The fair value of these hedges outstanding at 31 December 2013 is shown in the following table:

Notional amount (currency/000)	Expiry	Spot rate	Forward rate	Fair value (€k)
CHF 60,000	26.02.2014	1.2354	1.2347	(299)

## 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 the Group's trade receivables and financial investments.

The carrying amount of the financial assets is the Group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties, as detailed in section 2.2.9.

Exposure at 31 December 2013 and 31 December 2012 was as follows:

## Financial assets

(€k)	31.12.2013	31.12.2012	Change
Bank and post office deposits	102,153	71,918	30,235
Other current financial assets	29,890	15,088	14,802
Trade receivables	46,371	46,640	(269)
Other current receivables	114,449	109,095	5,354
Derivative instruments	7,700	11,596	(3,896)
Other non-current financial assets	14,872	15,344	(472)
Other non-current receivables	7,409	13,366	(5,957)
Discontinued operations (Travel Retail & Duty Free)	-	81,747	(81,747)
<b>Total</b>	<b>322,844</b>	<b>364,793</b>	<b>(41,949)</b>

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

In most cases, the Group'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 local procedures, which 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 collective impairment calculated on the basis of historical and statistical data.

## Trade receivables

(€k)	31.12.2013					Total
	Expired not impaired					
	Not expired	1-3 months	3-6 months	6 months-1 year	Over 1 year	
Airlines	5,879	2,970	18	-	15	8,883
Franchisee	2,641	866	-	1,182	-	4,689
Catering services agreements	2,751	2,931	74	510	19	6,285
Other	14,011	8,038	66	4,369	31	26,515
<b>Total</b>	<b>25,282</b>	<b>14,806</b>	<b>158</b>	<b>6,061</b>	<b>65</b>	<b>46,371</b>

## Trade receivables

(€k)	31.12.2012					Total
	Expired not impaired					
	Not expired	1-3 months	3-6 months	6 months-1 year	Over 1 year	
Airlines	5,931	2,330	3	41	16	8,321
Franchisee	2,420	519	-	892	-	3,831
Catering services agreements	2,373	4,091	143	353	-	6,960
Other	16,008	7,004	86	4,415	16	27,530
<b>Total continuing operations</b>	<b>26,732</b>	<b>13,944</b>	<b>232</b>	<b>5,701</b>	<b>32</b>	<b>46,641</b>
Discontinued operations (Travel Retail & Duty Free)	1,259	311	5,261	127	-	6,958
<b>Total</b>	<b>27,991</b>	<b>14,255</b>	<b>5,493</b>	<b>5,828</b>	<b>32</b>	<b>53,599</b>

There is no significant concentration of credit risk: the top 10 customers account for 17.1% of total trade receivables, and the largest customer (Esso Italiana S.r.l.) for 2.84%.



## Liquidity risk

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

The Group manages liquidity by ensuring that to the extent possible, it always has sufficient funds to meet its obligations on time, without incurring excessive charges or risking damage to its reputation.

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

Exposure and maturity data at the close of 2013 and 2012 were as follows:

## Non-derivative financial liabilities

(€k)	31.12.2013								
	Carrying amount	Contractual cash flows							
		Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years	
Current account overdrafts	41,937	41,937	41,937	-	-	-	-	-	
Unsecured bank loans	443,360	443,360	76,819	-	-	-	366,541	-	
Lease payments due to others	11,042	11,042	255	247	391	1,700	558	7,892	
Other financial liabilities	283	283	-	-	-	-	-	283	
Bonds	369,911	369,911	-	-	-	-	116,122	253,789	
Trade payables	396,204	396,204	388,609	664	6,557	227	144	4	
Due to suppliers for investments	56,402	56,402	55,154	1,242	-	-	6	-	
<b>Total</b>	<b>1,319,139</b>	<b>1,319,139</b>	<b>562,774</b>	<b>2,153</b>	<b>6,948</b>	<b>1,927</b>	<b>483,371</b>	<b>261,968</b>	

## Derivative financial liabilities

(€k)	31.12.2013								
	Carrying amount	Contractual cash flows							
		Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years	
Forward foreign exchange derivatives	336	336	336	-	-	-	-	-	
Interest rate swap	8,972	8,972	1,197	-	-	7,775	-	-	
<b>Total</b>	<b>9,308</b>	<b>9,308</b>	<b>1,533</b>	<b>-</b>	<b>-</b>	<b>7,775</b>	<b>-</b>	<b>-</b>	

## Non-derivative financial liabilities

31.12.2012								
Contractual cash flows								
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current account overdrafts	54,474	54,474	54,474	-	-	-	-	-
Unsecured bank loans	759,974	759,974	10,540	5	10	540,986	208,433	-
Lease payments due to others	12,179	12,179	370	241	491	2,311	586	8,179
Other financial liabilities	288	288	-	-	-	-	-	288
Bonds	326,115	326,115	201,607	-	-	-	124,508	-
Trade payables	440,113	440,113	402,835	31,303	5,720	-	255	-
Due to suppliers for investments	82,846	82,846	82,832	-	-	-	14	-
<b>Total continuing operations</b>	<b>1,675,989</b>	<b>1,675,989</b>	<b>752,658</b>	<b>31,549</b>	<b>6,221</b>	<b>543,297</b>	<b>333,796</b>	<b>8,467</b>
Discontinued operations (Travel Retail & Duty Free)	715,512	715,512	211,438	-	59,839	-	444,235	-
<b>Total</b>	<b>2,391,501</b>	<b>2,391,501</b>	<b>964,096</b>	<b>31,549</b>	<b>66,060</b>	<b>543,297</b>	<b>778,031</b>	<b>8,467</b>

## Derivative financial liabilities

31.12.2012								
Contractual cash flows								
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	845	845	845	-	-	-	-	-
Interest rate swap	14,380	14,380	1,201	-	-	-	13,179	-
<b>Total continuing operations</b>	<b>15,225</b>	<b>15,225</b>	<b>2,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,179</b>	<b>-</b>
Discontinued operations (Travel Retail & Duty Free)	29,605	29,605	157	-	-	-	6,408	-
<b>Total</b>	<b>44,830</b>	<b>44,830</b>	<b>2,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,587</b>	<b>-</b>

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 account for 25% of the total and the leading supplier (Autostrade per l'Italy S.p.A.) for 8.6%.

In January 2013, HMSHost Corporation (formerly Autogrill Group Inc.) issued a new bond loan for a total amount of \$ 150m, maturing in January 2023. The proceeds were used together with credit facilities existing at 31 December 2012 to pay back the private placement issued in 2003. In March 2013, additional bond loans were issued for a total of \$ 200m, paying interest half-yearly and split into tranches maturing between 2020 and 2025.

The bond regulations call for compliance with certain financial ratios, calculated solely with respect to the companies headed up by HMSHost Corporation. They are not guaranteed by Autogrill S.p.A. There are also limits on the distribution of dividends by HMSHost Corporation to the parent, Autogrill S.p.A., if the leverage ratio of the HMSHost subgroup exceeds a certain amount.

In 2013 HMSHost Corporation obtained a new \$ 300m credit agreement expiring in March 2016, available solely to that subsidiary and not guaranteed by Autogrill S.p.A. There are also limits on the distribution of dividends by HMSHost Corporation to the parent, Autogrill S.p.A., if the leverage ratio of the HMSHost subgroup exceeds a certain amount.

The loan contracts (note XIX) and bonds (note XX) outstanding at 31 December 2013 require the satisfaction of certain financial ratios, specifically, the leverage ratio (net debt/EBITDA) and interest coverage (EBITDA/net financial expense). These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole.

The weighted average term of bank loans and bonds, including unutilized credit lines, is approximately four years and two months (two years and six months at 31 December 2012).

## 2.2.7 Segment reporting

The Group operates in the catering and retail sectors ("Food & Beverage") at airports, motorway rest stops and railway stations.

The shareholders' meeting of 6 June 2013 approved the proportional partial demerger of Autogrill S.p.A., entailing the transfer to World Duty Free S.p.A. (with effect from 1 October 2013) of the investment in World Duty Free Group S.A.U. and therefore of the entire subgroup operating in the Travel Retail & Duty Free business, which is thus accounted for as assets held for sale (demerger).

Food & Beverage operations take place at major travel facilities (from airports to motorway rest stops and railway stations), serving a local and international clientele. The business is conducted in Italy by Autogrill S.p.A., in other European countries by foreign subsidiaries, and in North America and Asia by HMSHost Corporation and its subsidiaries. Offerings reflect the local setting, with the use of proprietary brands, as well as a more global reach thanks to the use of international brands under license. The operational levers are typically assigned to local organizations that are centralized at the country level and coordinated, at the European level, by central facilities.

Performance is monitored separately for each organization, which corresponds to the country served. "Italy" and "North America and Pacific Area" are presented on their own, while the remaining European entities (each of them quite small) are grouped together under the heading "Other European countries." This segment also includes the resources pertaining to "Corporate" functions, i.e. the centralized units in charge of administration, finance and control, strategic planning, legal affairs, human resources and organization, marketing, purchasing and engineering, and information and communication technology.

In the following table, the column "Unallocated" includes:

- on the line "Net financial expense," the year's share of the financial charges recognized using the amortized cost method as a result of the refinancing concluded in 2011;
- on the line "Profit from discontinued operations (demerger)," the income statement figures of the Travel Retail & Duty Free business;
- on the line "Net discontinued assets (demerger)," the statement of financial position figures of the Travel Retail & Duty Free business.

Key information on operating segments is presented below (for a description see the 2012 Annual Report), along with a breakdown of sales by region. The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

Segment (€k)	2013						Consolidated
	Italy	North America and the Pacific Area	Other European countries	Corporate	Total	Unallocated	
Revenue	1,690,391	2,077,667	777,864	-	4,545,922	-	4,545,922
Other operating income	85,016	7,511	35,235	204	127,967	-	127,967
<b>Total revenue and other operating income</b>	<b>1,775,407</b>	<b>2,085,178</b>	<b>813,100</b>	<b>204</b>	<b>4,673,889</b>	-	<b>4,673,889</b>
Depreciation, amortization and impairment losses on property, plant, equipment and intangible assets	(68,879)	(106,474)	(48,827)	(1,574)	(225,753)	-	(225,753)
<b>Operating profit (loss)</b>	<b>4,339</b>	<b>119,043</b>	<b>124</b>	<b>(35,237)</b>	<b>88,269</b>	-	<b>88,269</b>
Net financial expense					(46,722)	(3,749)	(50,471)
Adjustment to the value of financial assets					(2,399)	-	(2,399)
<b>Pre-tax profit/(loss)</b>					<b>39,148</b>	<b>(3,749)</b>	<b>35,398</b>
Income tax					(28,096)	1,031	(27,065)
<b>Profit from discontinued operations</b>					-	<b>91,056</b>	<b>91,056</b>
<b>Profit (loss) for the year</b>					<b>11,052</b>	<b>88,337</b>	<b>99,389</b>

Segment (€k)	31.12.2013						Consolidated
	Italy	North America and the Pacific Area	Other European countries	Corporate	Total	Unallocated	
Goodwill	83,631	414,426	251,180	-	749,237	-	749,237
Other intangible assets	1,797	24,348	18,890	16,781	61,816	-	61,816
Property, plant and equipment	171,622	376,943	191,915	42,057	782,537	-	782,537
Financial assets	-	-	-	22,024	22,024	-	22,024
<b>Non-current assets</b>	<b>257,050</b>	<b>815,717</b>	<b>461,984</b>	<b>80,862</b>	<b>1,615,614</b>	-	<b>1,615,614</b>
Net working capital	(138,625)	(86,868)	(115,141)	564	(340,071)	-	(340,071)
Other non-current non-financial assets and liabilities	(73,421)	(3,453)	(29,237)	(51,924)	(158,036)	-	(158,036)
<b>Net invested capital</b>	<b>45,005</b>	<b>725,396</b>	<b>317,606</b>	<b>29,501</b>	<b>1,117,508</b>	-	<b>1,117,507</b>

2012							
Segment (€k)	Italy	North America and the Pacific Area	Other European countries	Corporate	Total	Unallocated	Consolidated
Revenue	1,810,972	2,124,868	748,908	-	4,684,748	-	4,684,748
Other operating income	67,914	3,795	31,812	1,152	104,673	-	104,673
<b>Total revenue and other operating income</b>	<b>1,878,886</b>	<b>2,128,663</b>	<b>780,720</b>	<b>1,152</b>	<b>4,789,421</b>	-	<b>4,789,421</b>
Depreciation, amortization and impairment losses on property, plant, equipment and intangible assets	(60,660)	(106,984)	(56,410)	(1,303)	(225,357)	-	(225,357)
<b>Operating profit (loss)</b>	<b>27,118</b>	<b>119,908</b>	<b>(14,965)</b>	<b>(29,812)</b>	<b>102,249</b>	-	<b>102,249</b>
Net financial expense					(50,314)	(20,804)	(71,119)
Adjustment to the value of financial assets					(2,206)	-	(2,206)
<b>Pre-tax profit/(loss)</b>					<b>49,729</b>	<b>(20,804)</b>	<b>28,925</b>
Income tax					(27,211)	5,721	(21,490)
<b>Profit from discontinued operations</b>					-	102,829	102,829
<b>Profit (loss) for the year</b>					<b>22,518</b>	<b>87,746</b>	<b>110,264</b>

31.12.2012							
Segment (€k)	Italy	North America and the Pacific Area	Other European countries	Corporate	Total	Unallocated	Consolidated
Goodwill	83,631	452,020	253,486	-	789,137	-	789,137
Other intangible assets	1,962	13,730	23,162	16,997	55,851	-	55,851
Property, plant and equipment	208,358	423,015	198,324	41,016	870,713	-	870,713
Financial assets	-	-	-	14,537	14,537	-	14,537
<b>Non-current assets</b>	<b>293,951</b>	<b>888,764</b>	<b>474,973</b>	<b>72,550</b>	<b>1,730,238</b>	-	<b>1,730,238</b>
Discontinued operations	-	-	-	-	-	1,159,666	1,159,666
Net working capital	(195,277)	(101,308)	(125,857)	2,404	(420,037)	-	(420,037)
Other non-current non financial assets and liabilities	(69,267)	(2,958)	(30,844)	(58,101)	(161,171)	-	(161,171)
<b>Net invested capital</b>	<b>29,406</b>	<b>784,498</b>	<b>318,271</b>	<b>16,855</b>	<b>1,149,030</b>	<b>1,159,666</b>	<b>2,308,696</b>

## Geographical area

2013							
(€k)	Italy	USA and Canada	United Kingdom	Spain	Other Europe	Other world	Consolidated
Food & Beverage revenue	1,690,391	1,916,778	20,746	58,548	809,812	49,647	4,545,922

2012							
(€k)	Italy	USA and Canada	United Kingdom	Spain	Other Europe	Other world	Consolidated
Food & Beverage revenue	1,810,972	1,977,087	15,093	62,374	772,816	46,406	4,684,748

## 2.2.8 Seasonal patterns

The Group's volumes are closely related to the flow of travelers, which is highly seasonal in some businesses, and this in turn affects consolidated results. A breakdown of 2013 results by quarter shows that volumes are concentrated in the second half of the year, and particularly in the third quarter,

when business is at a peak due to summer holidays.

The following table presents results for the Food & Beverage segment only and excludes those of the demerged operations:

(€m)	2013			
	First quarter	First half	First nine months	Full year
Revenue	841.9	1,837.8	2,944.9	3,984.8
% of full year	21.13%	46.12%	73.90%	100.00%
Operating profit (loss)	(27.3)	3.9	103.0	88.3
% of full year	n.s.	4.45%	116.67%	100.00%
Pre-tax profit (loss)	(43.9)	(22.4)	64.9	35.4
% of full year	n.s.	n.s.	183.45%	100.00%
Profit (loss) for the year attributable to owners of the parent	(42.9)	(37.2)	23.8	(1.5)
% of full year	n.s.	n.s.	n.s.	100.00%

Notes:

- In order to compare data with the figures shown in the Report on operations, revenue does not include fuel sales made primarily in Swiss and Italian motorway service areas
- Profit (loss) for the year attributable to the owners of the parent excluding minorities

The percentages shown are general indications only and should not be used to predict results or the generation of cash.

Indeed, seasonal trends are further magnified by

cash flows, with the first quarter seeing a concentration of annual payments (namely concession fees), both as settlement of amounts accrued in the previous year and as advances on the year in course.

## 2.2.9 Guarantees given and commitments

### Guarantees

At 31 December 2013 the guarantees given by the Autogrill Group amounted to € 192,382k (€ 197,745k at the close of 2012) and referred to performance bonds and other personal guarantees issued in favor of grantors and business counterparties.

essentially unchanged since the previous year, concern:

- € 2,272k to be paid for the purchase of two commercial properties;
- the value of third-party assets in use (€ 1,486k);
- the value of the assets of leased businesses (€ 12,769k);
- the value of goods on consignment held at Group locations (€ 3,641k).

### Commitments

Commitments outstanding at 31 December 2013,

The Group has also agreed to minimum future payments under operating leases, as detailed in section 2.2.10.

## 2.2.10 Operating leases

For the purposes of these financial statements, operating leases are defined as the various kinds of contract by which Group companies carry on their core business.

The most common forms of agreement are commercially described as follows.

The management and provision of catering services along motorways or in airports is assigned by the motorway or airport operator to specialized companies under sub-concession arrangements.

### Access concession

An access concession exists when ownership of the land and buildings along the motorway is in the hands of a private firm (like the Autogrill Group), 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.

In railway stations, in addition to this kind of contract, there are also commercial leases.

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.



### 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 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 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.

### 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 out 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 turnover – and an agreement to guarantee service during the opening hours specified by the grantor. The contractor may have to transfer the assets free of charge when the concession expires, although this is fairly uncommon.

### 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 of 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.

## Sub-contract

The operator prepares and serves food and beverages using its own equipment and staff, and receives payment based on turnover (sales to the consumer). The party awarding the

contract owns the property and has title to all the takings.

The table below gives details by due date of the Group's future minimum operating lease payments at 31 December 2013:

Year (€k)	Total future minimum lease payments	Future minimum sub-lease payments *	Net future minimum lease payments
2014	311,757	21,347	290,410
2015	286,422	17,571	268,851
2016	256,768	15,190	241,578
2017	230,379	14,480	215,900
2018	201,585	12,160	189,425
After 2018	782,158	34,929	747,229
<b>Total</b>	<b>2,069,068</b>	<b>115,676</b>	<b>1,953,393</b>

\* Refers to part of the sub-concessions granted mainly in the USA and Italy, as agreed with the grantor.

In 2013, the fees recognized in the income statement amount to € 593,016k for operating leases (including € 358,289k in future minimum lease payments), net of € 50,765k for sub-leases (including € 22,855k in future minimum lease payments).

## 2.2.11 Other information

### Related-party transactions

Autogrill S.p.A. is controlled by Schematrentaquattro S.p.A. (whose legal form and name were changed on 18 November 2013), which owns 50.1% of ordinary shares. Schematrentaquattro S.p.A. 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 2013 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.p.A.

### Transactions with Edizione S.r.l.

(€k)	2013	2012	Change
<b>Income statement</b>			
Revenue	-	2	(2)
Other operating income	90	106	(16)
Personnel expense	131	129	2
Other operating expense	40	49	(9)

(€k)	31.12.2013	31.12.2012	Change
<b>Statement of financial position</b>			
Trade receivables	-	3	(3)
Other receivables	14,609	14,282	327
Other payables	137	156	(19)

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

"Personnel expense" refers to the accrual at 31 December 2013 for fees due to a director of Autogrill S.p.A., to be recharged to Edizione S.r.l. where he serves as executive manager.

The heading "Other receivables" also includes:

- € 12,481k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., on behalf of Autogrill S.p.A. for € 12,467k and Nuova Sidap S.r.l. for € 14k, due as a result of the retroactive recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (art. 2 of Law 201/2011);
- € 60k for Autogrill S.p.A.'s IRES credit with Edizione S.r.l., for tax due net of advance payments in 2012;

- € 2,024k for the IRES refund requested by the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2004 to 2007 (Law 185/2008).

The receivables for the above refunds will be settled when they are received by Edizione S.r.l.

"Other payables" include the liability for fees due to a director of Autogrill S.p.A., executive manager of Edizione S.r.l. accrued at 31 December 2013.

## Transactions with related companies

Income statement (€k)	Atlantia group		
	2013	2012	Change
Revenue	13	17	(4)
Other operating income	15,855	1,381	14,474
Leases, rentals, concessions and royalties	68,702	67,419	1,283
Other operating expense	3,615	3,220	395
Financial expense	1,381	1,774	(393)

Statement of financial position (€k)	Atlantia group		
	31.12.2013	31.12.2012	Change
Trade receivables	750	1,450	(700)
Other receivables	1,758	54	1,704
Trade payables	36,545	33,944	2,601
Other payables	-	1	(1)

Income statement (€k)	Olimpias S.p.A.		
	2013	2012	Change
Revenue	-	-	-
Other operating income	-	-	-
Other operating expense	76	95	(19)

Statement of financial position (€k)	Olimpias S.p.A.		
	31.12.2013	31.12.2012	Change
Trade receivables	-	-	-
Trade payables	41	36	5

Income statement (€k)	Verde Sport S.p.A.		
	2013	2012	Change
Revenue	9	18	(9)
Other operating income	6	9	(3)
Leases, rentals, concessions and royalties	-	-	-
Other operating expense	65	45	20
Financial income	-	-	-

Statement of financial position (€k)	Verde Sport S.p.A.		
	31.12.2013	31.12.2012	Change
Trade receivables	5	2	3
Other receivables	-	-	-
Financial receivables	-	-	-
Trade payables	-	-	-
Other payables	-	-	-

\* Due to Gemina's absorption by the Atlantia Group with effect from 1 December 2013, the income statement figures refer to the first eleven months, while asset and liability balances at 31 December 2013 are included with those of the Atlantia Group

\*\* From 1 January 2013 the company is no longer a Group related party

\*\*\* The income statement figures refer to the last three months of 2013

Gemina group *			Bencom S.r.l.		
2013	2012	Change	2013	2012	Change
34	11	23	-	-	-
-	-	-	391	390	1
8,454	7,745	709	-	-	-
33	37	(4)	-	-	-
-	-	-	-	-	-

31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
-	218	(218)	326	455	(129)
-	-	-	-	-	-
-	1,413	(1,413)	-	-	-
-	-	-	-	-	-

Edizione Property S.p.A.			Benetton Group S.p.A.		
2013	2012	Change	2013	2012	Change
-	4	(4)	-	-	-
-	1	(1)	-	-	-
-	-	-	-	-	-

31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
-	6	(6)	1	1	-
-	-	-	-	-	-

Sagat S.p.A. **			World Duty Free group ***		
2013	2012	Change	2013	2012	Change
-	-	-	-	-	-
-	-	-	1,404	-	1,404
-	1,166	(1,166)	-	-	-
-	1	(1)	-	-	-
-	-	-	52	-	52

31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
-	12	(12)	-	-	-
-	-	-	17,956	-	17,956
-	-	-	3,868	-	3,868
-	456	(456)	1	-	1
-	-	-	1,994	-	1,994

Discontinued operations (demerger) -  
Transactions with related companies

Income statement (€k)	Edizione S.r.l.			Gemina group *		
	First nine month 2013	2012	Change	First nine month 2013	2012	Change
Leases, rentals, concessions and royalties	-	-	-	-	1,119	(1,119)
Other operating expense	-	-	-	144	56	88

Statement of financial position (€k)	Edizione S.r.l.			Gemina group *		
	31.12.2013	31.12.2012	Change	31.12.2013	31.12.2012	Change
Other receivables	-	164	(164)	-	34	(34)
Trade payables	-	-	-	-	8	(8)

\* The merger of Gemina group into Atlantia group became effective from 1 December 2013

**Atlantia group:** "Other operating income" refers mostly to non-recurring income from having waived the right of pre-emption on the renewal of expiring sub-concessions and the recognition of costs incurred on behalf of Autostrade per l'Italia S.p.A. on assets to be relinquished. "Other operating expense" refer chiefly to the management of motorway locations. "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 5.15% in relation to the revised payment schedule for concession fees.

**Gemina group:** costs refer to rent and ancillary expenses for the management of locations at Rome's Fiumicino and Ciampino airports managed by Aeroporti di Roma S.p.A., while "Other operating expense" concerns telephone, ICT and parking services. Due to Gemina's absorption by the Atlantia group with effect from 1 December 2013, the income statement figures refer to the first eleven months, while asset and liability balances at 31 December 2013 are included with those of the Atlantia group.

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

**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.

**World Duty Free group:** "Other receivables" relate to the sale by HMSHost of the North American Travel Retail business and the reimbursement of costs incurred by Autogrill S.p.A. on behalf of World Duty Free S.p.A. for completion of the proportional partial demerger (€ 1,418k), carried out on 1 October 2013; to IT services (€ 1,100k); and to the reimbursement of consulting costs (€ 262k).

## 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 2013:

Name	Office held	Term of office	Remuneration (€)	Bonus and other incentives (€)	Non-monetary benefits (€)	Other fees (€)
Gilberto Benetton	Chairman	2011/2014	57,200			
Gianmario Tondato da Ruos	CEO	2011/2014	577,200	1,203,180	13,574	403,297
Alessandro Benetton	Director	2011/2014	54,800			
Arnaldo Camuffo	Director	2011/2014	94,400			
Paolo Roverato	Director	2011/2014	131,000			
Gianni Mion	Director	2011/2014	92,000			
Alfredo Malguzzi	Director	2011/2014	99,200			
Tommaso Barracco	Director	From 21.04.2011 to 2014	93,200			
Marco Jesi	Director	From 21.04.2011 to 2014	92,600			
Marco Mangiagalli	Director	From 21.04.2011 to 2014	96,800			
Stefano Orlando	Director	From 21.04.2011 to 2014	96,800			
Massimo Fasanella d'Amore di Ruffano	Director	From 07.03.2012 to 2014	57,800			
Carolyn Dittmeier	Director	From 10.04.2013 to 2014	40,501			
Francesco Giavazzi	Director	From 2011 to 10.04.2013	14,899			
<b>Total directors</b>			<b>1,598,400</b>	<b>1,203,180</b>	<b>13,574</b>	<b>403,297</b>
Key managers with strategic responsibilities				2,578,904	134,664	2,790,240
<b>Total</b>			<b>1,598,400</b>	<b>3,782,084</b>	<b>148,238</b>	<b>3,193,536</b>

The CEO's remuneration includes his executive salary from Autogrill S.p.A., shown under "Other fees," and the amounts accrued under the long-term incentive plan.

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 to € 2m the standard indemnity in lieu of notice provided for in the national collective managers' contract for the commercial sector, when less than this amount.

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

A significant portion of the variable compensation received by the CEO and by executives with strategic responsibilities is tied to the achievement of specific targets established in advance by the Board, by virtue of their participation in management incentive plans. In particular, the CEO and top managers participated during the year in an annual bonus system involving earnings and

financial targets and other strategic objectives for the Group and/or the relevant business unit, as well as individual objectives. This was in addition to the L-TIP plan, described below.

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

## Statutory auditors' fees

The following fees were paid to members of the Board of Statutory auditors in 2013:

Name	Office held	Term of office	Fees (€)	Other fees (€)
Marco Giuseppe Maria Rigotti	Chairman	19.04.2012-31.12.2014	86,012	-
Luigi Biscozzi	Standing auditor	01.01.2012-31.12.2014	57,200	25,334
Eugenio Colucci	Standing auditor	01.01.2012-31.12.2014	55,000	17,169
<b>Total Statutory Auditors</b>			<b>198,212</b>	<b>42,503</b>

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

## Independent auditors' fees for audit and other services

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent's auditors	Parent	313
	Parent's auditors	Subsidiaries	51
	Parent's auditors network	Subsidiaries	1,930
Attestation	Parent's auditors	Parent	154
	Parent's auditors	Subsidiaries	27
	Parent's auditors network	Subsidiaries	929
Other services	Parent's auditors	Parent and subsidiaries	8
	Parent's auditors network	Subsidiaries	5



## Incentive plans for directors and executives with strategic responsibilities

### 2010 Stock option plan

On 20 April 2010, the shareholders' meeting approved a stock option plan entitling executive directors and/or employees of Autogrill S.p.A. and/or its subsidiaries with strategic responsibilities to subscribe to 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 between 20 April 2014 and 30 April 2015, 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 shareholders' 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, of 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 shareholders' 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)<sup>31</sup>. 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 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 plan requirements; these can be exercised at a strike price of € 8.91. On 16 February 2012, the Board of Directors assigned 120,000 options to a new beneficiary at a strike price of € 8.19.

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

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

## Changes to the stock option plan

On 6 June 2013, due in part to the demerger, the shareholders' meeting approved some changes to the stock option plan established on 20 April 2010. In accordance with these changes:

- the plan's beneficiaries are entitled, jointly or severally upon achieving the defined performance objectives, to receive one ordinary Autogrill share and one ordinary World Duty Free S.p.A. share for every vested stock option against payment of the strike price;
- the strike price is split proportionally between the Autogrill share price and the World Duty Free S.p.A. share price on the basis of the average official stock market price of the two securities during the first 30 days following the listing of World Duty Free S.p.A. The strike price of Autogrill shares is between € 3.50 and € 4.17, while the strike price for World Duty Free shares is between € 4.33 and € 5.17, depending on the beneficiary on the basis of the strike price for each originally defined;
- the deadline for exercising the options has been extended to 30 April 2018, without altering the start date of 20 April 2014.

At 31 December 2013, no options had been assigned, exercised, expired, cancelled or adjusted with respect to the previous year.

An independent external advisor has been engaged to calculate the fair value of the stock options, based on the value of the 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. As a result of the demerger and the changes made to the plan, the average fair value of the options outstanding at 31 December was € 1.31 for Autogrill shares and € 3.09 for World Duty Free S.p.A. shares.

For the year, the total costs recognized in relation to share-based payment plans amounted to € 416k.

Thorough information on the stock option plan is provided in the Information 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](http://www.autogrill.com).

## New Leadership Team Long Term Incentive Plan (L-TIP)

During the extraordinary shareholders' 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 (the "main plan") pertaining to 2010-2012, Autogrill's New Leadership Team Long Term Incentive Plan (L-TIP) 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 ("Wave 1") and 2012-2014 ("Wave 2").

The shares assigned may be treasury shares or newly-issued shares, subsequent to a share capital increase reserved to the plan's beneficiaries. To this end, the Board of Directors was granted the power, for a period of five years from the date of the shareholders' approval, to increase share capital in one or more tranches through the issue of up to 3,500,000 ordinary shares 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 rights; the rights are conditional, free of charge and not transferable *inter vivos*. The number of units assigned to the individual beneficiary depends on the category of that beneficiary, and the conversion factor from units to rights 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 rights 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.

Regarding the plan for 2011-2013, on 29 July 2011 the Board of Directors determined that 1,920,000 units could be assigned to beneficiaries meeting the stated requirements under "Wave 1" of the plan, and on the same date 880,000 units were assigned, corresponding to a maximum of 721,240 rights with an average fair value of € 6.95.

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

The rights 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).

At 31 December 2013, the Company has not reached the minimum performance targets required for implementation of the 2011-2013 plan, so no costs or provisions have been recognized for that plan.

As for the 2012-2014 plan, on 16 February 2012 the Board of Directors, implementing the decision of the shareholders' meeting of 21 April 2011, designated a maximum of 1,930,000 units as assignable to the CEO and to executives with strategic responsibilities, in relation to Wave 2.

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

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

An independent external advisor has been engaged to calculate the fair value of the rights, 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.

At 31 December 2013, Autogrill's management believes it is unlikely that the minimum performance targets required for implementation of the 2012-2014 plan will be met, so no costs or provisions have been recognized for that plan.

Thorough information on the plan is provided in the Information 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](http://www.autogrill.com).

## 2.2.12 Significant non-recurring events and transactions

Save for the proportional partial demerger of Autogrill S.p.A. to World Duty Free S.p.A., in 2013 there were no significant non-recurring events or

transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

## 2.2.13 Atypical or unusual transactions

In 2013 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006, save for the proportional partial demerger of Autogrill S.p.A. to

World Duty Free S.p.A., which was announced to the market in accordance with Consob Regulation no. 11971/99.

## 2.2.14 Information pursuant to arts. 70 and 71 of Consob Regulation no. 11971/1999

On 24 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by Consob Resolution 18079 of 20 January 2012 that removes the obligation to make available to the public the disclosure documents required by

arts. 70 and 71 of the Issuer Regulation no. 11971/1999), in the case of significant mergers, demergers, increases in share capital through the transfer of goods in kind, acquisitions and transfers.

## 2.2.15 Events after the reporting period

Since 31 December 2013, 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.

## 2.2.16 Authorization for publication

The Board of Directors authorized the publication of these consolidated financial statements at its meeting of 13 March 2014.

# Annexes

## List of consolidated companies and other investments

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2013	Shareholders/quota holders
<b>Parent</b>					
Autogrill S.p.A.	Novara	Euro	68,688,000	50.100%	Schematrentaquattro S.p.A.
<b>Companies consolidated line-by-line</b>					
Nuova Sidap S.r.l.	Novara	Euro	100,000	100.000%	Autogrill S.p.A.
Autogrill Austria A.G.	Gottesbrunn	Euro	7,500,000	100.000%	Autogrill S.p.A.
Autogrill Czech S.r.o.	Prague	Czk	154,463,000	100.000%	Autogrill S.p.A.
Autogrill D.o.o.	Ljubljana	Euro	1,342,670	100.000%	Autogrill S.p.A.
Autogrill Hellas E.P.E.	Avlonas	Euro	3,696,330	100.000%	Autogrill S.p.A.
Autogrill Polska Sp.zo.o.	Katowice	Pln	14,050,000	100.000%	Autogrill S.p.A.
Autogrill Iberia S.L.U.	Madrid	Euro	7,000,000	100.000%	Autogrill S.p.A.
HMSHost Ireland Ltd.	Cork	Euro	13,600,000	100.000%	Autogrill S.p.A.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000%	Autogrill S.p.A.
Autogrill Catering UK Ltd.	London	Gbp	2,154,578	100.000%	Autogrill S.p.A.
Restair UK Ltd. (in liquidation)	London	Gbp	1	100.000%	Autogrill Catering UK Ltd.
Autogrill Deutschland GmbH	Munich	Euro	205,000	100.000%	Autogrill S.p.A.
HMSHost Egypt Catering & Services Ltd.	Cairo	Egp	1,000,000	60.0000%	Autogrill Deutschland GmbH
Autogrill Belux N.V.	Antwerp	Euro	10,000,000	99.900%	Autogrill S.p.A.
				0.100%	AC Restaurants & Hotels Beheer N.V.
AC Restaurants & Hotels Beheer N.V.	Antwerp	Euro	6,650,000	100.000%	Autogrill Belux N.V.
Autogrill Schweiz A.G.	Oltten	Chf	23,183,000	100.000%	Autogrill S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Avry devant Pont	Chf	1,500,000	54.300%	Autogrill Schweiz A.G.
Autogrill Nederland B.V.	Oosterhout	Euro	41,371,500	100.000%	Autogrill S.p.A.
Autogrill Nederland Hotels B.V.	Oosterhout	Euro	1,500,000	100.000%	Autogrill Nederland B.V.
Autogrill Nederland Hotels Amsterdam B.V.	Oosterhout	Euro	150,000	100.000%	Autogrill Nederland B.V.
Holding de Participations Autogrill S.a.s.	Marseille	Euro	84,581,920	100.000%	Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Euro	2,207,344	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Côté France S.a.s.	Marseille	Euro	31,579,526	100.000%	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	Euro	288,000	50.005%	Autogrill Côté France S.a.s.
Société Porte de Champagne S.A. (SPC)	Perrogney	Euro	153,600	53.000%	Autogrill Côté France S.a.s.
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	Euro	144,000	50.000%	Autogrill Côté France S.a.s.
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	Euro	1,440,000	70.000%	Autogrill Côté France S.a.s.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2013	Shareholders/quota holders
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA) in liquidation	Romans	Euro	515,360	50.000%	Autogrill Côté France S.a.s.
Société de Gestion de Restauration Routière (SGRR S.A.)	Marseille	Euro	1,537,320	100.000%	Autogrill Côté France S.a.s.
Volcarest S.A.	Riom	Euro	1,050,144	50.000%	Autogrill Côté France S.a.s.
Autogrill Restauration Services S.a.s.	Marseille	Euro	15,394,500	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Gares Métropoles S.à.r.l.	Marseille	Euro	4,500,000	100.000%	Autogrill Restauration Services S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	Euro	2,337,000	100.000%	Holding de Participations Autogrill S.a.s.
La Rambertine S.n.c. (in liquidation)	Romans	Euro	1,524	100.000%	Autogrill Côté France S.a.s.
Société de Gestion Pétrolière Autogrill (SGPA S.à.r.l.)	Marseille	Euro	8,000	100.000%	Autogrill Côté France S.a.s.
Autogrill Commercial Catering France S.à.r.l.	Marseille	Euro	361,088	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Centre Campus S.à.r.l.	Marseille	Euro	501,900	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill FFH Autoroutes S.à.r.l.	Marseille	Euro	375,000	100.000%	Autogrill Côté France S.a.s.
Autogrill FFH Centres Villes S.à.r.l.	Marseille	Euro	375,000	100.000%	Autogrill Restauration Carrousel S.a.s.
Carestel Nord S.à.r.l. (in liquidation)	Mulhouse	Euro	76,225	100.000%	Autogrill Commercial Catering France S.a.s.
HMSHost Corporation	Delaware	Usd	-	100.000%	Autogrill S.p.A.
HMSHost USA L.L.C.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMSHost International Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
Anton Airfood Inc.	Delaware	Usd	1,000	100.000%	HMSHost Corporation
Anton Airfood JFK Inc.	New York	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Cincinnati Inc.	Kentucky	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Minnesota Inc.	Minnesota	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Texas Inc.	Texas	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Ohio Inc. (in liquidation)	Ohio	Usd	-	100.000%	Anton Airfood Inc.
Palm Springs AAI Inc.	California	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Boise Inc.	Idaho	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Tulsa Inc.	Oklahoma	Usd	-	100.000%	Anton Airfood Inc.
Islip AAI Inc.	New York	Usd	-	100.000%	Anton Airfood Inc.
Fresno AAI Inc.	California	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Newark Inc.	New Jersey	Usd	-	100.000%	Anton Airfood Inc.
Anton Airfood of Seattle Inc.	Washington	Usd	-	100.000%	Anton Airfood Inc.
HMSHost Tollroads Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
Host International Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMS - Airport Terminal Services Inc.	Delaware	Usd	1,000	100.000%	Host International Inc.
HMSHost Family Restaurants Inc.	Baltimore	Usd	2,000	100.000%	Host International Inc.
HMSHost Family Restaurants L.L.C.	Delaware	Usd	-	100.000%	HMSHost Family Restaurants Inc.
Host (Malaysia) Sdn. Bhd.	Kuala Lumpur	Myr	-	100.000%	Host International Inc.
Host International of Canada Ltd.	Vancouver	Cad	75,351,237	100.000%	Host International Inc.
Host Canada L.P.	Calgary	Cad	-	99.900%	Host International Inc.
				0.100%	Host International of Maryland Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2013	Shareholders/quota holders
SMSI Travel Centres Inc.	Vancouver	Cad	10,800,100	100.000%	Host International of Canada Ltd.
HMSHost Motorways Inc.	Vancouver	Cad	-	100.000%	SMSI Travel Centres Inc.
HMSHost Motorways L.P.	Winnipeg	Cad	-	99.999%	SMSI Travel Centres Inc.
				0.001%	HMSHost Motorways Inc.
HK Travel Centres GP Inc.	Toronto	Cad	-	51.000%	SMSI Travel Centres Inc.
HK Travel Centres L.P.	Winnipeg	Cad	-	51.000%	HMSHost Motorways L.P.
Host International of Maryland Inc.	Maryland	Usd	1,000	100.000%	Host International Inc.
HMSHost USA Inc.	Delaware	Usd	-	100.000%	Host International Inc.
Host of Holland B.V.	Amsterdam	Euro	18,151	100.000%	Host International Inc.
Horeca Exploitatie Maatschappij Schiphol B.V.	Amsterdam	Euro	45,378	100.000%	Host of Holland B.V.
Host Services Inc.	Texas	Usd	-	100.000%	Host International Inc.
Host Services of New York Inc.	Delaware	Usd	1,000	100.000%	Host International Inc.
Host Services Pty Ltd.	North Cairns	Aud	6,252,872	100.000%	Host International Inc.
Marriott Airport Concessions Pty Ltd.	North Cairns	Aud	3,910,102	100.000%	Host International Inc.
Michigan Host Inc.	Delaware	Usd	1,000	100.000%	Host International Inc.
HMSHost Services India Private Ltd.	Bangalore	Inr	668,441,680	99.000%	Host International Inc.
				1.000%	HMSHost International Inc.
Host International of Kansas Inc.	Kansas	Usd	1,000	100.000%	Host International Inc.
HMSHost Finland Oy	Helsinki	Euro	-	100.000%	Host of Holland B.V.
NAG B.V. Partner LLC Kompanija N4 Russia	Luchthaven Schiphol	Euro	-	60.000%	Host of Holland B.V.
HMSHost Hospitality Services Bharath Private Limited	Karnatak	Inr	500,000	99.000%	HMSHost Services India Private Ltd.
				1.000%	Host International Inc.
Autogrill Russia	Russia	Euro	-	100.000%	NAG B.V. Partner LLC Kompanija N4 Russia
HMSHost Singapore Pte Ltd.	Singapore	Sgd	8,470,896	100.000%	Host International Inc.
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.000%	Host International Inc.
HMSHost-Shanghai Enterprise Management Consulting Co. Ltd.	Shanghai	Cny	-	100.000%	Host International Inc.
HMSHost Yiyecek ve Icecek Hizmetleri AS	Besiktas	Try	-	100.000%	Host of Holland B.V.
Host International (Poland) Sp.zo.o. (in liquidation)	Poland	Pln	-	100.000%	Host International Inc.
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	Cny	-	100.000%	Host International Inc.
Vietnam Airport Food & Beverage Company Ltd.	Ho Chi Minh City	Vnm	-	100.000%	Host of Holland B.V.
HMSHost (Shanghai) Catering Management Co. Ltd.	Shanghai	Cny	-	100.000%	Host of Holland B.V.
Host/Diversified Joint Venture	Michigan	Usd	-	90.000%	Host International Inc.
Host-TFC-RSL, LLC	Kentucky	Usd	-	65.000%	Host International Inc.
Host GRL LIH F&B, LLC.	Delaware	Usd	-	85.000%	Host International Inc.
Host DLFJV DAL F&B LLC	Delaware	Usd	-	51.000%	Host International Inc.
Host Fox PHX F&B, LLC	Delaware	Usd	-	75.000%	Host International Inc.
Host-CMS SAN F&B, LLC	Delaware	Usd	-	65.000%	Host International Inc.
Airside C F&B Joint Venture	Florida	Usd	-	70.000%	Host International Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2013	Shareholders/quota holders
Host of Kahului Joint Venture Company	Hawaii	Usd	-	90.000%	Host International Inc.
Host/Coffee Star Joint Venture	Texas	Usd	-	50.010%	Host International Inc.
Southwest Florida Airport Joint Venture	Florida	Usd	-	80.000%	Host International Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	-	90.000%	Host International Inc.
Host/Forum Joint Venture	Baltimore	Usd	-	70.000%	Host International Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.000%	Host International Inc.
Savannah Airport Joint Venture	Atlanta	Usd	-	45.000%	Host International Inc.
Host/Aranza Services Joint Venture	Texas	Usd	-	50.010%	Host International Inc.
Host & Garrett Joint Venture	Mississippi	Usd	-	75.000%	Host International Inc.
Tinsley/Host - Tampa Joint Venture Company	Florida	Usd	-	49.000%	Host International Inc.
Host - Taco Joy Joint Venture	Atlanta	Usd	-	80.000%	Host International Inc.
Host/Tarra Enterprises Joint Venture	Florida	Usd	-	75.000%	Host International Inc.
Metro-Host Joint Venture	Michigan	Usd	-	70.000%	Michigan Host Inc.
Ben-Zey/Host Lottery Joint Venture	Florida	Usd	-	40.000%	Host International Inc.
Host D&D St. Louis Airport Joint Venture	Missouri	Usd	-	75.000%	Host International Inc.
East Terminal Chili's Joint Venture	Missouri	Usd	-	55.000%	Host International Inc.
Host/UJA Joint Venture	Missouri	Usd	-	85.000%	Host International Inc.
Host/NCM Atlanta E Joint Venture	Atlanta	Usd	-	75.000%	Host International Inc.
Seattle Restaurant Associates	Washington	Usd	-	70.000%	Host International Inc.
Bay Area Restaurant Group	California	Usd	-	49.000%	Host International Inc.
HMSHost Coffee Partners Joint Venture	Texas	Usd	-	50.010%	Host International Inc.
Host-Grant Park Chili's Joint Venture	Arizona	Usd	-	60.000%	Host International Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	Usd	-	60.000%	Host International Inc.
Host-CJ & Havana Joint Venture	California	Usd	-	70.000%	Host International Inc.
HSTA JV	Atlanta	Usd	-	60.000%	Host International Inc.
Host PJJJ Jacksonville Joint Venture	Florida	Usd	-	51.000%	Host International Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Host International Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	-	90.000%	Host International Inc.
Host of Santa Ana Joint Venture Company	California	Usd	-	75.000%	Host International Inc.
HMS - D/FW Airport Joint Venture	Texas	Usd	-	65.000%	Host International Inc.
HMS - D/FW Airport Joint Venture II	Texas	Usd	-	75.000%	Host International Inc.
Host-Prose Joint Venture III	Virginia	Usd	-	51.000%	Host International Inc.
Host Shellis Atlanta Joint Venture	Atlanta	Usd	-	70.000%	Host International Inc.
Host -Chelsea Joint Venture #4	Texas	Usd	-	63.000%	Host International Inc.
Host FDY ORF F&B, LLC	Delaware	Usd	-	90.000%	Host International Inc.
LTL ATL JV, LLC	Delaware	Usd	-	70.000%	Host International Inc.
Host ATLChefs JV 3, LLC	Delaware	Usd	-	97.000%	Host International Inc.
Host ATLChefs JV 5, LLC	Delaware	Usd	-	95.000%	Host International Inc.
Host LGO PHX F&B, LLC	Delaware	Usd	-	80.000%	Host International Inc.
Host H8 Terminal E F&B, LLC	Delaware	Usd	-	60.000%	Host International Inc.
Host Grove SLC F&B I, LLC	Delaware	Usd	-	87.500%	Host International Inc.
Host -Chelsea Joint Venture #3	Texas	Usd	-	63.800%	Host International Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Anton Airfood Inc.



Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2013	Shareholders/quota holders
Host-Love Field Partners I, LLC	Wilmington	Usd	-	51.000%	Host International Inc.
Host-True Flavors SAT Terminal A FB	Wilmington	Usd	-	65.000%	Host International Inc.
Host Havana LAX F&B, LLC	Wilmington	Usd	-	90.000%	Host International Inc.
Host-CTI F&B II, LLC	Wilmington	Usd	-	80.000%	Host International Inc.
Host TCC BHM F&B LLC	Wilmington	Usd	-	70.000%	Host International Inc.
Host Lee JAX FB, LLC	Wilmington	Usd	-	70.000%	Host International Inc.
Host CMI SNA FB, LLC	Delaware	Usd	-	100.000%	Host International Inc.
Host Havana LAX TBIT FB, LLC	Delaware	Usd	-	70.000%	Host International Inc.
Host Houston 8 IAH Terminal B	Delaware	Usd	-	60.000%	Host International Inc.
HHL Cole's LAX F&B, LLC	Delaware	Usd	-	70.000%	Host International Inc.
Host CMS LAX TBIT F&B, LLC	Delaware	Usd	-	95.000%	Host International Inc.
Host WAB SAN FB, LLC	Delaware	Usd	-	85.000%	Host International Inc.
Host JQE RDU Prime, LLC	Delaware	Usd	-	65.000%	Host International Inc.
Host Howell Terminal A F&B, LL	Delaware	Usd	-	76.000%	Host International Inc.
Step 1 LLC	Delaware	Usd	-	100.000%	Host International Inc. of Maryland
Autogrill VFS F&B Co. Ltd. (HOH/Vietnam JV)	Ho Chi Minh City	Vnm	-	70.000%	Host of Holland B.V.
				30.000%	Vietnam Airport Food & Beverage Company Ltd.
Islip Airport Joint Venture	New York	Usd	-	50.000%	Anton Airfood Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	-	90.000%	Host International Inc.
Host-Chelsea Joint Venture #1	Texas	Usd	-	65.000%	Host International Inc.
Host-Tinsley Joint Venture	Florida	Usd	-	84.000%	Host International Inc.
Host - Prose Joint Venture II	Virginia	Usd	-	70.000%	Host International Inc.
Host/Howell - Mickens Joint Venture	Texas	Usd	-	65.000%	Host International Inc.
Miami Airport Retail Partners Joint Venture	Florida	Usd	-	70.000%	Host International Inc.
Host Adecco Joint Venture	Arkansas	Usd	-	70.000%	Host International Inc.
Host-DMV DTW Retail, LLC	Wilmington	Usd	-	79.000%	Host International Inc.
Host/DFW AF, Ltd.	Delaware	Usd	-	50.000%	Host International Inc.
<b>Companies consolidated proportionally</b>					
Caresquik N.V.	Brussels	Euro	3,300,000	50.000%	Autogrill Belux N.V.
<b>Companies consolidated using the equity method</b>					
Dewina Host Sdn Bhd	Kuala Lumpur	Myr	-	49.000%	Host International Inc.
TGIF National Airport Restaurant Joint Venture	Texas	Usd	-	25.000%	Anton Airfood Inc.
HKSC Developments L.P. (Projecto)	Winnipeg	Cad	-	49.000%	HMSHost Motorways Limited Partnership
HKSC Opco L.P. (Opco)	Winnipeg	Cad	-	49.000%	HMSHost Motorways Limited Partnership

## Certification by the CEO and financial reporting officer

### Certification of the consolidated 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:
  - the adequacy of, in relation to the characteristics of the business; and
  - due compliance with the administrative and accounting procedures for the preparation of the consolidated financial statements during the course of 2013.
2. No significant findings have come to light in this respect.
3. We also confirm that:
  - 3.1 the consolidated 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 financial position and results of operations of Autogrill S.p.A. and of companies included in the consolidation.
  - 3.2 The Directors' report includes a reliable description of the performance and financial position of the issuer and the entities in the scope of consolidation, along with the main risks and uncertainties to which they are exposed.

Milan, 13 March 2014

Gianmario Tondato Da Ruos  
Chief Executive Officer

Alberto De Vecchi  
Financial Reporting Officer

## Independent Auditors' Report



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

Telefono +39 02 6763.1  
 Telefax +39 02 67632445  
 e-mail it-fmauditaly@kpmg.it  
 PEC kpmgspa@pec.kpmg.it

(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 consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2013, 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 parent'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 consolidated 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.

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements as a result of the retrospective application of IAS 19 (revised) and application of IFRS 5 to the proportionate partial demerger of the "Travel Retail & Duty Free" operating segment. We audited such financial statements and issued our report thereon on 20 March 2013. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2013.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di società indipendenti affiliate a KPMG International Cooperative ("KPMG International"), società di diritto svizzero.

Andrea Costa, Bari Bergamo  
 Giuseppe Roccone, Brescia Cagliari  
 Clelio Costa, Firenze Genova  
 Luca Marino, Napoli Novara  
 Padova Palermo Parma Perugia  
 Pescara Roma Torino Treviso  
 Trieste Udine Varese Verona

Società per azioni  
 Capitale sociale:  
 Euro 8.885.860,00 i.r.  
 Registro Imprese Milano e  
 Codice Fiscale n. 02708500158  
 R.E.A. Milano n. 512802  
 Partita IVA: 02708500158  
 IVA n. 02708500158  
 Sede legale: Via Vittor Pisani, 25  
 20124 Milano MI ITALIA



*Autogrill Group*  
*Report of the auditors*  
*31 December 2013*

- 3 In our opinion, the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2013 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 the Autogrill Group as at 31 December 2013, 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 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 2013.

Milan, 3 April 2014

KPMG S.p.A.

(signed on the original)

Stefano Azzolari  
Director



# Autogrill S.p.A.

## Registered office

Via Luigi Giulietti 9  
28100 Novara - Italy

Share capital: € 68,688,000 fully paid-in  
Tax Code – Novara Registrar of Companies: 03091940266  
VAT no.: 01630730032

## Headquarters

Centro Direzionale Milanofiori  
Palazzo Z, Strada 5  
20089 Rozzano (MI) - Italy

Group Corporate Communications  
Telephone (+39) 02 48263250

Investor Relations  
Telephone (+39) 02 48263250

Group Corporate Affairs  
(to request copies)  
Telephone (+39) 02 48263393

website: [www.autogrill.com](http://www.autogrill.com)

Co-ordination  
**zero3zero9** - Milan

Design  
**Inarea** - Rome

Layouts  
**t&t** - Milan

Printing  
**Grafiche Antiga** (TV)  
Printed on environmentally low-impact,  
sustainable paper  
Munken Lynx - Arctic Paper

Printed on May 2014



