Autogrill Group
2007 Annual Report and Accounts

AUTOGRILL

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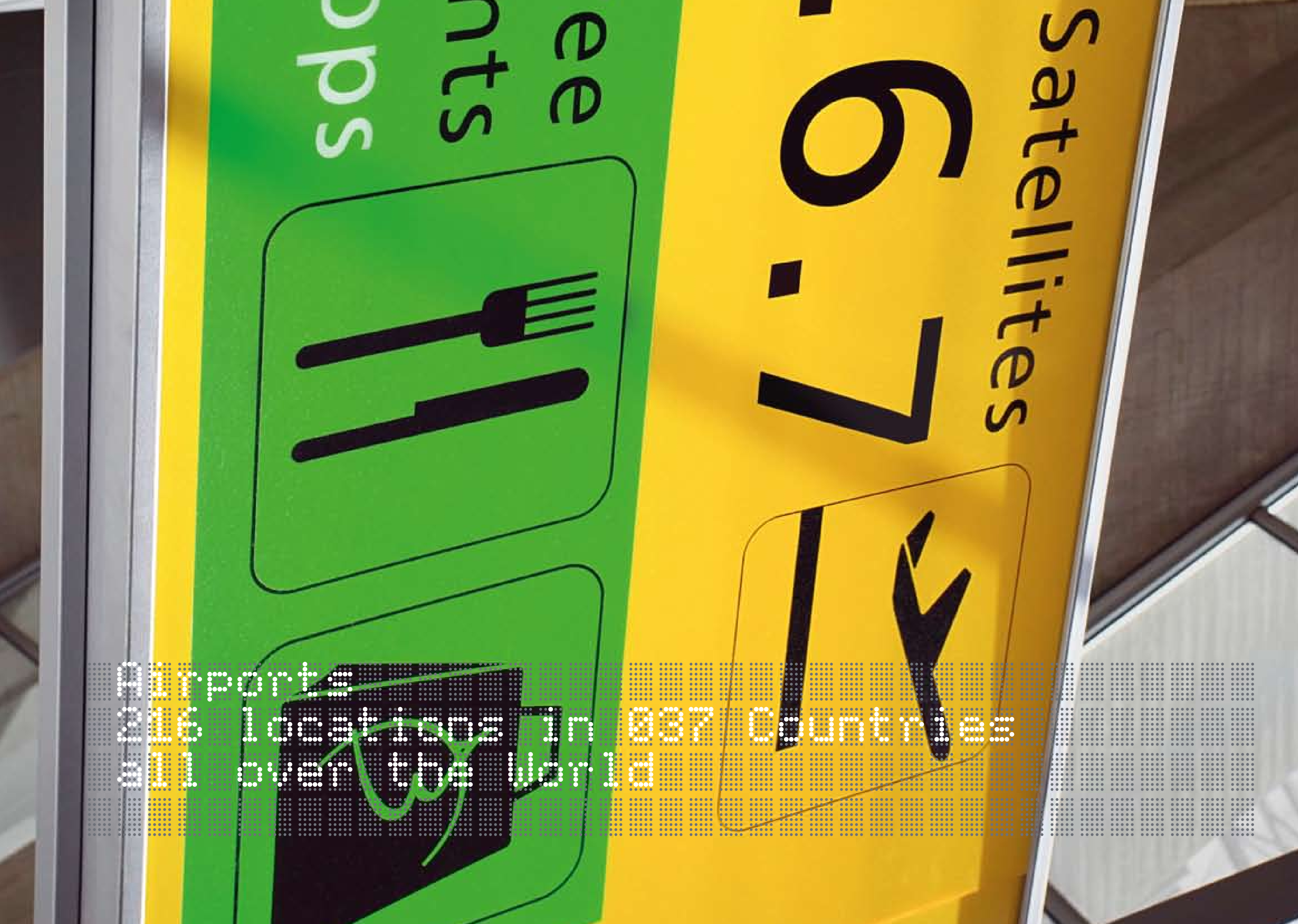

Satellites
6.7
Airports
216 locations in 037 Countries
all over the World


BOLO
MILAN
VENEZ

Motorways
704 locations in 013 Countries
all over the World


Railway Stations
043 locations in 005 Countries
all over the World

Towns and Cities, Museums,
Trade Fairs and Shopping Centres
214 locations in 011 Countries
all over the World

Profile

The Autogrill Group is the world's leading provider of food&beverage and retail services for people on the move

The Autogrill Group is the world's leading provider of food&beverage and retail services for people on the move and one of Italy's most internationalised companies.
It operates in 42 countries and employs some 67,000 people. It manages over 5,300 stores in more than 1,200 locations and serves 890 million customers a year[1].

Autogrill operates mainly under concession, which allows for long-term business planning and smooths the impact of economic cycles.
The Group's main business segments are airports, motorways and railway stations, but it has significant operations in shopping centres, trade fairs, museums and cities, too.

Its airport business is mainly concentrated in North America, and the motorway segment is the chief business in Europe.

The Group operates chiefly in airports, along motorways and in railway stations with a portfolio of over 350 brands

With its portfolio of over 350 international, national and local brands managed directly or under licence, Autogrill operates in two sectors: food&beverage, which is the Group's historical business, and retail, which is gaining increasing strategic importance following the acquisitions of Aldeasa (50%) in Spain and Alpha Group in the UK. Managing both businesses side by side enables the Group to offer customers and grantors a complete range of products and services and at the same time we benefit from their complementarity.

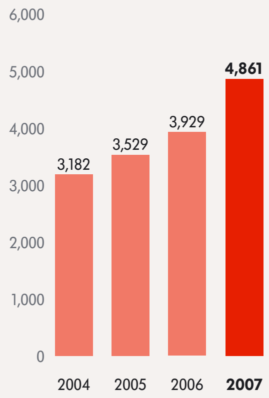
Geographical, segmental and sectoral diversification are the basis of the Group's strategy, making it possible to balance out the Group's various businesses, while giving us a greater ability to absorb external factors, local criticalities and adverse economic situations.

Autogrill has been listed on the Milan Stock Exchange since 1997 and is controlled by Edizione Holding (the Benetton family's investment arm) which holds 57.87%[2] of the share capital through Schematrentaquattro (a wholly-owned subsidiary of Edizione Holding).

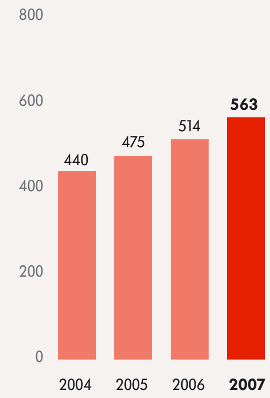
(1) Profile figures refer to 31 December 2007. The country count includes Saudi Arabia where a concession was won in 2007, but is not yet operational, and Singapore, where the Group was awarded a contract in January 2008.
(2) Schematrentaquattro's interest in Autogrill refers to 31 December 2007. On 13 February 2008, this stake increased to 58.72% of share capital.

Highlights

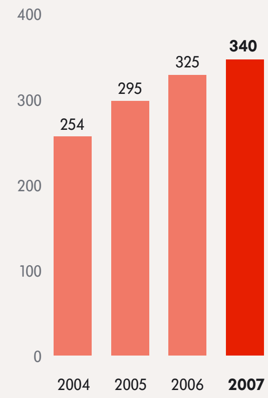
Revenue
(€m)



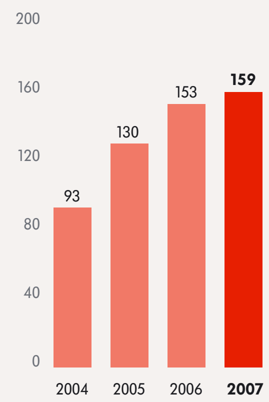
EBITDA
(€m)



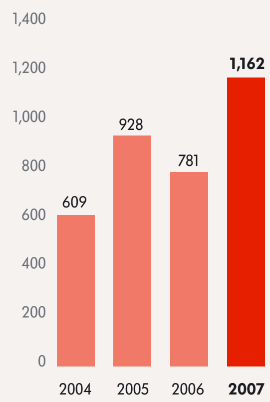
EBIT
(€m)



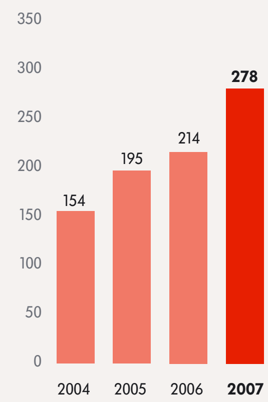
Group Net Profit
(€m)



Net Debt
(€m)



CAPEX
(€m)



Group Strategy

The Group's main objective is to consolidate its presence in the concession market in the two sectors of food&beverage and retail & duty-free

At the core of the Group's objectives is that of further strengthening its leadership in the travel service concession market, both in its historical core business of food&beverage and in retail & duty-free.

Group strategy comprises three main aims:
- to strengthen its competitive position in the areas and segments it already controls;
- to continuously monitor new markets with high rates of traffic growth, to take opportunities for entry and development;
- to expand by growing both organically, through new concessions, and externally, by making new acquisitions.

Group guidelines are different according to its various business segments.

Airports
- Further expansion of food&beverage in European airports.
- Strengthening retail worldwide.
- Assessment and possible pursuit of development opportunities in Asia, the Middle East and South America.

Motorways
- Consolidation of our presence in Europe and North America.
- Assessment of development openings in specific areas (e.g., Central and Eastern Europe).

Railway Stations
- Analysis of development and changes in the segment in Europe (e.g., high-speed trains in Spain).

Key Succcess Factors

One business model, adapted to each location, means that the corporate centre and local units are in constant dialogue

Although there is just one basic business model - given the characteristics of the concession business, regardless of geography, segment or product - in each location it is adapted to suit local cultures and traditions, and also to the times of day and manner in which people use the services provided in each business segment.

The Group - due to the nature of its business - can therefore exploit its acquired experience of various consumer models and familiarity with the characteristics of each grantor, while successfully diffusing best practices and concepts to all local units.

This approach entails continuous dialogue between the corporate centre and each location.

Key Success Factors at Each Location	Key Success Factors at the Corporate Centre
Excellence in store management	Systematic and pro-active control of operating performance and investment projects
Understanding the customer's and grantor's needs and how to satisfy them	Diffusing key success factors to all the Group's business areas and new acquisitions
Developing a range of high-quality products and/or the best price-quality trade-off in the market	Selecting investment opportunities in keeping with efficient use of capital

Common Factors
The ability to change offerings and formats by introducing innovative solutions
Growing an extensive and varied brand portfolio which will be able to meet the differing needs of customers and landlords in each geographical, sectoral and business segment
Continuous investment in people in terms of professional education, training, skill enhancement and development of leadership

Autogrill's History

1928
The Motta Bar in Galleria Vittorio Emanuele, Milan, opened its doors.

1947-49
A kiosk was set up beside the Milan-Novara motorway - the forerunner of Autogrill's future motorway restaurants.
In 1962 it was replaced by a bridge building over the motorway. Here the name autogrill Pavesi was born and 'autogrill' became synonymous with motorway bar-restaurant.

1977
The Pavesi, Motta and Alemagna motorway restaurants were absorbed into a new company, Autogrill S.p.A., controlled by SME (an IRI company).

1993
Expansion along motorways outside Italy began. Autogrill acquired the restaurant company Les 4 Pentes (Elitair Group) in France and the restaurant company Procace in Spain.

1995
Privatisation of Autogrill: Edizione Holding, the investment arm of the Benetton family, became the Group's majority shareholder. Entry into the railway station segment began with the opening of stores in the Milan Cadorna station.

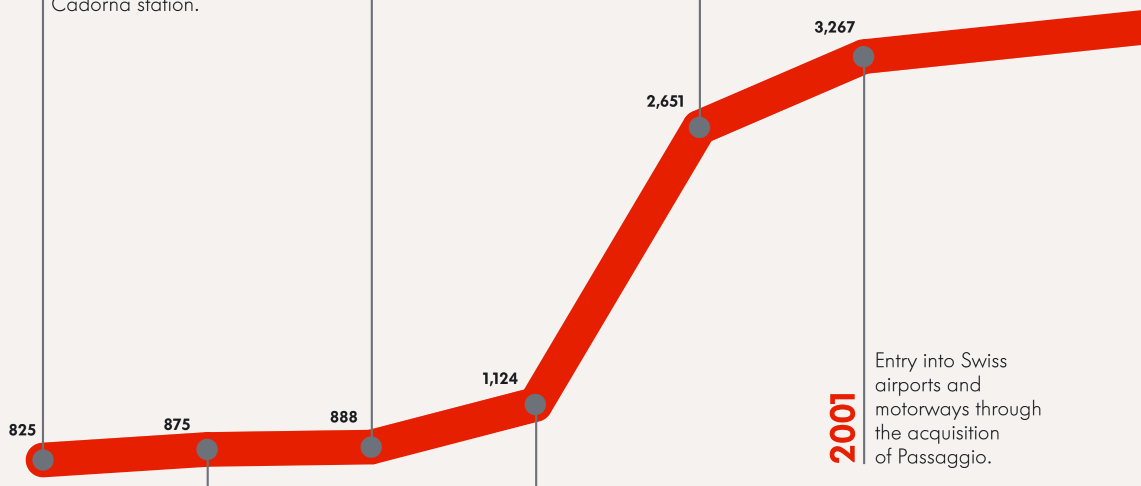
1996
Expansion in the motorway business segment in Europe:
- entry into Greece and Austria;
- further growth in France.

Launch of operations in Italian airports: Milan Malpensa, Milan Linate and Rome Fiumicino.

1997
Autogrill was listed on the Milan Stock Exchange.

1998
Growth and strengthening along the European motorways: acquisitions in France (Sogerba), Belgium and the Netherlands (AC Restaurant) and Austria (Wienerwald's motorway division).

1999
Entry into North America and development of the airport segment: acquisition of HMSHost the leading airport food&beverage provider in North America. Launch of railway station business in France: acquisition of Frantour Restauration. Further development along the Spanish motorways.



2001
Entry into Swiss airports and motorways through the acquisition of Passaggio.

2002
Launch of operations in Spain's high-speed train stations: acquisition of Receco. Expansion of North American motorway business and entry to Canada: acquisition of SMSI Travel Centres.

2003
Expansion into North American mid/small airports: acquisition of Anton Airfood.

2005
Entry into the retail & duty-free sector: acquisition of Spanish company Aldeasa (50% in an equal-shares joint venture with Altadis) the sector leader in the Iberian peninsula, also operating in South America, North Africa and the Middle East.
Entry into the German airport business: acquisition of Steigenberger Gastronomie, which operates in Frankfurt Airport.
Consolidation of the Group's European airport business: the Group's presence in Spain, Austria and Italy was further strengthened and Autogrill also entered Northern Europe (Ireland and Sweden). Expansion into Central and Eastern Europe: motorway business started in Slovenia.

2006
Consolidation in Canadian airports: acquisition of A.T.R., the airport division of Cara Operations. Expansion in Europe's airport and motorway businesses: acquisition of Carestel Group. Expansion and development in Asia: entry into India (Bangalore Airport).

2007
Expansion in the UK and strengthening of the retail & duty-free sector: acquisition of Alpha Group, one of the largest providers of airport and in-flight food&beverage and retail services.
Expansion continued in Asia: entry into Hyderabad Airport in India and the Asian airport locations already operated by Alpha Group. Further strengthening of the airport business through the acquisition of CBR and FoodBrand.
Consolidation in the city segment through the acquisition of The Bagel Street Company and Le Carrousel du Louvre.

The chart shows revenue growth from 1995 to 2007, in Euro millions.

Business Model

Autogrill's business model is centred on concessions

In the markets in which it operates, Autogrill runs its food&beverage and retail businesses mainly under a number of agreements known as concessions, given the fact that the grantor is often a government entity.

Under a concession the grantor authorises the operator to exercise its trade, often as a franchise, for a certain period of time, in exchange for rent.

The concession may also require the operator to undertake renovation and refurbishment of the store premises or building adding value to the business it runs.

The design and layout of the store, the brands and the products stocked are key success factors enabling the service provider to increase the returns and offer people on the move a high standard of service.

Key success factors behind growing returns and high standards of service are the design and layout of the venue, brands and products

Concession agreements cover the following:
- the business to be operated (food&beverage, retail or both);
- the franchise, which may be for a single store, several stores in one location or area (e.g., a motorway section, an airport or a terminal) or the type of service and product offered;
- the term of the concession, the amount of the rent and the investment required are factors closely related to and influenced by the business segment (infrastructure) or type of service (food&beverage or retail). In general, motorway locations require greater investment than airports, because whole buildings have to be fitted and equipped, and not just one or more venues inside an airport. Consequently the rent payable under a motorway concession is usually lower and the average term is longer: from 10 to 25 years, the longest being 30 years or more, whereas airport concession terms are usually in the five to ten year bracket. Within the same segment the term also varies according to the sector or service offered: the food&beverage business requires investment in equipment, and concessions are longer with lower rents;
- rent can be fixed or variable, i.e., according to the revenue or profitability of the store, or a combination of both: in the latter case, the operator is required to pay a fixed minimum amount, regardless of takings (the 'guaranteed minimum payment'), to which the variable component as described above is added. This kind of formula is favourable for both parties. The grantor can be sure of a minimum level of income and at the same time benefit from any profit made by the operator. The operator in turn has the significant advantage of an element of variability in the rental payable. In fact, concessions are often win-win agreements and thus establish a partnership model for the parties to the agreement. The parameter by which rent is calculated and the percentage are usually already agreed on signing.

Concession awards are conducted in a variety of ways according to the relevant legislation: they may be put out to tender with several competing bidders or be the subject of direct negotiation between the grantor and the service provider.

In a tender the grantor's bid assessment criteria vary according to the business segment, the kind of offer and the country of operation. The criteria common to all tenders are usually:
- the quality of the business proposition;
- the design and layout of the venues;
- the applicant's know-how and track-record;
- the financial undertakings assumed in terms of investment and rental, whether variable or with a guaranteed minimum amount.

The manner in which the business is conducted and grows will therefore depend on the competitive ability demonstrated by the operator at the tender stage. When a concession is up for renewal, the operator under the expiring concession has a competitive advantage if it has been able to show that the store has performed well and pulled in customers, that its products

The Group's business expansion depends on its competitiveness when bidding for concessions and seeking renewals

are innovative and that the store has been upgraded. These factors may cause one offer to be preferred over others that are competitive and have better strictly financial terms.
On account of the difficulties faced in replacing a consolidated operator, whose strength lies in its acquired status and the lengthy term of the concession, acquisitions are an important means of accelerating growth.

In order to present an offer, a business plan must be drawn up covering the entire concession term. This will calculate the expected cash-flow for the entire concession based on traffic forecasts, the product offering and running costs, and return on investment.
Opportunities are evaluated on the basis of their ability to generate returns in line with the yields required by the Group's strategy. On completion of the investment and thereafter, regular post-audits check actual performance in order to take appropriate corrective action where necessary.

This mechanism points up one of the main characteristics of concession business:
the investment in a store and the generation of cash-flow are not simultaneous, since most capital expenditure is made in the first few years. This is why periods characterised by a large number of concession renewals and awards may generate less cash-flow in the short term, due to the investment/return cycle.

Autogrill's Market

Autogrill's business is directly linked with personal mobility and thus with traffic trends, the business of transport undertakings and the infrastructure they use

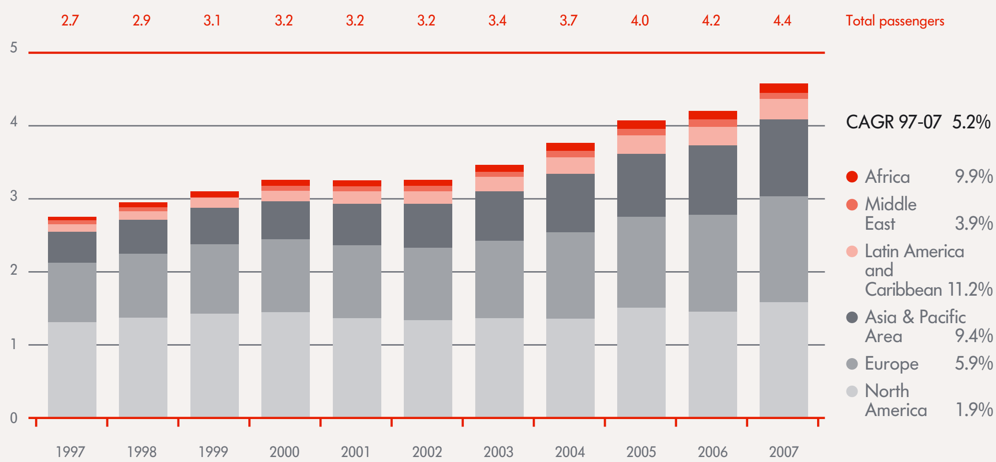
Autogrill's business is directly linked with personal mobility and thus with both lifestyle models and the development of transport infrastructure.

Over the years travel has evolved from being a seasonal activity connected with holiday periods to one related to daily work: an example of this is commuting to large conurbations. This change is closely linked to infrastructure advances, which began with the railways in America and Europe, and was accelerated by the increasing use of cars and planes. This process now affects all geographical areas, though in different ways, where there is economic development and the diffusion of western cultural models and lifestyles.

It follows that the Group's core market - which is personal mobility - though influenced by the performance of the economy in the short-to-medium term, is more closely linked to transport and infrastructure trends. Owing to this circumstance Autogrill's market is currently affected by two particular factors. First, in geographical areas where personal mobility is well-established, travellers' needs are evolving ever more rapidly and have to be met in an ever shorter time. Secondly, in areas where personal mobility is spreading, new demand is being created for goods and services in line with the growing traffic.
The fundamental ability enabling companies to benefit from the market's rapid evolution is flexibility, which means the ability to operate in all travel-related business segments - motorways, airports, railway stations and ships - by adapting to each geographical and cultural environment and adjusting the offering of products and services to suit customers' changing needs.

Airports[1]
In 2007 world traffic exceeded 4.4 billion passengers - an increase of more than 6% over 2006 bringing the average annual increase to more than 5% since 1997. This is therefore a fast-growing industry, despite the slowdown in 2001-2002 following 9/11.

Total Passenger Growth - by geographical area 1997-2007[1] (billion passengers)



This segment is also characterised by high concentration: the three main geographical areas account for over 85% of world airport traffic. North America is the biggest with almost 35% and an average growth rate for the last decade which was close to 2%. Europe is the next largest with more than 30% of world traffic and an average growth rate of some 6% in the period 1997-2007. Asia's share was over 20%, with the fastest average annual growth rate: over 9%.

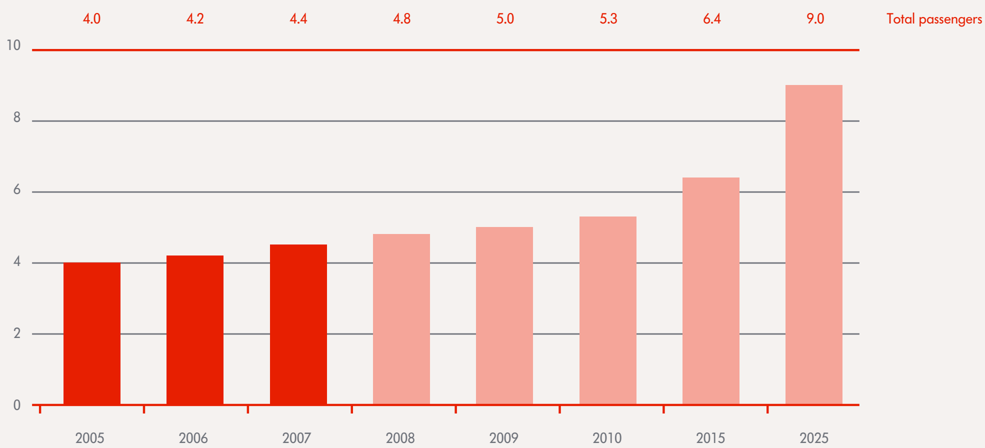
(1) Source: Airport Council International (A.C.I.), Worldwide Airport Traffic Statistics, 2007.

Faster growth in Europe and Asia than in North America was due to the gradual closing of the infrastructure gap and the spread of low-cost carriers, which enabled people to travel more often to more destinations thanks to lower fares. Asia's accelerated economic growth in recent years was a further factor.

In a constantly changing market the winning element is flexibility, i.e., the ability to operate in all business segments

Current forecasts predict an average annual growth rate of between 4% and 5% until 2009-2010, when the threshold of 5 billion passengers per year should be passed. In the following 15 years to 2025 average traffic growth is expected to settle at around 4%, reaching 9 billion passengers a year by the end of the period.
For the next ten years the trends of the various regions should be unchanged: North America will grow on average by a significant 3% though this will be slower than the other two main areas (European traffic should grow by 4% and Asia's by 5%).
Europe will benefit from further growth of low-cost carriers and the robust economic growth in Central and Eastern Europe. Asian traffic will be driven by the area's strong growth, chiefly in India and China.
The present gap, in terms of the share of world traffic, will therefore be gradually closed.

Projection of World Passenger Traffic[2] (billion passengers)



Motorways[3]
The car is still the most used means of transport on account of its convenience and flexibility.

A country's number of motorways reflects its stage of economic development and is at the same time a key growth driver.

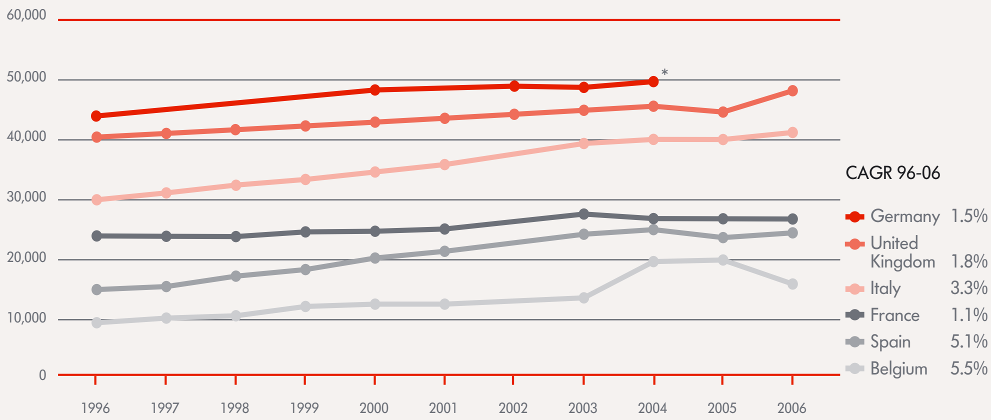
Continuous investment in Europe's road networks and the vast resources, both local and foreign, dedicated to motorway construction in developing countries such as Central and Eastern Europe and India are an example of this.

Motorways are used by many different kinds of travellers - in terms of culture, habits and social background - who travel to work or to attend school, for a holiday or for leisure.
Europe's motorway traffic, for instance, is more closely connected with travel to or for work - commuting and trucking - due to its shorter distances compared to the other continents, the extensive network and the absence or inadequacy of alternative means of transport.
Over the last decade the highest rates of growth were seen in Spain and Italy (respectively of over 5% and 3%), against an average for the larger countries, i.e., France and Germany, of

(2) Source: A.C.I. Global Traffic Forecast 2006-2025 (Executive Summary Edition 2007) and A.C.I. Worldwide Airport Traffic Statistics, 2007.
(3) Source: Association Européenne del Concessionaires d'Autoroutes et d'ouvrages à Péage (A.S.AND.C.A.P.), Statistical Bulletin, 2007.

between 1% and 1.5%. In the US and Japan, where the motorway networks are comparable to Europe's in terms of infrastructure though not extension or use, traffic grew, but not as fast as in Europe.

1996-2006 Average Daily Motorway Traffic - by country[4] (daily average of the number of vehicles)



(*) Germany data are available only until 2004.

In the coming years investment in upgrading the main motorways of the larger western countries (e.g., in Europe, the north-south and east-west corridors and the network in the main central and eastern regions) and an acceleration in investment in construction of basic infrastructure in emerging countries are forecast.
These projects, especially the former, may temporarily slow traffic growth, but in the medium-long term, these will be the main drivers of increased traffic.
Specific forecasts for the next 3 to 4 years are for traffic growth of between 1% and 2% in Europe and North America5.
Operating in both business segments (airports and motorways) is an undoubted competitive advantage for the Group. Historical data and projections indicate that airports will grow faster than motorways, which are however less subject to outside events or economic slowdowns and have lower but more stable rates of growth.

Railway Stations[6]
Europe is the geographical area where rail travel is - and will increasingly tend to be - a valid alternative to the other means of transport, on account of the shorter distances compared to North America as well as recent technical advances which have made rail travel competitive with air travel, of which the development of high-speed trains is an example.

Europe's railways account for some 8% of the demand for transport and in the last decade passenger traffic grew by around 1% on average: the UK has seen the fastest growth - of over 3% - chiefly due to London-bound commuters, followed by France, Germany and Spain with average increases of between 2.5% and 1.5%.

(4) Source: Association Européenne del Concessionaires d'Autoroutes et d'ouvrages à Péage (A.S.AND.C.A.P.), Statistical Bulletin, 2007.
(5) Source: estimate based on A.I.S.C.A.T. and Bureau of Transportation Statistics projections.
(6) Source: ATOC, Association of Train Operating Companies and European Union - Energy & Transport.

Business Segments

Autogrill is the leading provider of food&beverage services along motorways and in airports - where the retail sector is increasingly significant - and also has locations in European railway stations.

The similarities between the concession business and other businesses with predictable customer flows have induced the Group to gradually build up a selective presence in shopping centres, trade fairs, museums, cities and towns.

In 2007, through the acquisition of Alpha Group, Autogrill entered a new segment: in-flight food&beverage and retail sales.

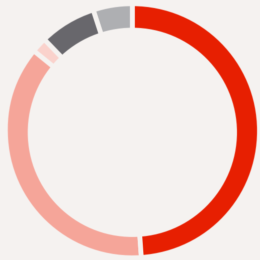
Privatisation and internationalisation have reduced dependence on a single market

Motorways are the Group's historical market. Privatisation and the subsequent drive to internationalise and diversify launched an expansionist policy based on carefully chosen acquisitions and bidding for concessions, which gradually reduced the Group's dependence on Italy's motorway segment.

The acquisitions, of HMSHost first and subsequently Aldeasa and now of Alpha Group, caused the airport business to overtake motorways in terms of the share of total turnover. Airports now account for 49% of consolidated revenue, motorways represent 37%.

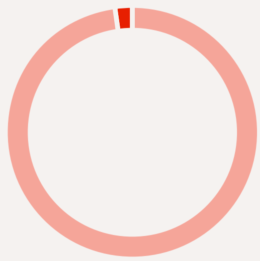
Recent transactions - winning new concessions in Europe and India and making new acquisitions such as Carestel and Alpha Group - have further increased the airport segment's weight. It now accounts for half the Group's turnover.

Turnover by Business Segment
2007 (€ 4,861m)



Airports	49%
Motorways	37%
Railway Stations	2%
In-flight	7%
Other	5%

Turnover by Business Segment
1996 (€ 875m)



Motorways	98%
Airports	2%

Airports

The Group entered the airport market for the first time between 1996 and 1998, with the opening of a few stores in Italy located in Milan Linate, Milan Malpensa, Rome Fiumicino and Naples Capodichino. With the acquisition of HMSHost in 1999 Autogrill became the world's leading airport food&beverage provider.

By leveraging the company's thirty years of experience operating in 19 of the 20 largest US airports in terms of passenger traffic including Atlanta, Chicago, Los Angeles, Dallas, Las Vegas and New York, Autogrill expanded the business first into Europe and more recently in Asia, where a long-standing business in the Pacific Area (Kuala Lumpur in Malaysia) was boosted by HMSHost Asia winning its first Indian concessions: Bangalore in 2006 and Hyderabad in 2007.

With the acquisitions of Aldeasa in 2005 and Alpha Group in 2007, the Group, as well as entering the airport business in new markets (Spain and the UK), completed its offering to the customer with the addition of retail, and assumed a significant position in this sector, too.

Today Autogrill operates in 216 airports around the world. Of these 90 are in North America, 68 in Europe, 8 in South America, 8 in Asia and 7 in the Middle East: a result achieved by means of a dual strategy of organic growth and growth by acquisition.

Legend

Food&beverage

Retail

In-flight

Motorways

Motorways, the Group's longest-standing business, have also changed radically over the years: in 1996 almost all turnover was generated in Italy, where Autogrill's business was born in the 1950s, whereas in 2007 some 42% of turnover was generated outside Italy. This process of geographical diversification began even before the Company was privatised - with its entry into the markets of France and Spain in 1993 - but it was with gradual expansion in Europe, in 1997-2000, and entry into the North American market in 1999 that the real transformation took place. Now development in Europe is moving into Central and Eastern Europe with the first openings in Slovenia and the Czech Republic.

Thanks to its experience in the Italian market, Autogrill gained the know-how that enabled it to reach very high standards of service and quality: partly on the back of this achievement since 2002 the Autogrill brand has been used in Europe as an umbrella brand to indicate that each store is run according to a unified management style and standard of service, though it is one of a number of food&beverage formulas.

Legend

Motorway Sections

Railway Stations

The Group's operations in railway stations are concentrated in Europe where shorter distances mean that this mode of transport is - and above all in the coming years will become - a valid alternative to air and motorway travel.

After setting up a food&beverage outlet in Milan's Cadorna Station in 1995, this business expanded principally in France, Switzerland and Spain in the years 1999-2002. The Group focuses on the high-speed train segment given its similarities with the airport business: a good example of the success of this approach is the experience gained in Spanish railway stations, in terms both of the offering that has been developed and the operating results achieved.

Autogrill's interest in this segment - which currently accounts for only 2% of total turnover - is due to changes in models of behaviour and consumption: European stations are gradually becoming multifunction centres, to be used by non-travelling customers as well; they will be attracted by the services provided and will see stations as places not just to be passed through but to be used for meeting people and shopping.

Legend

Towns and Cities, Trade Fairs, Museums and Shopping Centres

Though nowadays the Group's focus is on its concession business, corporate history shows that the first Autogrill outlet, or rather that of one of the companies out of which the Autogrill Group was born, was the Motta Bar in Milan's Galleria Vittorio Emanuele, which opened its doors in 1928.

The decision to extend the food&beverage business to particular locations outside the concession system was taken on the basis of a series of factors: medium / long term leases, predictable customer flow during opening hours and the use of brands that meet the needs of both customers and grantors.

In 2005, with the acquisition of Aldeasa, the Group added retail to food&beverage inside museums and historic buildings.

In 2006 the Group boosted this segment's business by acquiring the entire food-court of the Le Carrousel du Louvre commercial centre in Paris.

Legend

Food&beverage

Retail

Sectors of Operation

Autogrill operates in the food&beverage and retail sectors. Food&beverage is a historical business both for the concession market in general, as it is expression of a primary need, and the Group, whose first outlet was a bar. Retail was developed to complement food&beverage, in order to more fully satisfy professional needs and be of service to travellers.

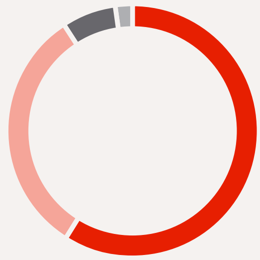
Offering food&beverage and retail together has enabled the Group to follow changes in customer profiles, especially in Italy and North America, by responding to demand stimulated by similar purchasing habits, for example impulse buying, small unit prices and repeat purchases.

Subsequently the emergence of factors like the increase in per capita income and consequent changes in consumer needs, the transfer of passenger traffic from one segment to another (due to the propensity to fly rather than drive for medium / long range travel), changes in the way in which services are used on location (given longer waiting times inside airports due to higher levels of security) and the significant price differences of duty-free goods (due to non-application of customs duty or VAT), reversed the ratio of the two sectors within the concession business.

Offering food&beverage and retail together has enabled the Group to closely follow changes in customer needs

The size of the retail market - turnover of $ 25-30 billion[1] - has overtaken that of food&beverage - which has a turnover of € 15-20 billion[1] not least because the product range has increased considerably: added to the traditional offering for travellers (e.g., convenience items) were, first, basic products (e.g., cosmetics and alcoholic drinks) and then luxury items. Given the importance of this business and the products' complementarity with travellers' needs, in 2005 the Group acquired Aldeasa in order to increase its presence in retail and complete a business model which would enable it to become a leading player in this sector as well. Though still a concession business, up-market retail and duty-free are quite different in trade terms to retail (e.g., because they have higher unit prices and repeat purchases are not so frequent) and a different business model from that of food&beverage, both in the structure of profit and loss (a retail income statement has "cost of sales" as its main item, while in food&beverage the largest cost is payroll) and in the amount of capex required (retail businesses, though producing lower cash takings than food&beverage, generate net cash flow in line with food&beverage, due to the smaller capex required to equip the store).

Turnover by Sector 2007
(€ 4,861m)



Food&beverage	60%
Retail & duty-free	31%
In-flight	7%
Other	2%

(1) Estimates of the respective size of the food&beverage and retail markets were made by the Company on the basis of data supplied respectively by Gira and Generation. Generation's figures are in US dollars and refer to retail, whereas Gira's, relating to food&beverage are in euros. Given the descriptive nature of this account, it was not thought necessary to convert these figures for comparison purposes.

The Autogrill Brand

The Autogrill brand was created in 1977 following the merger of three businesses: Alemagna, Motta and Pavesi, which were all active in motorway food&beverage in Italy. Today it remains a strong identity marker inside the organisation and in the Group's corporate communications, under which its various businesses operate.

The Brand Portfolio

The diversity and wealth of our products and brands show how original the Autogrill business model is and are one of its great strengths

In both food&beverage and retail sectors, the Group carries on its business through a wide range of products and brands which show how original the Autogrill business model is and are one of its great strengths.

By combining the wide range of food&beverage and retail formulas with the brands in its portfolio, the Group is able not only to satisfy consumer needs - and in some cases to anticipate them - but also to put together an ideal package for each kind of location and grantor.

Autogrill's track-record in terms of turnover growth showing faster growth than the market average, and its ability to win and renew concessions, are closely linked to the strength of its brand portfolio, which is a key success factor for the Group. Stores operating under well-known signs generate higher turnover thanks to the ability to attract a greater number of travellers as well as a higher average check per customer. This is one factor that is a competitive advantage over other providers for the grantor as well: higher revenues mean higher rents, since the latter is usually based on a percentage of turnover. From the quality standpoint, the Group's ability to create tailor-made brands which reflect local peculiarities in the area where the concession is located is equally important to the grantor.

Autogrill's brand portfolio comprises more than 350 proprietary and licensed brands. Proprietary brands are created within the Group for various food&beverage formulas (in Italy, Ciao is the brand of free-flow restaurants and in France Pains à la Ligne is a quick-service chain) or for the special characteristics of an individual location or geographical area (for example, in North America, for merchandising, Atlanta Emporium in the airport of the same name, Destination LA-LA Edge in Los Angeles airport, and British Columbia and Beyond for Canada's west coast).

Licensed brands are managed under international and domestic agreements: they include Burger King, Chili's Too, Pizza Hut, Sbarro and Starbucks Coffee.

The Main Brands among the more than 350 in the Portfolio

Food&beverage

Retail & duty-free

Proprietary

Licensed

Proprietary

Licensed

The Value of Human Resources

Autogrill is a people business, and the diversity of its personnnel is a key success factor, in that it generates a constant and growing competitive advantage.

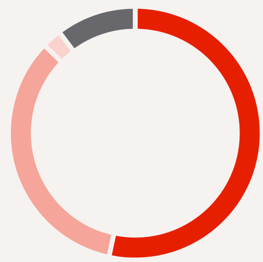
Respect for others, fair treatment, development of individual skills, team-work, continuous education and training, and communication are key issues for our Group.

Some 66,820 people come to work daily for the Group around the world: 54% in North America and the Pacific area, 34% in Europe and the remaining 12% in Alpha Group and Aldeasa.

The combination of people with diverse values, experience and cultures constitutes the identity of the Group

One of the strengths of the Group's identity is the combination of people with diverse values, experience and cultures. Being able to use such a wealth of individual skill, talent and ideas in Europe, America and Asia, means that Autogrill has and can increase various perspectives and know-how to boost growth and its competitive advantage in its markets.

Distribution of Employees by Geographical Area in 2007
(66,820 people)



North America and Pacific Area	54%
Europe	34%
Aldeasa	2%
Alpha Group	10%

Corporate Social Responsibility

In the last few years the Autogrill Group has focused seriously on Corporate Social Responsibility (CSR).

This commitment stems from the will to generate a transformation path within the organisation that will increase value for the Group and all its stakeholders in all 42 countries of operation.

Sustainability increases Autogrill's competitive advantage by reconciling profit and financial solutions with social and environmental factors

The Group is strongly committed to developing and promoting good CSR practices to reduce the impact of its business on society and the environment while aiming to raise all its institutional counterparties' awareness of these issues.
For Autogrill sustainability is also an important way of involving and motivating its people, as well as an innovation driver, and a way of increasing the competitive advantage which is essential to differentiate its offering in the market.

Today leadership in business is based on the abilty to run the business while reconciling profit and financial solutions with social and environmental factors.

In this perspective being market leader at present and in the future entails the responsibility of promoting experimentation, research and innovation, not only in the area of the product and service offering but also in that of new construction materials for company premises and using different energy sources (geothermic, solar, etc.).

In 2007 this belief led Autogrill to design a project - known as Afuture - which will involve the whole Group in a new way of thinking and doing business: to ensure long-term profits, respect for people and the environment is indispensable.

Specifically, research was conducted to identify the areas in which Autogrill's business has the greatest impact: those that are of most direct interest to the stakeholders and which may have economic, social or environmental consequences of significance for the Group if not properly managed.

For three years the Group has provided its stakeholders with its Sustainability Report, which is checked by the auditing firm KPMG and complies with the Global Reporting Initiative (GRI-G3) rules. The complete document can be found on the Group's website (www.autogrill.com) or as a hard copy at the Company's offices.

Share Performance

TheAutogrill share price was € 2.40 on listing in 1997 and reached € 11 .60 in 2007

Autogrill has been listed on the Italian Stock Exchange since 1 August 1997[1], and is included since September 2004 in the S&P-MIB basket of shares, which contains the main listed companies by capitalisation and sector (Blue Chips).

The Autogrill share price was € 2.40 on listing in 1997 and reached € 11.60 in 2007.

Share Performance 1997-2007
Rebased 100

Starting from March 2007 our share price rose on the back of results that were better than analysts' forecasts.

The highest price of € 16.60 was reached in mid-July, also due to the completion of the acquisition of Alpha Group.

From July onwards the share price slipped - except for gains in September on the announcement of first half results - against the background of falling equity prices due to the subprime crisis and the deterioration of the economic outlook.

At year-end the shares were down by 16.8%, in line with the performance of mid and low-cap shares (the S&P MIB index was down by 8.2% and MIDEX by 14.9%), having reached a low of € 11.00 on 21 November 2007.

(1) Up to August 1997, the share listed since January 1996 was Finanziaria Autogrill S.p.A., which was absorbed together with Autogrill S.p.A. by Schemaventidue S.p.A., subsequently renamed Autogrill S.p.A..

Autogrill shares maintained good liquidity, average monthly shares traded being around 27.6 million (slightly down from 2006's 30.5 million shares) or 10.8% of company capital, despite the fact that factors such as our significant business in the US, as well as exposure to the retail sector and the generally poor performance of Italian share prices (among the worst in Europe in 2007), affected our shares' performance.

Share Performance in 2007
Rebased 100

A nervous and volatile stock market, in a situation of uncertainty, led to generalised valuations and classified stocks in broad categories (e.g., exposed to the dollar or exposed to retail sales), often without taking into account the peculiarities of a company and its business (e.g., foreign currency indebtedness and offsetting costs and revenues in the same currency, or its profile as a consolidated local player in its countries of operation).

With regard to ownership, the stake held by our majority shareholder, Schematrentaquattro, increased from 57.87% at 31 December 2007 to 58.72% on 13 February 2008. The second largest shareholder is the Assicurazioni Generali Group which at 31 December 2007 held 2.96% of shares and at 13 February 2008 5.05%.

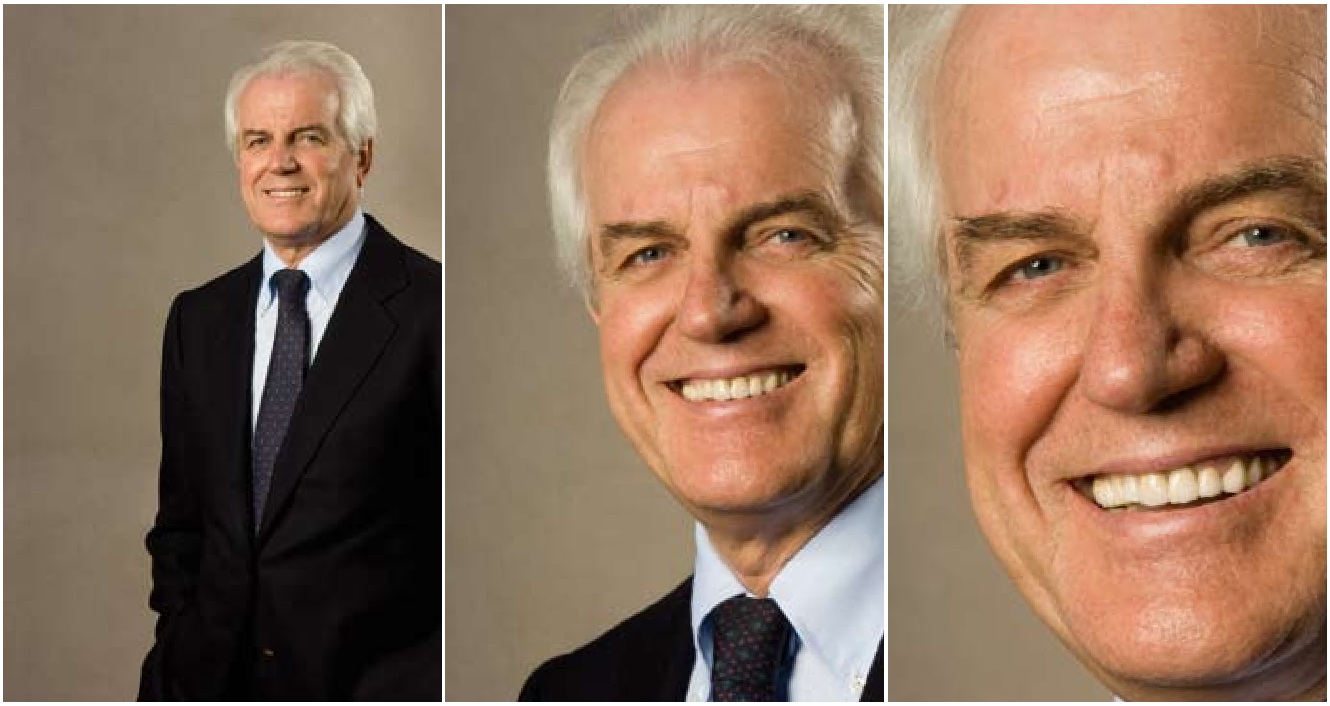
Investor Relations

In 2007 the Company held 187 one-to-one meetings with local and foreign investors, five conference-calls with the market (to present annual and quarterly results) as well as a specific event organised for the acquisition of Alpha Group, and nine road-shows in the main international financial centres. Investor Relations increased the department's staff numbers.

At the end of 2007 the main brokers' recommendations regarding Autogrill shares were almost all positive and target prices were all above the stock market price.

Chairman's Letter

Gilberto Benetton



Dear Shareholders,

In 2007 Autogrill continued to pursue its growth strategy and took the opportunity to initiate a profound transformation of its business.

The Company achieved turnover of nearly € 5 billion in 2007 - an increase of roughly 24% on 2006 - and growth was well diversified.

The Group gave further proof of its ability to grow organically and strengthened its competitive position in areas and business segments where it already operated, through new concessions and renewals.

The strategy of external growth took the form of entry to the UK airport concession market, which is the largest in Europe. The acquisition of Alpha Group was a functional step looking ahead to the positive outcome of the World Duty Free Europe tender, which concluded in March 2008, and the acquisition of the remaining 50% of Aldeasa in Spain. Together these three companies make Autogrill the world leader in airport retail, with the broadest and most competitive European platform in this sector and the opportunity to expand into other fast-growing markets outside Europe.

Expansion continued in the emerging markets of Asia and central and eastern Europe, in which initially lower returns will be off-set by faster rates of growth of air traffic, together with the completion of new infrastructure to meet the growing demand for personal mobility.

Autogrill is now a universal provider of services to people on the move. Its products and services are highly complementary, whether in food & beverage or retail & duty-free, and it is able to guarantee its business partners top-quality and highly profitable solutions.

So there is a long-term prospect which neither ignores the impact of the financial crisis which began in August 2007, nor underestimates the energy and raw material shocks.

The growth of traffic in our various markets and our management's focus on the search for continual improvement in productivity off-set the dependence of the business on the general economic cycle.

In the year in which the Company celebrated thirty years since its birth we reaffirmed our ability to achieve great results and a profound transformation, while maintaining our focus on the satisfaction of the needs of a growing number of travellers – at one time just on Italy's motorways, and today in all the mobility markets around the world.

Contents

01.01 Organisational Structure

The Group is structured in business units, generally according to geographical area, which control operational levers within centrally defined objectives and guidelines. HMSHost, whose HQ is in Bethesda, Maryland, USA, runs operations in North America and the Pacific area as well as Schiphol Airport in the Netherlands.

In Europe the business is conducted by distinct organisations, under unified coordination of international operations.

HMSHost Europe is the unit charged with developing business in European airports.
At present it operates across the geographical business units including operations in the airports of Schiphol (The Netherlands), Zurich (Switzerland), Stockholm (Sweden) and Cork (Ireland), as well as the partnership in Frankfurt (Germany).

Alpha Group, which has been consolidated since 1 June 2007, operates mainly in in-flight food&beverage and retail in airports. Its business centres on the UK, where it operates in airports throughout the country. A still modest - but rapidly growing - share of its turnover is being developed organically, particularly in Asia and Oceania.

Aldeasa is one the world's leaders in the retail & duty-free sector, market leader in Spain and increasingly present outside Spain, in North America, Latin America and the Middle East.

Board of Directors

Chief Executive Officer (CEO)

Corporate Centre

Administration, Finance, Control, ICT and Investor Relations

Communications and Public Affairs

Legal and Corporate Affairs

Internal Audit and Corporate Social Responsibility

Geographical Macro-Areas and Sectors of Operations

	HMSHost	Italy	Rest of Europe	Alpha Group	Aldeasa[1]
Ducth Antilles					Retail
Saudi Arabia[2]					Retail
Australia	Food&beverage			In-flight	
Austria			Food&beverage		
Belgium			Food&beverage		
Bulgaria				In-flight	
Canada	Food&beverage, Retail				Retail
Cape Verde					Retail
Chile					Retail
Colombia					Retail
Denmark			Food&beverage		
United Arab Emirates				Food&beverage, In-flight	
France			Food&beverage		Retail
Germany			Food&beverage		
Jordan				In-flight	Retail
Greece			Food&beverage		
India	Food&beverage[2]			Retail	
Ireland			Food&beverage	Retail, In-flight	
Italy		Food&beverage, Retail		Retail	
Kuwait					Retail
Luxembourg			Food&beverage		
Maldive				Retail	
Malaysia	Food&beverage				
Morocco					Retail
Mexico					Retail
Nepal				Retail	
New Zealand	Food&beverage				
The Netherlands	Food&beverage		Food&beverage	In-flight	
Panama					Retail
Peru					Retail
Portugal					Retail
United Kingdom				Food&beverage, Retail, In-flight	
Czech Republic			Food&beverage		
Romania				In-flight	
Singapore[2]	Food&beverage				
Slovenia			Food&beverage		
Spain			Food&beverage		Food&beverage, Retail
Sri Lanka				In-flight	
Sweden			Food&beverage	Food&beverage	
Switzerland			Food&beverage		
Turkey				Retail, In-flight	
USA	Food&beverage, Retail			Retail, In-flight	Retail

● Food&beverage
● Retail
● In-flight

(1) 50/50 joint-venture of Altadis and Autogrill.
(2) In 2007 these companies did not trade.

01.02 Corporate Bodies

Board of Directors [1]

Gilberto Benetton
Chairman [2, 3]

Born in 1941 in Treviso, in 1965 Gilberto Benetton set up the Benetton Group together with his sister Giuliana and brothers Luciano and Carlo. The Group is world leader in the apparel industry and today operates in some 120 countries. He is Chairman of Edizione Holding S.p.A. and Sintonia S.p.A., the two family holding companies, Chairman of Autogrill S.p.A. since 1995 and a Director of Benetton Group. He is a Member of Mediobanca's Supervisory Board. He is also a Director of Atlantia S.p.A., Telecom Italia S.p.A., Pirelli & C. S.p.A., Lloyd Adriatico S.p.A. and Allianz S.p.A.. He presides over all investments undertaken by the two family holding companies, whether financial or property. A keen sportsman, he is the promoter of Group sponsorships of rugby, basketball and volleyball. Through the Benetton Foundation he had La Ghirada, Treviso's sport centre, created.

Gianmario Tondato Da Ruos [E]
CEO [2, 3, 4]

Born in 1960 in Oderzo (Treviso), he graduated in Business Administration from the Ca' Foscari University in Venice. He has significant HR and organisation experience in the Mondadori Group and several Benetton Group companies, which he joined in 1987. He has been with the Autogrill Group since 2000, initially as Vice President and Chief Administrative Officer and subsequently as President and Chief Operating Officer he managed the integration of HMSHost Corp. with the aim of improving its operating efficiency.
He has been CEO of Autogrill S.p.A. since March 2003, and on the basis of his US experience, has launched a plan of skill-sharing within the Group and steadily increasing internationalisation.
He is also a Director of Aldeasa S.A. and Alpha Group Plc., Lead Independent Director of Lottomatica S.p.A. and a Director of Guala Closures S.p.A..

Alessandro Benetton
Director

Born in 1964 in Treviso and son of Luciano. He graduated in Business Administration from Boston University.
In 1991 he took an MBA at Harvard. His professional career began at Goldman Sachs, as an M&A analyst.
In 1993 he formed 21, Investimenti S.p.A., a holding company whose shareholders are Edizione Holding S.p.A., Banca Intesa S.p.A., Fininvest S.p.A., Group Seragnoli and Assicurazioni Generali S.p.A., and became its Chairman, an office he still holds. He is Chairman of 21, Investimenti Partners S.p.A.. He has been a Director of Edizione Holding and of Autogrill S.p.A. since 1995. He is also Executive Vice Chairman and Member of the Executive Committee of Benetton Group S.p.A. His other offices include: Director of Banca Popolare of Vicenza, Director and Vice Chairman of NordEst Merchant S.p.A., Director and Chairman of the Board of 21 Partners SGR S.p.A. and Member of the Supervisory Board of 21 Centrale Partners S.A..

(1) Appointed by the Shareholders' Meeting held on 27 April 2005; in office until approval of the 2007 Financial Statements.
(2) Appointed by the Board of Directors on 27 April 2005.
(3) Powers pursuant to the law and under the By-Laws, specifically legal representation of the Company and sole signatory for the Company.
(4) Powers of day-to-day administration, as sole signatory, as resolved on 27 April 2005 and 24 April 2007.
(E) Executive Director.

Giorgio Brunetti [5, L]
Director

Born in 1937 in Venice, he graduated in Business Administration at the Ca' Foscari University in Venice and took a diploma in Corporate Organisation at CUOA (Centro Universitario of Organisation Aziendale) in the Faculty of Engineering of the University of Padua. He began his academic career at the Ca' Foscari University, where he became Professor of Business Studies. In 1992 he was appointed Professor of Business Studies at the Bocconi University in Milan, where is emeritus professor of Corporate Strategy and Policy, Chairman of the University's Assessment Centre and Chairman of the "Entrepreneurship and Entrepreneurs" Research Centre. He has taught in training companies and organisations and consulted for leading industrial and banking groups. He has been a Director of Autogrill S.p.A. since 1995, and is also on the Board of Benetton Group S.p.A., Messaggerie Italiane S.p.A, Messaggerie Libri S.p.A. and Carraro S.p.A..

Antonio Bulgheroni [6, I]
Director

Born in 1943 in Varese. In 1969 he joined the family Company, Bulgheroni S.p.A., a chocolate producer and concessionaire of the Lindt & Sprungli brand in Italy, as Assistant to the General Manager. In 1974 he became its Managing Director (up to 1993) and was also its Chairman from 1990 to 1993. At present he is Chairman of Caffarel S.p.A. and Chairman of Lindt & Sprungli S.p.A.. He is Chairman of Banca Popolare Commercio e Industria S.p.A..
Other offices held: Chairman of Ferro Tubi Lamiere Rossi S.p.A., Director and Member of the Executive Committee of Chocoladefabriken Lindt & Sprungli AG. Since 1997 he has been a Director of Autogrill S.p.A..

Marco Desiderato [5, I]
Director

Born in 1945 in Buia (Udine). He is an insurance broker and has served on the Boards of several banks, in particular investment banks, including San Paolo IMI S.p.A. (up to 1998). At present he is Chairman of Millennium SIM S.p.A. of Genoa and a Director of Lertoria & Partners Insurance Broker S.r.l., Ligurcapital S.p.A., Fidimpresa Liguria S.c.r.l., Capitalimpresa S.p.A., Istituto Ligure Mobiliare S.p.A., Lames S.p.A.. He has been a Member of the Board of Directors and the Internal Control Committee of Autogrill S.p.A. since 1996.

Sergio De Simoi
Director

Born in 1945 in Feltre (Belluno), he graduated in Business Administration from the Ca' Foscari University in Venice. He is a chartered accountant and has been a Director of Interbanca S.p.A, Benetton Group S.p.A. and a standing Statutory Auditor of Olimpia S.p.A.. He has also been Administration and Finance Manager of Edizione Holding S.p.A. and Administration Manager of Chiari&Forti S.p.A. and Stefanel S.p.A.. At present he is a Director of Autogrill S.p.A. (since April 2005), Atlantia S.p.A, 21, Investimenti Partner S.p.A, Schemaventotto S.p.A. and Sintonia S.p.A..

(5) Member of the Internal Control and Corporate Governance Committee.
(6) Member of the Compensation Committee.
(I) Independent Director.
(L) Lead Independent Director.

Sergio Erede
Director

Born in 1940 in Florence, he graduated in Jurisprudence from Milan University. In 1964 he took a Master of Laws at Harvard Law School. Since 1969 he has been a practising lawyer. He founded the Erede e Associati Law Firm (specialising in M&A), and in 1999 with Bonelli e Associati (specialised in commercial, bankruptcy and case law) and Pappalardo e Associati (specialised in Italian and Community antitrust law) formed the Bonelli Erede Pappalardo legal partnership. Bonelli Erede Pappalardo has over the years served various clients in the main corporate finance transactions carried out in Italy. He is Director of many mostly listed companies including Autogrill S.p.A. (since 1995), Marzotto S.p.A., Luxottica Group S.p.A. and Banca Nazionale del Lavoro S.p.A. (of which he is also Vice Chairman).

Gianni Mion [6]
Director

Born in 1943 in Vò (Padua), he graduated in Business Administration from Ca' Foscari University in Venice. He is a chartered accountant and has been Managing Director of Edizione Holding S.p.A. since 1986. His professional career began with KPMG as auditor and continued with McQuay Europa S.p.A. as controller. In 1974 he joined Gepi S.p.A. of which he became Deputy General Manager in 1980. He was Managing Director of Fintermica S.p.A. from 1983 to 1985, before joining Marzotto S.p.A., as Finance Director until 1986. At present he is a Director of Autogrill S.p.A. (since 1995), Benetton Group S.p.A., Atlantia S.p.A., Luxottica Group S.p.A., Schemaventotto S.p.A., Telecom Italia S.p.A., Burgo Group S.p.A. and Aeroporti di Roma S.p.A.. He is also Managing Director of Sintonia S.p.A..

Gaetano Morazzoni [I]
Director

Born in 1932 in Bovisio Masciago (Milan).
He holds a degree in Jurisprudence and is a practising lawyer in Milan with special experience in legal problems relating to public administration and the economy – transport – and specific knowledge of company law and proceedings before the European courts, participation in Community tenders, competition proceedings and domestic and international arbitration. He advises leading Organisations and industrial and commercial concerns, financial institutions and public transport companies. He is Chairman of the Scuola Superiore del Commercio, del Turismo, dei Servizi e delle Professioni, Chairman of Autoparco Brescia Est S.r.l.,Vice Chairman of the Milan Trade Fair foundation and a Director of Autostrada Autocamionale della Cisa S.p.A.. He has been a Director of Autogrill S.p.A. since 2002.

Alfredo Malguzzi [5, 6, I]
Director

Born in 1962 in Lerici (La Spezia). He is a partner of Pedersoli & Associati, company law and tax law advisors. He graduated in Business from the Bocconi University. He has practised as a chartered accountant since 1991, providing advice on domestic and international company law and tax law having gained experience in these fields since 1985. He formerly taught at the SDA (Business School) of the Bocconi University (1990-1997), in the Administration and Control area, and is a tax journalist. He specialises in tax and company matters relating to corporate finance transactions, acquisitions, disposals and corporate reorganisations. He has been a Director of Autogrill S.p.A. since April 2004, and is also a Director of Benetton Group S.p.A. and FinecoBank S.p.A., as well as a Statutory Auditor of biG S.r.l., Egidio Galbani S.p.A. and Group Lactalis Italia S.p.A. and Chairman of the Board of Statutory Auditors of Sator S.p.A. and Consilium SGR S.p.A..

(5) Member of the Internal Control and Corporate Governance Committee.
(6) Member of the Compensation Committee.
(I) Independent Director.

Board of Statutory Auditors [7]

Luigi Biscozzi [8]
Chairman

Born in Salice Talentino (Lecce) in 1934, he graduated in Economics and Business from the Bocconi University in Milan. He has been on the roll of Chartered Accountants of Milan since 1966 and Official Auditor since 1972. From 1961 to 1972 he was manager and partner of the tax section of KPMG Peat Marwick in Milan. He was a founding partner of the tax law firm L. Biscozzi - A. Fantozzi (now Biscozzi Nobili), and is an expert in tax law, corporate, company law and tax advisory for Italian and foreign companies. He has been Chairman of the Board of Statutory Auditors of Autogrill S.p.A. since 2006, and holds the same office in Autogrill International S.p.A., Costa Crociere S.p.A., New Mood S.p.A. and Crociere Mercurio S.r.l.. He is a Statutory Auditor of Immobiliare Adamello S.r.l., Polimeri Europa S.p.A., Syndial S.p.A., Sony BMG Music Entertainment S.p.A., Touring Servizi S.r.l., Touring Vacanze S.r.l. and Touring Viaggi S.r.l..

Gianluca Ponzellini [8]
Statutory Auditor

Born in Varese in 1947, he graduated in Economics and Business from the Catholic University of Milan. He has been on the roll of Chartered Accountants of Varese since 1976. From 1973 to 1979 he worked for leading auditing firms in Italy and the US. Since 1980 he has practised as an independent chartered accountant. He took part in the formation of the auditing firm Metodo S.r.l., of which he is still a partner and Chairman. He has been a member of the Board of Statutory Auditors of Autogrill S.p.A. since 1995. He is Chairman of the Board of Statutory Auditors of Banca Imi S.p.A., De Longhi S.p.A., De Longhi Appliances S.r.l., ECS International Italia S.p.A., Intesa San Paolo Private Banking S.p.A. and Luisa Spagnoli S.p.A.. He is a Statutory Auditor of Autogrill International S.p.A., Casa Editrice Universo S.p.A., G.S. S.p.A. and SSC S.r.l., and a Member of the Supervisory Board of Intesa San Paolo S.p.A..

Ettore Maria Tosi [8]
Statutory Auditor

Born in 1946 in Angera (Varese), he graduated in Economics and Business from the Bocconi University in Milan. He has been on the roll of Chartered Accountants since 1974, initially in the Busto Arsizio Order and subsequently in that of Milan.
He is also on the roll of Technical Advisors to the Courts of Milan. He has been a member of The Board of Statutory Auditors of Autogrill S.p.A. since 1995, and holds the same office in Alenia Aermacchi S.p.A., Autogrill International S.p.A., Dasit S.p.A., Hay Group S.r.l. and Logic S.p.A..

Diego Salvador [2]
Secretary
to the Board of Directors

KPMG S.p.A. [9]
External Auditors

(2) Appointed by the Board of Directors del 27 April 2005.
(7) Appointed by the Shareholders' Meeting held on 27 April 2006; in office until approval of the 2008 Accounts.
(8) Revisore contabile ("chartered accountant/auditor").
(9) Appointed by resolution of the Shareholders' Meeting held on 27 April 2006; in office until approval of the 2011 Accounts.

01.03 Corporate Governance

A summary of the report on corporate governance is given below. A complete version can be consulted in the Group's website (www.autogrill.com) and a hard copy is available from the Company's offices.

The system of Governance is based on the principles set by the Corporate Governance Code for Listed Companies and international best practice

The Corporate Governance System

Autogrill's system of Corporate Governance is based on the principles given in the Corporate Governance Code for Listed Companies as proposed by the Committee for the Corporate Governance for Listed Companies and more generally international best practice adapted to take account of the special features of the Company's organisation and business. The Board of Directors of Autogrill S.p.A. adhered to the Corporate Governance Code for Listed Companies in the original version of 2001 and subsequently resolved in November and December 2006 and January and December 2007 to adhere also to the new version of the Corporate Governance Code for Listed Companies, proposed by the mentioned Committee and published on 14 March 2006.

Ownership and Financial Instruments

At 31 December 2007 the company capital of Autogrill S.p.A. was € 132,288,000 fully paid-in, represented by 254,400,000 ordinary shares, each with a par value of € 0.52. Shareholders of the Company holding more than 2% of issued shares at 13 February 2008, on the basis of available information and advice received pursuant to CONSOB Resolution 11971/99, were: Schematrentaquattro S.r.l., with 58.72%, and Gruppo Assicurazioni Generali S.p.A., with 5.05% of share capital. In 2007 there were no significant changes to shareholders of the Company.

In 2002 Autogrill adopted a Group Code of Conduct and in 2003 its Organisation, Management and Control Model

Code of Conduct

On 6 November 2002, the Board of Directors approved the Code of Conduct of the Autogrill Group, subsequently modified on 12 November 2003, which defines the principles and values underlying the conduct that all members of the organisation are called on to maintain.

Organisation, Management and Control Model pursuant to Law 231/2001

On 9 July 2003 the Board of Directors approved and adopted the Organisation, Management and Control Model and appointed a Supervisory Body as required by Law 231/2001. This law is an ordinance governing corporate liability in companies and organisations. Companies are considered responsible for certain offences committed or attempted to be committed by Directors or employees in the interest and for the benefit of the company. This responsibility is excluded provided that the company has set up models of organisation, management and control that are able to prevent these offences and has set up the required Supervisory Body to control the workings of and compliance with the Model.

Role of the Board of Directors

The duties of the Board of Directors and the Company, including those towards Group companies, are based on principles of sound corporate and entrepreneurial management, on those laid down in the Corporate Governance Code and on the contents of the Code of Conduct.

The Board of Directors has a general duty to direct and control the running of the company, by taking the necessary and useful decisions to carry out the corporate object.

Certain attributions as indicated in the full report on corporate governance are exclusively reserved to the Board of Directors, as well as those that cannot by law or under the By-Laws be delegated.

Membership of the Board of Directors

The current Board of Directors, which is in office until approval of the 2007 Accounts, was elected by the Shareholders' Meeting held on 27 April 2005, through a list vote, pursuant to §10 of the By-Laws.

The Board has 11 members, of which one is executive - Gianmario Tondato Da Ruos, Managing Director/CEO - and ten are non- executive: Gilberto Benetton (Chairman), Alessandro

Benetton, Giorgio Brunetti (independent), Antonio Bulgheroni (independent), Marco Desiderato (independent), Sergio De Simoi, Sergio Erede, Gianni Mion, Gaetano Morazzoni (independent) and Alfredo Malguzzi (independent).

The curriculum vitae of each candidate for a Directorship, together with an indication as to whether the candidate qualifies as independent1, may be consulted by Shareholders at the registered office 15 days prior to the Shareholders' Meeting called for the election.

Annual Assessment

Autogrill is one of the few companies which have a system of self-assessment of the workings of the Board

On 12 December 2007 the Board of Directors, following the experience of 2007, decided to continue its self-assessment as recommended by the Corporate Governance Code with the assistance of an expert external firm. The conclusions of the first self-assessment were that the work done was broadly satisfactory, and indicated certain measures to improve the Directors' knowledge of changes in the business internationally and to upgrade the skills of the Compensation Committee.

Lead Independent Director

In 2006 Autogrill set up the role of Lead Independent Director

Giorgio Brunetti was appointed Lead Independent Director, at the Board meeting held on 19 December 2006.

Manager responsible for drawing up the Company's financial reports

On 20 June 2007 the Board of Directors, with the favourable opinion of the Board of Statutory Auditors and the Internal Control and Corporate Governance Committee, appointed Alberto Devecchi, Head of Group Administration, Finance, Control and Information Systems as the manager responsible for drawing up the Company's financial reports.

Powers

The Board of Directors is a unitary and balanced body in which the delegated management powers entrusted to the Managing Director (CEO), Gianmario Tondato Da Ruos[2], are balanced by the responsibilities of executive and non-executive Directors in order to promote efficient discussion leading to decisions in line with the interests of the Company.
At every Board meeting and in any case within the term prescribed by law, the Managing Director and all Directors who have received special powers provide appropriate information to the Board and the Board of Auditors on the manner in which these powers have been exercised.

The Chairman

The Chairman is vested with legal powers and those specified in the Company's By-Laws, and has no executive powers. She/he is responsible for the functioning of the Board of Directors, for providing information to the Directors and for coordinating that activity of the Board, as well as proposing measures or projects that she/he considers necessary with the aim of augmenting the Directors' knowledge of the Company and its operations.

(1) The phrase was inserted by the Board of Directors on 5 August 2004, as prescribed by the Corporate Governance Code for Italian Listed Companies of Borsa Italiana S.p.A., in the July 2002 version.

(2) The Managing Director has general management powers, some of which are to be exercised within the following limits: a) Investments: up to € 3,000,000; b) Purchase and sale and trade-in of machinery, plant, equipment, materials, and motor vehicles: up to € 3,100,000 per transaction; c) Consultancy, intellectual and professional services in general: up to € 1,000,000 per fixed-term contract; d) Acquisitions and/or disposals of companies or businesses: up to € 1,000,000, gross of all charges and liabilities; e) Leases and subleases of buildings and similar units of property, leasing or subleasing of businesses, provided that the initial period of lease or sublease is not in excess of 9 years or if longer within terms fixed by the Board; the 9-year limit is not applicable to lease or sublease of businesses or property leases or subleases within shopping centers; f) Purchase, sale or underwriting of shares, equity interests or consortium shares: amounts not in excess of € 100,000 per transaction; g) Credit agreements or facilities in general, financings or credit mandates, including those contracted in the interest of subsidiaries: up to € 3,100,000; h) Applications - including in the interest of subsidiaries – for bank or insurance guarantees, issuance of letters of guarantee and undertakings in general, avals or letters of patronage: up to € 3,100,000 for each transaction; i) Nomination of arbitrators, including amicable negotiators: up to € 1,000,000 per dispute, but without limit on the value where the Company is a defendant in arbitration proceedings. Transactions exceeding these limits are submitted to the Board.

Corporate Information Management

In 2006 the Board of Directors adopted the Group procedure for the communication to the market of privileged information

On 15 March 2006 the Board of Directors adopted the Group procedure for the communication to the market of privileged information pursuant to Law 62/2005 (the "2004 Community Law") on market abuse.

This procedure governs internal management and external communication of privileged information, not yet in the public domain, relating to Autogrill, one of its subsidiaries, the share or any financial instruments in issue, which, if made public, could significantly influence the performance of the share.

Board Committees

The Internal Control and Corporate Governance Committee

In 2002 the Internal Control and Corporate Governance Committee was set up

Since 24 April 2002, the Company has had an Internal Control Committee, comprising non-executive and independent Directors, and with the duty to advise and make proposals. The Committee is called on to examine problems concerning the control of corporate operations and take appropriate decisions thereon.

On 27 April 2005 the Board of Directors appointed Giorgio Brunetti, Marco Desiderato and Alfredo Malguzzi, all non-executive Directors qualifying as independent Directors and designated Giorgio Brunetti as Committee Chairman. Giorgio Brunetti and Alfredo Malguzzi both have proper experience of accounting and finance, as may be seen from their curricula given above. On 19 December 2006 the Committee was vested with further duties of advice and proposal on Corporate Governance and renamed accordingly the Internal Control and Corporate Governance Committee.

Appointment of Directors

The Board of Directors has seen as yet no reason – not least in light of the Corporate Governance Code principle 6.P.2 – to set up a Directors appointment committee, since it has never been difficult for the shareholders to suggest candidates for election nor has the Board itself ever had difficulty co-opting Directors pursuant to §2386, Italian Civil Code and §10 of the Company By-Laws.

The Compensation Committee

In 2001 the Compensation Committee was set up

Since 15 May 2001 the Company has had a Compensation Committee, which is called on to assess whether top management compensation is consistent with the creation of value for the Company.

The Compensation Committee has the duty of making proposals to the Board of Directors on the compensation of the CEO and Directors with special duties.

The Committee also examines the criteria for the compensation and annual and long-term incentive schemes of the management of the Company and the Group, to be submitted to the Board of Directors for approval.

The Committee currently comprises the non-executive Directors Alfredo Malguzzi (an Independent Director who is the Committee Chairman), Gianni Mion and Antonio Bulgheroni (Independent Director).

Internal Control System

The internal control system used by Autogrill is the sum of the rules, procedures and organizational structures designed to promote – by means of an appropriate system of identification, measurement, management and monitoring of the main risks – company management that is sound, correct and in line with objectives.

The system works through:

- Identification of the corporate governance rules with which all staff's everyday conduct must comply.
- Realisation and adoption of a continuous control by management through operating procedures and modern planning and control systems.
- Drawing up a scheme of delegated powers, functions and signing powers capable of promoting conduct in line with the organisational structure.

Internal Control Officer

The Board meeting held on 12 December 2007, on the proposal of the CEO and with the favourable opinion of the Internal Control and Corporate Governance Committee appointed Silvio de Girolamo, Head of Group Internal Auditing and CSR as Internal Control Officer. This position reports to the Managing Director (CEO) and has no operational responsibilities; the Officer carries out the tasks specified in the Corporate Governance Code, reporting on them to the Internal Control and Corporate Governance Committee and to the Board of Statutory Auditors.

Directors' Interests and Related-Party Transactions

The Board of Directors, at its meeting on 24 January 2006, approved the related-party transaction procedure, which governs both related-party transactions conducted in the normal run of business by the Parent Company which do not evince critical issues (Usual Transactions) and those outside the normal business of the Parent Company (Material Transactions or Material and Large Transactions).

Internal Dealing Procedure

At its meeting of 15 March 2006, the Board of Directors adopted an Internal Dealing Procedure in compliance with the "2004 Community Law", which replaces the Internal Dealing Code originally adopted on 6 November 2002 and subsequently amended.

Under the new procedure relevant persons include only the Directors and Statutory Auditors of Autogrill, their close families and the controlling shareholder of Autogrill.

Statutory Auditors

Pursuant to the rules laid down in Law 58/98 (Consolidated Finance Act) the Company has included in §20 of its By-Laws provisions designed to enable a standing and an alternate member of the Board of Statutory Auditors to be elected on a list vote.

The lists of candidates for the office of Statutory Auditor, together with exhaustive information as to their personal and professional characteristics, are deposited in the registered office at least fifteen days prior to the date of the Shareholders' Meeting and given timely publication in the Group's website (www.autogrill.com).

External Auditors

On 29 July 2005 the Board of Directors adopted a Group-wide procedure for the selection of external auditors of Autogrill and its subsidiaries. The procedure ensures that the Parent's external auditing firm is also responsible for audits of subsidiaries of Autogrill S.p.A. Use of firms other than that indicated by the Parent shall be properly justified and agreed in advance with the Internal Control and Corporate Governance Committee.

Relations with Shareholders and General Meetings

The Shareholders' Meeting is the institutionalized opportunity to meet and discuss matters between the Directors and the Shareholders. At general meetings Shareholders may request information on business performance and results and the items included in the Agenda.
The documents and information prescribed by current legislation are also made available and delivered to the Shareholders. Meetings are conducted according to the rules contained in the Shareholders' Meeting Regulations which are published on the Company's website (www.autogrill.com).

Investor Relations

The Company set up its investor relations unit in 1997 with the aim of initiating and maintaining continuous dialogue with shareholders in general and in particular institutional investors and financial analysts.

It was also decided to promote dialogue with investors by inserting appropriate content into the Group's website (www.autogrill.com, Investor Relations section).

02.01 Highlights

(€m)	2007	2006	Change at current exch. rates	Change at constant exch. rates
Revenue	4,861.3	3,929.4	23.7%	29.0%
EBITDA	563.3	514.1	9.6%	14.5%
EBITDA margin	11.6%	13.1%		
EBIT	340.0	324.6	4.7%	9.4%
EBIT margin	7.0%	8.3%		
Profit attributable to the Shareholders of the Parent	158.7	152.5	4.1%	8.7%
% of Revenue	3.3%	3.9%		
Capital Expenditure	278.2	213.9	30.1%	36.5%
Earnings per share (€ cents)				
- basic	62.4	59.9		
- diluted	61.8	59.4		

Since each country's operations are markedly local, the currency of revenue is generally identical with that of costs. Additionally, the Group has a policy of managing currency risk by financing the main net assets in each non-euro currency using loans in that currency or by undertaking forex transactions that have the same result.

This does not however neutralise currency risk in the conversion of individual items of the Accounts.

The size of swings in the €/US $ exchange rate, together with the size and importance of the operations of Autogrill Overseas Inc. and its subsidiaries, usually makes Group figures not strictly comparable with those of the previous year.

The average €/US $ exchange rate was $ 1.256 in 2006 and $ 1.371 in 2007 (i.e., the US dollar depreciated by about 9.2% against the euro). The $/€ exchange rate was $ 1.317 at 31 December 2006 as against $ 1.472 at 31 December 2007.

Changes in the average and balance-sheet-date $/€ rates were consequently significant and therefore affect consolidated profit and asset and liability figures appreciably. To enable proper comparison of balance sheet figures and to ensure that economic and financial information is complete, this Report contains summary tables showing figures at both current and constant exchange rates. Where material, the commentary also details changes at both current and constant exchange rates.

Following the entry of Alpha Group into the consolidation scope, the pound sterling has become a significant reporting currency for the Group's assets and liabilities.
In 2007 the average £/€ exchange rate was £ 0.684, and the £/€ rate at 31 December 2007 was a £ 0.733.

Revenue: in Europe the Group manages a small but growing number of service stations.
In 2007 sales of fuel were € 87.8m, as against € 73.3m in 2006.

Constant Exchange rates: more than half of the Group's operations are located in countries where the functional currency is other than the euro mainly the US, the UK, Canada and Switzerland.

In this Report on Operations the commentary is on operating revenue, i.e. excluding sales of fuel. The latter are termed "revenue". Cost income ratios are based on the latter figure.

Organic growth indicates like-for-like consolidation scope and constant exchange rates.

EBITDA: as shown in the condensed consolidated income statement, this is the operating profit or loss plus depreciation, amortisation and impairment losses and can be directly calculated from the financial statements as integrated by the notes. This is not a performance measure defined by IAS/IFRS and therefore may not be identical and thus comparable with that of other groups.

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

Unless otherwise stated, figures given in the Report on Operations are in millions of euros (abbreviated as €m) or millions of US dollars (abbreviated as $m) or millions of pounds sterling (abbreviated as £m). Figures given in the notes to the financial statements are in thousands, i.e. €k, $k or £k.

Some figures may have been rounded to the nearest million. Changes and ratios have been calculated using figures in thousands and not the figures rounded to the neasrest million as shown.

02.02 Results of the Year

02.02.01 Performance

Condensed Consolidated Income Statement[1]

(€m)	2007	% of Revenue	2006	% of Revenue	Change at current exch. rates	Change at constant exch. rates
Revenue	4,861.3	100.0%	3,929.4	100.0%	23.7%	29.0%
Other Operating Income	97.8	2.0%	104.4	2.7%	(6.3%)	(6.0%)
Total revenue and income	4,959.2	102.0%	4,033.8	102.7%	22.9%	28.0%
Cost of raw materials, consumables and supplies	(1,811.6)	37.3%	(1,376.8)	35.0%	31.6%	35.9%
Personal Expense	(1,322.7)	27.2%	(1,106.4)	28.2%	19.5%	25.2%
Leases, rents, concessions and royalties	(727.6)	15.0%	(588.8)	15.0%	23.6%	29.6%
Other operating costs	(534.0)	11.0%	(447.7)	11.4%	19.3%	24.1%
EBITDA	563.3	11.6%	514.1	13.1%	9.6%	14.5%
Depreciation, amortisation and impairment losses	(222.1)	4.6%	(189.5)	4.8%	17.2%	22.6%
Impairment losses on goodwill	(1.2)	-	-	-	n.s.	n.s.
EBIT	340.0	7.0%	324.6	8.3%	4.7%	9.4%
Net Financial Expense	(64.1)	1.3%	(48.3)	1.2%	32.8%	40.6%
Net reversals of impairment losses on financial asset	0.4	-	1.2	-	(62.5%)	(60.8%)
Profit before Tax	276.3	5.7%	277.5	7.1%	(0.4%)	3.8%
Tax	(103.8)	2.1%	(114.2)	2.9%	(9.1%)	(5.8%)
PROFIT	172.5	3.5%	163.3	4.2%	5.6%	10.6%
- attributable to the shareholders of the Parent	158.7	3.3%	152.5	3.9%	4.1%	8.7%
- minority interests	13.8	0.3%	10.8	0.3%	27.6%	37.4%

The Group grew significantly due both to acquisitions and to new concessions and renewals

In 2007 the Group's business grew significantly both through acquisitions and through new concessions and renewals which enabled it to expand into formerly little covered geographical areas (the UK, Asia and the Middle East) and to consolidate its presence in those markets in which it already operated (Europe and North America).

The acquisition of Alpha Group enabled Autogrill to expand into the UK airport concessions market, to strengthen its expansion capability in Eastern Europe and to increase its presence in India, especially. Aldeasa's growth continued in 2007. A.E.N.A.[2] extended its concessions in 14 Spanish airports to 31 December 2009 (except Madrid, which had already been renewed to 2012). Aldeasa also entered North America, in partnership with HMSHost, and Saudi Arabia, in partnership with Al Musbah, setting up the country's first duty-free shops.

(1) Condensed consolidated income statement items can be directly calculated from the financial statements as integrated by the notes there too except for "Revenue" and "Cost of raw materials, consumables and supplies", which respectively exclude income and expense relating to fuel sales, for which the net figure is given in "Other Operating Income".
(2) Aeropuertos Españoles y Navegaciòn Aerea, the Government agency that manages Spanish airports.

Consolidated Revenue

The sharp increase in consolidated revenue was due as much to significant organic growth as to the contribution of the businesses acquired

In 2007 the Autogrill Group sharply increased consolidated revenue by 23.7%, or 29% at constant exchange rates, to € 4,861.3m, as against € 3,929.4m in 2006.
The contribution of the new acquisitions[3] was € 625.8m. The excellent results achieved by our businesses in North America and Italy and by Aldeasa brought organic growth of 12.4%.

In Q4 2007 Autogrill achieved consolidated revenue of € 1,344.5m, an increase of 23.4%, or 30.8% at constant exchange rates, over the Q4 2006 figure of € 1,089.3m. Organic growth was 7.6% and the contribution of the acquisitions was € 238.5m.

In 2007 North American business grew by 14%, to $ 2,651.7m, driven by the airport segment.
The airport segment's share of consolidated revenue was 40% as against 47% in 2006, due to the consolidation of Alpha Group and the fall of the US dollar against the euro.

Europe, which accounts for about 40% of Autogrill's total revenue, achieved organic growth of 11.8%, driven by Italy, and new acquisitions contributed revenue of € 14.4m.

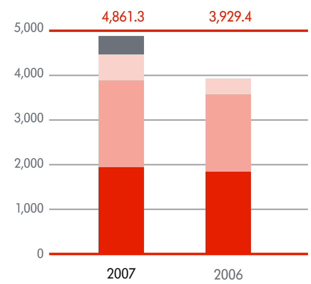
Aldeasa and its subsidiaries, which are proportionately consolidated as to 50%, were the fastest-growing macro-area, thanks to the results achieved in Spain and most of all internationally.

Alpha Group contributed to the consolidated profit for seven months of 2007 with revenue of € 584.2m, which was 12% of Group turnover.

In Q4 2007 the Group's revenue was divided as follows: North America grew by 11.7% in dollar terms to $ 807.4m (€ 562.7m); Europe achieved € 463.5m - an increase of 4% or 6.6% at constant exchange rates and 5.5% on a like-for-like basis); and Aldeasa contributed € 101.4m, an increase of 13.7%. Alpha Group's contribution was € 216.8m.

In terms of revenue by business segment, the increase in revenue was driven by airports, which at year end had reached € 2,403.1m as compared to € 1,910m in 2006, with an increase of 25.8% or 34.4% at constant exchange rates and a 49.4% share of consolidated turnover.

Revenue by Geo-Organisational Macro-Areas
(€m)



	2007	2006
North America and the Pacific Area	1,934.5	1,851.9
Europe	1,927.5	1,715.7
Alpha Group	584.2	-
Aldeasa	415.1	361.8
Total	4,861.3	3,929.4

	Changes at current exch. rates	at constant exch. rates
North America and the Pacific Area	4.5%	14.0%
Europe	12.3%	12.6%
Alpha Group	n.s.	n.s.
Aldeasa	14.7%	14.7%
Total	23.7%	29.0%

(3) The acquisitions include: the French companies that manage food&beverage concepts in Le Carrousel du Louvre (consolidated from February 2007), Trentuno (consolidated from May 2007), Alpha Group (consolidated from June 2007), The Bagel Street Company and the businesses of FoodBrand (acquired in July 2007) and CBR (acquired in December 2007).

Airports account for 49.9% of consolidated turnover and motorways 36.6%

Organic growth was 19.2%, with an increase of 15.8% in the US airports and of 67.3% in Europe (thanks inter alia to the opening of new locations, including Copenhagen, Shannon, Brindisi and Catania).

Motorway segment revenue increased by 4.9% or 7% at constant exchange rates), reaching € 1,779.2m as against € 1,695.9m in 2006. The contribution of motorways to consolidated revenue fell from 43.2% in 2006 to 36.6% in 2007 because all the acquisitions were made in other business segments.

Growth in the motorway segment was entirely organic and concentrated in Europe, with an increase of 8.5%, or 8.6% at constant exchange rates, mainly attributable to the Italian motorways. In dollar terms the US motorways achieved a result in line with 2006 due to the effect of up-grading the stores along motorways in 2006, the closure of four stores along the New York Thruway and the adverse weather conditions at year end.

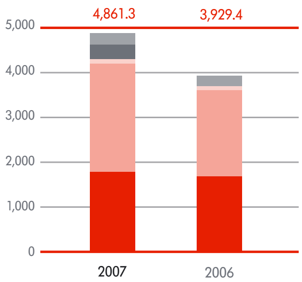
The railway station segment achieved good results in Italy and Switzerland, offsetting a weak performance in France, where transport strikes caused a notable fall-off of passenger traffic. As in 2006, this segment accounted for 2% of consolidated turnover.

The acquisitions made in 2007 were the decisive factor in the growth achieved by the other business segments - mainly shopping centres and towns and cities. Net of the € 33.5m contribution of Le Carrousel du Louvre, Trentuno and most of the FoodBrand stores, the Group's businesses recorded sales in line with 2006. They accounted for over 5% of Group's turnover.

With the acquisition of Alpha Group, in-flight was added to the existing businesses. In June-December 2007 its contribution to consolidated revenue was € 320.4m, or 6.6% of the Group's revenue for the full year 2007.

In Q4 2007 the airport segment maintained its strong growth rates and achieved € 692.8m - an increase of 20.6% at current exchange rates and 31.6% at constant exchange rates: its organic growth of 12.2% was further enhanced by the acquisitions, which contributed € 101.8m. The motorway segment generated revenue of € 425.9m, a small contraction at current exchange rates (-0.5%) and growth of 2.3% at constant exchange rates. This result reflects the performance of the Italian and US motorways, where traffic was affected, respectively, by the truckers' strike and adverse weather conditions. The railway station segment reached € 24.6m, an increase of 6.8% at current exchange rates and 7.3% at constant exchange rates. The other business segments grew by 26.3% to € 80.7m or 29.5% at constant exchange rates, thanks not least to the new acquisitions, which contributed € 16.2m; organic growth was 3.5%.

Growth of Revenue by Business Segment
(€m)



	2007	2006
Motorways	1,779.2	1,695.9
Airports	2,403.1	1,910.0
Railway Stations	96.1	90.3
In-flight	320.4	-
Others	262.6	233.2
Total	4,861.3	3,929.4

	Changes	
	at current exch. rates	at constant exch. rates
Motorways	4.9%	7.0%
Airports	25.8%	34.4%
Railway Stations	6.5%	7.0%
In-flight	n.s.	n.s.
Others	12.6%	14.7%
Total	23.7%	29.0%

In-flight business generated revenue of € 120.5m (£ 84m).

Retail & duty-free was the Group's fastest-growing sector

In 2007 retail & duty-free was the Group's fastest-growing sector, achieving € 1,539.9m (€ 1,150.7m in 2006): strong organic growth of 14.1%, driven by double-digit increases in Italian business and Aldeasa, was boosted by the acquisitions (Alpha Group and the businesses of CBR), which contributed € 252.9m. The effect of these results was to increase the weight of this sector from 29% of Group sales in 2006 to around 32% in 2007.

The organic growth of food&beverage was 11.6%. While remaining the Group's main sector, its share of total sales declined from 69% in 2006 to 60% due to the smaller contribution of the acquisitions (€ 52.4m), almost all of which were in other sectors, and the depreciation of the US dollar.

Q4 2007 results were in line with the trend for the full year: retail & duty-free sales achieved a double-digit increase (+32.8% at current exchange rates and +36.6% at constant exchange rates), to € 413.4m (€ 311.2m in 2006): organic growth was 6.1% and the acquisitions accounted for € 92.3m.

The food&beverage sector reached € 789.6m, an increase of 4% at current exchange rates and 11-7% at constant exchange rates over the same result in 2006 (€ 759.1m): the contribution of the acquisitions was € 25.7m, with a rate of organic growth of 8.1%.

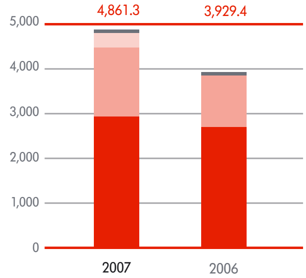
EBITDA

In 2007, EBITDA reached € 563.3m, an increase of 9.6% at current exchange rates and of 14.5% at constant exchange rates. Organic growth was 4.2% over the 2006 figure of € 514.1m. The EBITDA margin (i.e., the ratio of EBITDA to revenue) is analysed below.

As a ratio to sales, the margin contracted from 13.1% to 11.6%. This dilution of 1.5% was partly due to the consolidation of new subsidiaries, some of which operate in lower-margin businesses and markets compared to the Group. As the second chart shows, acquisitions diluted the margin by 50 basis points, while on a like-for-like basis faster growth of retail products than that of food&beverage as well as some marked cost increases caused the margin to narrow.

Cost of sales more clearly indicates the change in the sales mix and inflationary pressure, above all in North America. The change in the sales mix is explained both by the impact of the acquisitions and by the growth of turnover on a like-for-like basis.

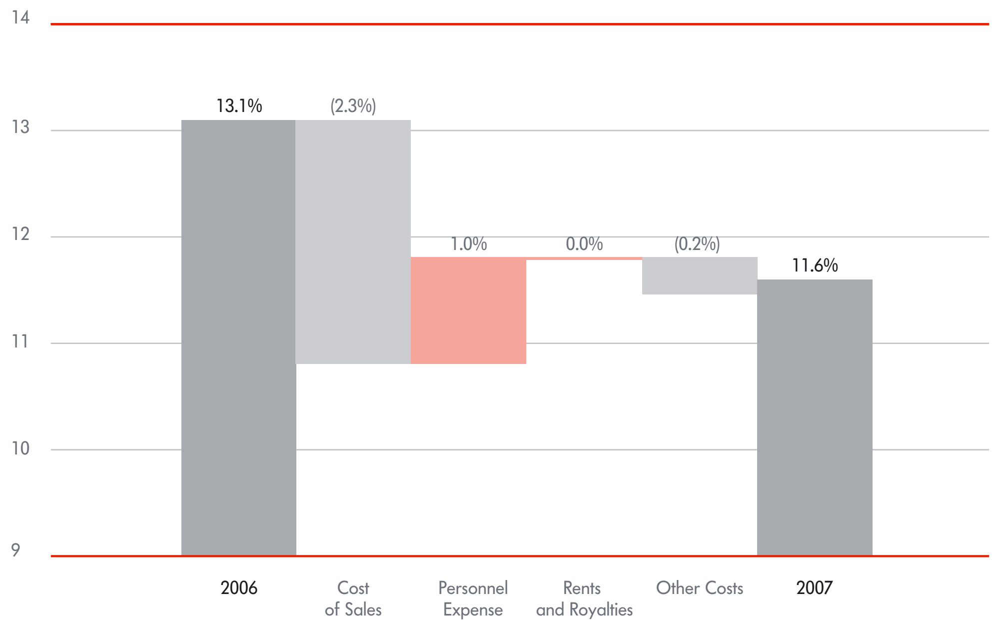
Growth of Revenue by Sector
(€m)



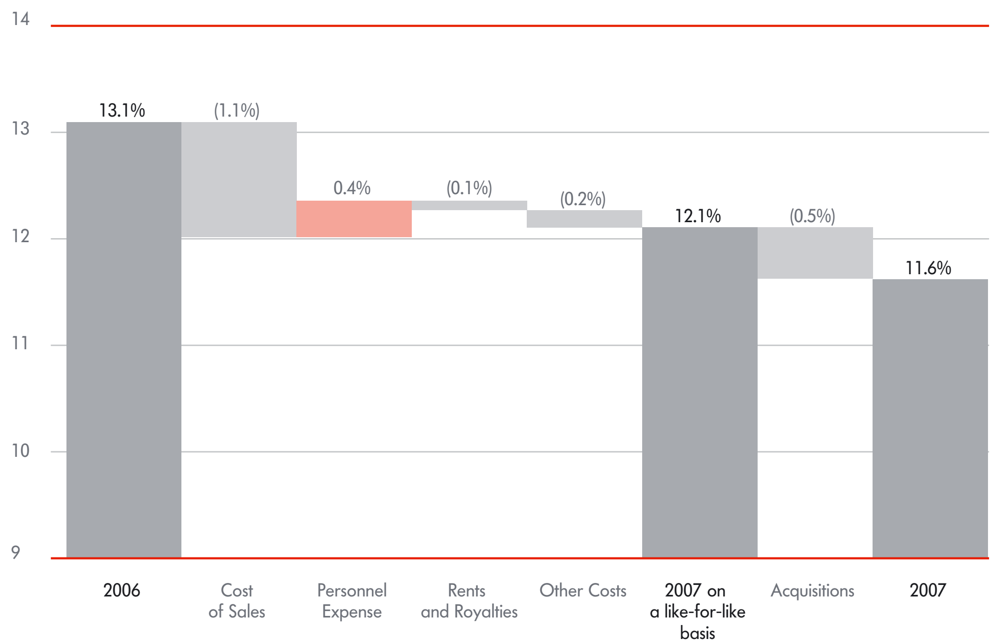
	2007	2006
Food&beverage	2,916.6	2,703.7
Retail & duty-free	1,539.9	1,150.7
In-flight	320.4	-
Others	84.3	75.0
Total	4,861.3	3,929.4

	Changes at current exch. rates	Changes at constant exch. rates
Food&beverage	7.9%	13.6%
Retail & duty-free	33.8%	36.5%
In-flight	n.s.	n.s.
Others	12.5%	12.6%
Total	23.7%	29.0%

EBITDA margin - Change from 2006 to 2007 (%)



EBITDA margin - Change from 2006 to 2007 on a like for-like basis and with the effect of acquisitions (%)



The retail & duty-free and in-flight sectors have a higher cost of sales ratio than food&beverage

The acquisitions made in 2007 are mainly concentrated in the retail & duty-free and in-flight sectors, which have a higher cost of sales ratio than food&beverage.

On a like-for-like basis, too, the retail & duty-free sector grew more than food&beverage (the former by 11.8% and the latter by 5.9% at current exchange rates) due to a strong rise in Aldeasa's business and retail in Italy.
Still on a like-for-like basis, from Q2 2007, cost of sales, above all in North America, underwent marked increases due to the increase in raw materials, chiefly wheat and wheat products. The reduction in the ratio of personnel expense to revenue was due mainly to the different sales mix.

EBITDA by Geo-Organisational Macro-Area[4]

(€m)	2007	2006	Change at current exch. rates	Change at constant exch. rates
North America and the Pacific Area	255.1	257.0	(0.8%)	8.4%
EBITDA margin	13.2%	13.9%		
Europe	237.1	230.7	2.7%	3.0%
EBITDA margin	12.3%	13.5%		
Aldeasa	38.6	37.2	3.8%	3.8%
EBITDA margin	9.3%	10.3%		
Alpha Group	48.0	-	-	-
EBITDA margin	8.2%	-		
Non-allocated	(15.5)	(10.8)	42.9%	42.9%
Consolidated	563.3	514.1	9.6%	14.5%
EBITDA margin	11.6%	13.1%		

Please see the following pages of the Report for a more detailed analysis of the Group's results in the various operating macro-areas.
The 2007 costs of the corporate centre are not allocated to the geo-organisational macro-areas in the Report, nor is income that on account of its type or one-off nature would make comparison of the performance of the macro-areas over time less meaningful.

The total cost of the corporate centre was € 27.2m in 2007as against € 26.3m in 2006. The main unallocated income items were:
- in 2007, actuarial gain on Italian post-employment benefits (€ 9.1m, of which € 6.4m related to the pension reform which came into force in the year) and a gain on disposal of a portion of the held for sale property of Aldeasa (€ 3.2m);
- in 2006, actuarial gain on Italian post-employment benefits (€ 3.7m) and a gain on disposal of most of the held for sale property of Aldeasa (€ 11.7m).

(4) These areas are identified according to a strictly organisational criterion. The only - insignificant - discrepancy between these subdivisions and the geographical segments given in the Notes to the Financial Statements is the Schiphol airport business (The Netherlands), which in the Report is included in "North America and the Pacifico Area", whereas it is included under Other Europe in the tables given in Section 04.07 of the Notes to the consolidated Financial Statements. Unlike the figure published originally, the actuarial gain on the Italian post-employment benefits recorded in 2006 has been reclassified from "Europe" to "Unallocated" in the amount of € 3.7m.

In the fourth quarter of 2007 consolidated EBITDA grew by 3.4%

In Q4 2007 the Group EBITDA was € 119.4m, an increase of 3.4% at current exchange rates and at 11.3% at constant exchange rates as against the Q4 2006 figure of € 115.4m. Organic growth was 1.9% negative. The EBITDA margin fell from 10.6% to 8.9%.

Depreciation, Amortisation and Impairment Losses

In 2007 depreciation, amortisation and impairment losses amounted to € 222.1m, an increase of 17.2% or 22.6% at constant exchange rates, as against the 2006 figure of € 189.5m. The effect of the businesses acquired during 2007 was € 22.1m. The item includes impairment losses on intangible assets and property, plant and equipment amounting to € 9.6m, as against the 2006 figure of € 6.3m.

In Q4 2007 depreciation and amortisation grew by 20.4% (+26.7% at constant exchange rates), to € 79.8m as against the Q4 2006 figure of € 66.3m, with a ratio to revenue of 5.9%. Organic growth was 5.1%.

Impairment Losses on Goodwill

The amount of € 1.2m refers to impairment losses on goodwill as prescribed by IFRS, following use of tax losses that arose prior to the Swiss subsidiaries, which were not considered recoverable on acquisition, while they were recoverable against the following years' profits.

EBIT by Geo-Organisational Macro-Area[4]

(€m)	2007	2006	Change at current exch. rates	Change at constant exch. rates
North America and the Pacific Area	159.4	161.7	(1.4%)	7.6%
EBIT margin	8.2%	8.7%		
Europe	134.6	144.2	(6.7%)	(6.5%)
EBIT margin	7.0%	8.4%		
Aldeasa	33.2	29.6	11.9%	11.9%
EBIT margin	8.0%	8.2%		
Alpha Group	28.5	-	-	-
EBIT margin	4.9%	-		
Non-allocated	(15.6)	(11.0)	41.7%	41.7%
Consolidated	340.0	324.6	4.7%	9.4%
EBIT margin	7.0%	8.3%		

EBIT

Group EBIT was € 340m, an increase of 4.7% at current exchange rates (+9.4% at constant exchange rates) as against the 2006 figure of € 324.6m. The contribution of the acquisitions was € 28.3m.

The organic growth of EBIT was 0.3%, and the EBIT margin fell from 8.3% in 2006 to 7% (7.4% on a like-for-like basis), due to the considerable rise in capital expenditure.

In Q4 the EBIT was € 38.4m, a reduction of 21.8% at current exchange rates (13.2% at constant exchange rates) as against the Q4 2006 figure of € 49.1m.
Organic growth was -9.2%.

Financial Expense

Financial expense increased from € 48.3m to € 64.1m, mainly due to additional debt taken on to finance the acquisition of Alpha Group.

The breakdown by currency of debt - two-thirds of the investment in Alpha Group was financed in GB pounds - contributed to a rise in the average cost. This increase was contained at around 0.25%, given the better pricing obtained on the new loans, and the average borrowing cost rose to 5.50% as against the 2006 figure of 5.25%.

Interest rate hedges had a negligible net effect: they had a beneficial effect on euro indebtedness (given the increase in short-term Euribor) which off-set the differentials paid on Interest Rate Swaps in US dollars (given the fall in US $ Libor). In Q4 US $ IRSs were reduced.

At end 2007, 40% of indebtedness was originally or synthetically denominated in US dollars, 40% in euros and 18% in GB pounds. The remainder is in various currencies, none of which on its own is significant.

Fixed-rate debt was 46% of total net debt - 83% of US dollar debt and 32% of euro debt, while there was no fixed-rate GB pounds debt.

Tax

The average tax rate on consolidated taxable income fell from 41.2% to 37.6%. This change was due to an increase in the proportion of the result achieved in countries with lower tax rates than those of the Group's two historically major markets (the US, where the overall average rate is 39.5%, and Italy, where the joint IRES - IRAP is only notionally equal to 37.25%, but much higher in fact, for businesses with a high labour content like those of Autogrill).

This reduction was also due to a significant extent to the adjustment of deferred tax to bring it into line with the lower rates introduced in 2007 to come into force starting from 2008 (mainly in Italy), which had a positive effect of € 4.2m, and the valuation of previous tax losses which - net of the tax losses generated in the year, which prudently did not give rise to recognition of deferred tax assets - gave a net positive balance of € 2.9m.

Profit

Profit Growth was affected by the financial expense mainly connected with the increase in debt to finance acquisitions

Net profit attributable to the shareholders of the Parent increased by € 6.2m to € 158.7m. The increase was limited to 4.1% due to the unfavourable conversion of profit realised in North America and would have been 8.7% at constant exchange rates.
The acquisition of Alpha Group, taking into account the cost of the loans needed to finance it, increased profit by € 6.2m.

02.02.02 Financial Position

Condensed Consolidated Balance Sheet[5]

(€m)	31.12.2007	31.12.2006	Change at current FX rates	Change at constant FX rates
Intangible assets	1,403.6	1,124.1	279.5	344.2
Property, plant and machinery	908.1	768.4	139.7	176.6
Non-current financial assets	23.5	32.2	(8.7)	(8.2)
A) Non-current assets	2,335.1	1,924.7	410.4	512.6
Inventories	196.8	137.6	59.2	63.1
Trade receivables	104.8	60.1	44.7	45.2
Other current assets	199.5	112.3	87.2	90.7
Trade payables	(529.3)	(469.5)	(59.8)	(69.2)
Other current liabilities	(332.2)	(289.1)	(43.1)	(54.5)
B) Working Capital	(360.4)	(448.6)	88.2	75.3
C) Capital invested, less current liabilities	1,974.7	1,476.1	498.6	587.9
D) Other non-current non-financial assets and liabilities	(192.7)	(160.4)	(32.3)	(35.6)
E) Assets held for sale	5.8	21.4	(15.6)	(15.6)
F) Net capital invested	1,787.8	1,337.0	450.8	536.7
Equity attributable to the shareholders of the Parent	567.5	524.5	43.0	52.4
Minority interests	58.2	32.0	26.2	26.6
G) Equity	625.6	556.5	69.1	79.0
H) Convertible bonds	40.2	39.4	0.8	0.8
Non-current financial liabilities	1,206.3	772.6	433.7	494.6
Non-current financial assets	(4.5)	(9.0)	4.5	3.7
I) Net financial position	1,201.7	763.6	438.1	498.3
Current financial liabilities	144.7	214.3	(69.6)	(61.1)
Cash and cash equivalents and non-current financial assets	(224.5)	(236.8)	12.3	19.7
L) Net current financial position	(79.8)	(22.5)	(57.3)	(41.4)
Net financial position (H+I+L)	1,162.2	780.5	381.7	457.7
M) Total, as in F)	1,787.8	1,337.0	450.8	536.7

(5) The main Condensed Consolidated Balance Sheet items are directly derived from the balance sheet as integrated by the Notes to the Financial Statements.

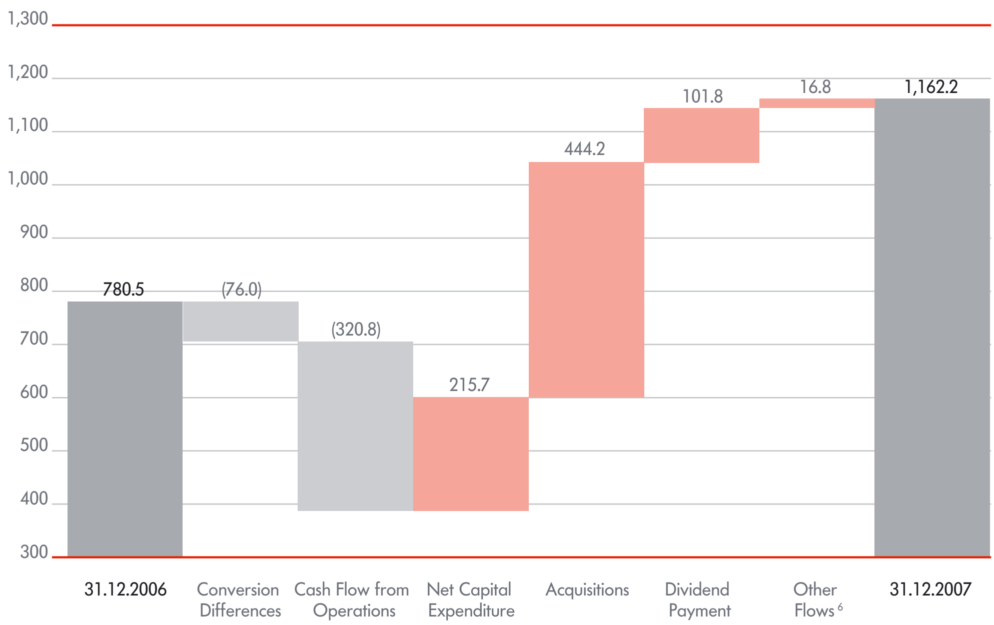
Net capital invested rose by € 450.8m (€ 536,7m at constant exchange rates), mainly due to the year's acquisitions of which the initial overall impact was € 462m.

The additional assets were largely financed by debt, as the increase of € 381.7m (€ 457.7m at constant exchange rates) in net debt shows, giving a 31 December 2007 balance of € 1,162.2m as against the end 2006 figure of € 780.5m.
Funding was by means of long-term instruments:
- on 9 May 2007 a US subsidiary issued additional private placement bonds of $ 150m, maturing on 9 May 2017 and paying 5.73% p.a. twice yearly;
- on 25 May 2007 the Parent entered into a revolving line of credit of € 500m, maturing in 2014, with which it inter alia refinanced a € 190m tranche of the € 800m syndicated loan entered into in March 2004.

This new line of credit, as well as better pricing, will increase financial flexibility due to the elimination of one of the financial covenants (the debt/equity ratio) and the introduction, for a limited period of time, of a higher leverage (debt/EBITDA) ratio threshold, raising it to 4 times from 3.5 times.

This last concession was also negotiated for loans obtained previously.

Cash Flows and Net Financial Possition (€m)



Net cash from operations reached € 320.8m, a reduction of € 66.6m from the 2006 figure due to higher tax payments (€ 126.2m as against € 92.9m in 2006) and a modest working capital absorption, which in 2006, by contrast, contributed positively to cash flows.

The higher tax payments were mainly due to the failure to renew the rules that allowed our US subsidiaries to make certain deductions in advance and, principally, to a change in the Italian domestic tax group, which entailed advance payment of tax amounting to some € 25m.

(6) Mainly comprises payment of dividend to minority shareholders of subsidiaries.

The change in working capital was due to a contingent concentration of payments (including the payment of 2004-2006 three-year incentives, which together with the annual bonuses entailed an increased expense of € 30m over 2006) as well as the expansion of the retail business, which has slower stock rotation than food&beverage.

Cash flow from operations covered operating capital expenditure (€ 215.7m as against the 2006 figure of € 202.6m) and dividend payments (€ 101.8m as against the 2006 figure of € 61.1m).

Net financial position increased by an amount which is almost equal to the enterprise value of the 2007 acquisitions

Net financial position, after benefiting from the conversion effect - mainly in the US dollar component - thus increased by an amount which is almost equal to the enterprise value of the acquisitions made in 2007, i.e. € 444.2m.

02.03 Business Development

Motorway capital expenditure increased by 49.8% on new and continuing up-grade projects

02.03.01 Capital Expenditure

In 2007 the Autogrill Group carried out capital expenditure of € 278.2m, an increase of 30.1% at current exchange rates and 36.5% at constant exchange rates over the 2006 figure of € 213.9m.
Organic growth in capex was 29.7%. The ratio to revenue was 5.7%, a 5.4% increase over 2006.

Capex by Business Segment

(€m)	2007		2006	
Motorways	104.0	37.4%	69.5	32.5%
Airports*	103.0	37.0%	90.2	42.2%
Railway Stations	8.0	2.9%	3.0	1.4%
In-flight	5.2	1.9%	-	-
Other Businesses	25.9	9.3%	24.5	11.5%
Non-allocated	32.1	11.5%	26.7	12.5%
Total	278.2	100.0%	213.9	100.0%

(*) Includes Aldeasa capex pro-rata to our 50% interest.

The Group continues its capex programme following the notable expansion of its concession portfolio in the last two years through new concessions awarded.

The motorway business segment, where capex grew by 49.8% at current exchange rates and 53% at constant exchange rates due to new and continuing network up-grade projects, was subject to intense investment. In North America up-grading was carried out in stores along the Pennsylvania and Maine Turnpikes, following the renewal of the concessions for 30 years signed in 2006. In Italy 26 renovation and up-grading projects were completed at concessions that had been awarded in previous years and 20 new openings were made at non-motorway locations. In Belgium, several stores were re-branded under the Pizza Hut sign: thanks to its acquisition of Carestel, the Group can use this brand in this area as well, not only in North America.

Resources dedicated to airports grew by 14.1% at current exchange rates (+24.4,% at constant exchange rates). In North America the offering of some significant locations was reviewed following the signing of their renewals (e.g., New York JFK, Chicago O'Hare, Atlanta and Honolulu) while in Europe numerous new stores were opened (Brindisi and Catania in Italy, Madrid and Palma de Mallorca in Spain, the low-cost terminal in Marseille airport in France, Copenhagen and Shannon in Northern Europe).
In Aldeasa International businesses were the most important, with openings in North America and the inauguration of a new store in the Mexican airport in Cancun. Alpha Group's capital expenditure was € 12.1m (£ 8.9m).

The up-grading of the offering in the French stations and in Madrid's Atocha and the new location in Switzerland, Fribourg, were the main projects in the railway station business, where capex more than doubled.

An increase in the resources dedicated to non-concession businesses (+5.8% at current exchange rates, +6.1% at constant exchange rates and € 0.6% on organic basis) was due to capex made in Europe, including completion of the food court in the Telefónica office complex in Madrid, investment in the trading gallery in Le Carrousel du Louvre and, in Italy, new town stores (for instance the Puro Gusto bar in Milan) and outlets in shopping centres.

The significant increase in resources dedicated to Information Technology projects was due to the large-scale projects launched in North America and Italy in 2006 to improve operating and control systems: these are investments that the Group carries out regularly in its countries of operation, according to a seven- to ten-year renewal cycle.

Capex by Purpose

(€m)	2007		2006	
Development and Renovation	208.1	74.8%	161.8	75.6%
Maintenance	39.6	14.2%	34.6	16.2%
ICT and Other	30.5	10.9%	17.5	8.2%
Total*	278.2	100.0%	213.9	100.0%

(*) Includes Aldeasa capex pro-rata to our 50% interest.

Development expenditure accounted for about three-quarters of the total, while ICT projects absorbed around 11%.

In Q4 2007 capex was € 98.1m, a 16.7% increase at current exchange rates and 22.2% at constant exchange rates over € 84.2m in Q4 2006.

The organic growth was 14.1% and the ratio of capex to sales fell from 7.7% to 7.3%. Over 48% of capex was dedicated to the motorway segment, to continue the projects described above; airport segment capex was 26% of the total.

02.03.02 New Concessions

The Group consolidated its position in its traditional markets and replicated the business model in new geographies

The 2007 was a significant year in terms of new concessions awarded. The Group was able on the one hand to consolidate its presence in its traditional areas of operation and on the other, to successfully replicate its business model in new geographies and very different cultural contexts.

Consolidation in the geographical areas where the Group already operates was achieved by means of:
- numerous new concessions won and renewed by our US subsidiary, of which one of the largest (in terms of turnover) was the food&beverage concession in Honolulu airport in Hawaii;
- the three-year renewal obtained by Aldeasa of the concessions in 14 Spanish airports which expired at end 2006;
- the renewal of the food&beverage concession in Brussels airport.

Ability to successfully export the Autogrill business model brought about the following:
- a strengthening of the food&beverage business in Northern Europe, with the award of further space in Copenhagen airport and entry into Stockholm and Shannon airports;
- the award of a food&beverage concession in Hyderabad airport, followed by that of Bangalore, at the end of 2006;
- the extension of the businesses managed by Aldeasa in the Middle East: in 2008 new stores in Saudi Arabia will be added to the stores already operating in Jordan and Kuwait.

The main results achieved by Alpha Group were:
- in the in-flight sector, the renewal of its contracts with American Airlines and United Airlines for flights out of Heathrow and of the contract with American Airlines for flights out of Gatwick;
- the award of contracts to supply Etihad Airways (for flights out of Sydney for Abu Dhabi) and above all with Emirates (all the company's flights out of Australia);
- the signing of a licensing agreement with Starbucks Coffee Company for the opening of Starbucks Coffee branded stores in some UK airports.

02.03.03 Acquisitions

Expansion into the UK

2007 was marked by our Group's successful entry to the food&beverage and retail & duty-free markets in the UK, by means of two acquisitions of companies operating principally or entirely in the UK: Alpha Group and The Bagel Street Company.

Although these companies' respective sizes are very different - the former's 2006 consolidated turnover was £ 561.5m, while the latter's was £ 5m - both acquisitions are part of a single strategic vision: expansion in the UK, one of the largest concession markets in Europe.

The Group also grew organically in Ireland, where new stores were opened in Shannon airport in 2007, joining those inaugurated in Cork in 2006. In February 2008 the Group was awarded the food&beverage concession in Belfast airport.

Not many figures[7] are needed to comprehend the importance of the British traffic-linked concession business market: its estimated overall size is more than € 4bn, of which € 1bn generated by food&beverage and nearly € 3bn by retail & duty-free.

The airports are without doubt the most important concession business segment: food&beverage business accounts for over 40% of the relevant market, while London Heathrow, London Gatwick and Manchester are respectively the largest, seventh-largest and ninth-largest stores in the world in terms of sales of retail & duty-free products, their annual turnover being estimated as over $ 900m for Heathrow and $ 300m for Gatwick and Manchester. The importance of the market and this business segment is seen in traffic statistics: these airports had 235 million passengers in 2006, British airport traffic was more than 5% of world traffic and almost 20% of European traffic. In the last 25 years this market has averaged annual growth rates of over 5%, and forecasts are for future growth of 2.5% p.a. for the next twenty years[8].

The UK is therefore a fundamental business area for concessions and and development in this market is a vital component of the Group's expansion strategy for the airport segment in Europe.

Alpha Group

With the acquisition of Alpha Group, Autogrill expands into the UK airport concessions market

Alpha Group was acquired in June 2007. It is one of the largest British in-flight catering and retail and airport retail concerns. It operates through two divisions - Alpha Airport Services and Alpha Airlines Services - which each generate around half of total revenue, which was £ 561.5m in 2006.

About 80% of revenue derives from operations in the UK and Ireland, but international operations are growing in importance, especially in central and eastern Europe and in Asia.

Alpha Airport Services[9] has concessions in 47 airports and over 180 stores, clearly dominated by British retail business, which accounts for 80% of the division's turnover. This retail platform - operating throughout the region, where Alpha Group trades in 22 UK and Irish airports - was the feature that attracted Autogrill to this company, since it would be instrumental in realising the strategic objective of rapidly creating a strong presence in this geographical area.

(7) Information processed by the company on the basis of Gira statistics on the food&beverage sector and Generation for retail. Given the different sources of the data (Gira's are in euros and Generation's in US dollars) a conventional 1:1 exchange rate was used for the two currencies.
(8) Sources: Airport Council International (A.C.I.), British Airports Authority and U.K. Civil Aviation Authorities.
(9) End 2006 figures.

A retail platform operating throughout the UK and Ireland enabled the Group to rapidly establish a strong presence in the area

As well as its already extensive presence in retail & duty-free, the Group believes that its business know-how and wide range of food&beverage brands, coupled with Alpha Airport Service's extensive presence in airport locations throughout the UK, will make it possible to expand into UK catering. To this end it was of great significance that ahead of the acquisition itself the Group entered into a licensing agreement between Alpha Airport Services and Starbucks Coffee Company for the opening of a number Starbucks Coffee branded stores in certain UK airports.
Given the ten-year relationship between Autogrill and Starbucks Coffee Company in North America, the Group believes that it can effectively contribute to the execution of this project and of any future developments.

Alpha Airlines Services serves more than 100 airlines and is the leading in-flight services provider in the UK and one of the largest in the world.

The global market for in-flight services is estimated at € 7bn and, after overcoming the crisis that hit the sector in 2001-2003 (sparked by a series of exogenous events like 9/11 and the second Gulf war), the continuous growth of airport traffic around the world is the basis for projected growth of this sector of 3% over the next three years. In-flight services are a completely new departure for Autogrill. A study has been initiated with the aim of identifying synergies between concession business and in-flight services.

The Bagel Street Company

The Bagel Street Company won a prize as the best UK airport food&beverage store

The Bagel Street Company operates exclusively in the food&beverage sector and has seven outlets, five in the centre of London and two in Heathrow airport (with one further opening in the new Terminal 5). About 80% of its turnover is generated in the airport stores, where the success of the company has been impressive: in 2005 the British Airports Authority, the main British airport operator, awarded the company the prize for the best UK airport outlet.

This acquisition was completed in July 2007. It has enabled the Group to further enhance its brand portfolio with an already established name in London, thanks to the successful formula of the product (low fat, easy to carry and consume).
In order to optimise the integration process, in 2007 The Bagel Street Company was transferred to Alpha Group.

Strengthening the shopping-centre business segment: Carlest, Patisserie du Louvre and Trentuno

All three of these companies carry on food&beverage business in shopping centres, which bears many similarities with the concession business: medium to long contract term, dependable customer flows during opening hours and the use of brands. Autogrill has been operating in this segment for a number of years (mainly in Italy and North America) and intends to extend the business by means of carefully chosen acquisitions.

The outlets operating in Le Carrousel du Louvre make up the largest food-court in France

In February 2007, the Group purchased Carlest and Patisserie du Louvre, the two companies that run food&beverage business in Le Carrousel du Louvre, the Museum's shopping arcade in Paris. This food-court is the largest in France with its 14 outlets and a turnover of € 8.5m in 2006.

Trentuno was acquired in May 2007. Through its 14 outlets, it provides food&beverage services in shopping centres and towns in Northern Italy; in 2006 Trentuno generated revenue of € 12m.

Consolidation in North America: FoodBrand and CBR

With the acquisition of the businesses of FoodBrand and CBR, respectively in July and December 2007, the Group further consolidated its presence in the airports and shopping malls of North America.

The food&beverage business purchased from FoodBrand comprises over 80 stores, which generated revenue of $ 66m in 2006. This acquisition enabled the Group to strengthen its presence in important airports like Washington Dulles and Cincinnati, at the same time increasing its critical mass in shopping centres.

CBR operates in the airport business segment, where it has been a retailer for more than 30 years: through the acquisition of 34 stores, the Group extended its presence in this sector and enriched its know-how with one of the most established retailers.
In recent years CBR has obtained numerous awards for the quality and innovative content of its brands, the design of its concepts and its customer service. In 2006 it generated turnover of $ 30m.

02.04 Macro-Area Results

The following is a breakdown of the Group's results by geography-organisational macro-area.

02.04.01 North America and the Pacific Area

($m)	2007	2006	Change
Revenue	2,651.7	2,325.0	14.0%
EBITDA	349.6	322.7	8.4%
EBITDA margin	13.2%	13.9%	
Capital expenditure	167.5	124.4	34.5%

In North America the airport business segment has the clear ability to grow much faster than passenger traffic

Revenue

In 2007 this area generated revenue of $ 2,651.7m, an increase of 14% over the 2006 figure of $ 2,325m. This result was due to steady like-for-like growth of 12.5%, as well as the contribution of the businesses acquired in 2007 from FoodBrand on 1 July and CBR in December 2007. In Q4 this area reported revenue of $ 807.4m, an increase of 11.% overall and of 8.5% like-for-like, as against the Q4 2006 figure of $ 722.6m.

The following is an account of performance by business segment.

- **Airports:** the segment's turnover rose by 16.4% to $ 2,109.2m as against the 2006 figure of $ 1,811.3m with an increase of 15.8% as a like-for-like basis and of 11.6% on comparable at constant exchange rates basis. Given an annual increase in passenger traffic of 1.4% and of 0.1% in terms of flights (source: A.T.A.)[10], the results show the area's clear ability to grow much faster than the rate of growth in traffic by continually improving the offering (introducing concepts and products with a higher average spend per till receipt) and the adoption of service improvements (e.g., the extension of opening hours). The trend of the first nine months of 2007 continued in the fourth quarter: turnover increased by 11.9% as against the Q4 2006 figure of $ 574.6m (+10.6% on a like-for-like basis and +8.9% on comparable at constant exchange rates basis) as against a slight fall in traffic (-0.8%; Source: A.T.A.)[10] not least on account of the airlines' 1.1% reduction in the number of flights (source: A.T.A.)[10] to meet the increase in fuel prices.

- **Motorways:** the revenue of this business segment was $ 464.6m as against the 2006 figure of $ 462m. This reflected an increase of 4% on a comparable at constant exchange rates basis, since certain locations were no longer operated and the locations along the Pennsylvania and Maine Turnpikes were being up-graded. In Q4 2007, considering inter alia the effect of the adverse weather conditions on motorway traffic (especially in New York State and Massachusetts), turnover was $ 131.3m as against $ 130.5m in Q4 2006 - an increase of 0.7% on the total and 4.3% on a like-for-like basis.

- **Shopping Centres:** the increase of 50.6% in revenue ($ 77.8m in 2007 and $ 51.7m in 2006) was mainly due to the contribution of the FoodBrand stores, net of which the increase was 0.2%.
  In Q4 2007 turnover reached $ 33m, as against the Q4 2006 figure of $ 17.5m.

EBITDA

The significant increase in revenue caused an 8.4% increase in EBITDA to $ 349.6m, as against the 2006 figure of $ 322.7m, giving an EBITDA margin of 13.2% as against the 2006 margin of 13.9% . Net of new acquisitions, the increase was 7.7%, giving an EBITDA margin of 13.3%.

(10) Airport Transport Association.

Revenue by Business Segment - North America and the Pacific Area ($m)

This margin reduction was largely due to the equal effects of increases in personnel expense and cost of sale margins. The former was due to the extension of opening hours and intensified store up-grading. The latter was due to raw material price inflation, which began in Q2 2007. Action to recover margin has been taken, through increased efficiency and the transfer of raw material price rises to sale prices. The latter process is of its nature slower, not least on account of concession agreement clauses that regulate price rises.

Continuing raw material price inflation was one of the main reasons for the contraction in margin in Q4 2007: at $ 94.7m, EBITDA was broadly in line with that of Q4 2006 ($ 94.8m), but the EBITDA margin was 11.7% as against the Q4 2006 figure of 13.1%.

Capital Expenditure

Increase in Capex was due to the numerous new concessions awarded in the last three years

The significant increase in capital expenditure of 34.5%, to $ 167,5m as against the 2006 figure of $ 124.4m, with a 6.3% ratio to sales, was due to the numerous new concessions awarded in the last three years.

Projects undertaken in 2007 included - in the motorway business segment - the initiation of up-grading locations along the Pennsylvania and Maine Turnpikes (these concessions were renewed in 2006, both for 30 years). In the airport business segment, following its renewals and new concessions awards, the offering was up-graded in some important locations such as New York JFK, Chicago O'Hare, Atlanta and Honolulu. In 2007 the ICT projects initiated in 2006 and designed to improve operating and control systems were continued.

02.04.02 Italy

(€m)	2007	2006	Change
Revenue	1,270.7	1,165.1	9.1%
EBITDA	176.0	174.8	0.7%
EBITDA margin	13.9%	15.0%	
Capital expenditure	90.2	61.5	46.7%

Revenue

In Italy all business segments increased revenue significantly

In 2007 the Group generated revenue of € 1,270.7m in Italy, an increase of 9.1%, over the 2006 figure of € 1,165.1m. This increase was especially significant given the elements of discontinuity that marked 2007, in contrast to 2006: changes in the network in terms of new openings and the closure of several stores, intense capital expenditure throughout the network and a reduced contribution from sales linked to sporting events.

In Q4 turnover was € 310.9m, an increase of 6.3% as against the Q4 2006 figure of € 292.4m, despite the impact on motorway traffic of the truck-drivers' stoppage.

The performance of each business segment was as follows.

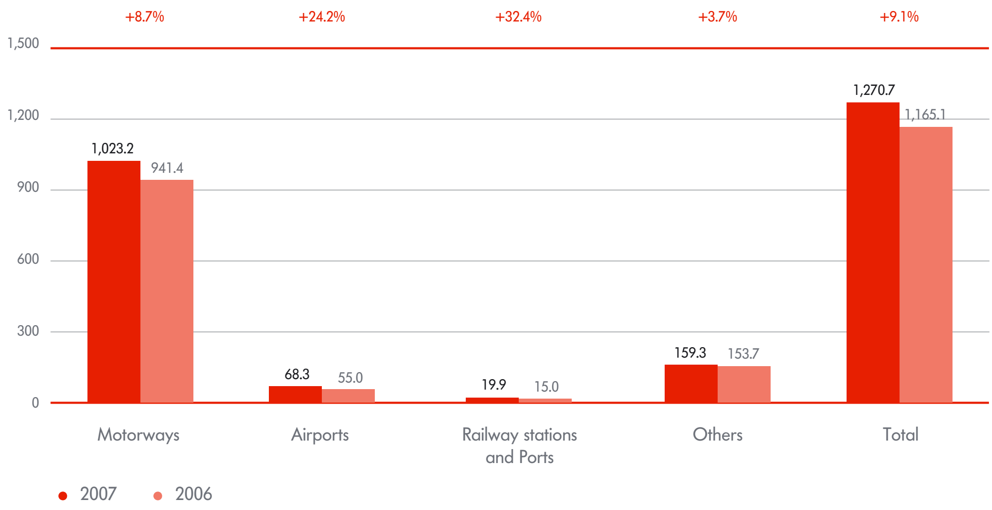
- **Motorways:** the segment's turnover increased by 8.7%, to € 1,023.2m as against the 2006 figure of € 941.4m. This overall result benefited inter alia from development along non-toll roads, where revenue grew from € 35.6m in 2006 to € 51.7m del 2007. Motorway stores achieved € 971.5m, a 7.3% increase over the 2006 figure of € 905.8m. Constant improvements to the offering and good performance in some (especially retail) merchandise categories made it possible to grow faster than motorway traffic: like-for-like sales grew by 10.5%, whereas traffic increased by 2.3% (source: Atlantia). In 2007 the Italian network underwent significant changes, including the closure of twelve stores along the Brenner Motorway and the opening of 20 new stores on toll-free roads (which included the first two units to be opened in Sardinia).
  In Q4 2007 the motorway segment generated revenue of € 244.7m, which was up by 4% over the Q4 2006 figure of € 235.3m and 5.5% on a like-for-like basis. This result was achieved despite the 0.5% fall in traffic (source: Atlantia) which was most sharply felt in December due to the truck-drivers' stoppage.

- **Airports:** revenue increased by 24.2% to € 68.3m as against the 2006 figure of € 55m, indicating significant growth both on a like-for-like basis, a rise of 12.3% as compared to traffic growth of 9.1% (source: Assoaeroporti) and in terms of the contribution of the new locations (Florence and Bari Palese, opened in 2006, and Brindisi and Catania, opened in 2007).
  Noteworthy expansion occurred in airport retail (two Titoli bookshops in Bologna airport and a duty-free store in Brindisi) and the re-branding of the Milan Malpensa airport stores was completed.
  In Q4 2007 the airport segment recorded revenue of € 16.5m as against the Q4 2006 figure of € 13.1m, a full increase of 25.8% and a like-for-like increase of 13.8%, as against a traffic increase of 10.7% (source: Assoaeroporti).

- **Railway Stations and Ports:** sales increased by 32.4% to € 19.9m as against the 2006 figure of € 15m, and the increase was evident both in like-for-like terms (+12.2%) and as the contribution of the new openings of 2006 (Milan Cadorna and Piombino). Starting in Q2 2007 the Group began testing food&beverage services on the ships of the Grandi Navi Veloci fleet. This was placed in this segment as an organisational fit and contributed sales of € 2.2m.
  In Q4 2007 this segment recorded revenue of € 5m as against the Q4 2006 figure of € 4m, an increase of 23.7% and of 10.7% on a like-for-like basis.

- **Other Business Segments (shopping centres, towns and trade fairs):** in 2007 the revenue generated by other businesses was e 159.3m, an increase of 3.7% over the 2006 figure of e 153.7m. The contribution of Trentuno, which was included in the area di consolidation as from May 2007, was e 6.8m and offset the lack of the 2006 Winter Olympics sales (€ 7.1m). Town and city outlets increased turnover by 0.9% despite the closure of a large outlet in Milan in the second half of 2006. In Q4 2007 the segment recorded revenue of € 44.7m, an increase of 11.8% as against the Q4 2006 figure of e 40m.

Revenue by Business Segments - Italy (€m)



EBITDA

EBITDA was € 176m, up by 0.7% over the 2006 figure of € 174.8m, giving an EBITDA margin of 13.9% (15% in 2006)[11].

Changes in the sales mix point up the increased share of the retail sector

The reduction in the EBITDA margin was mostly due to the greater business share of retail within the sales mix - consolidating a trend already seen in 2006. Sales of retail products increased by 17.2% and accounted for 42.7% of turnover as against 39.7 % in 2006 and 37.7% in 2005). As in 2006, the increase was driven by scratch-card lotteries, due not least to the launch of products with a higher face value.

The increase in food&beverage products was limited to 3%, and food&beverage accounted for 53.5% as against the 2006 figure of 56.7% due to perimeter changes in the network: the margin reduction due to the termination of established stores (e.g., those along the Brenner motorway) was only partly offset by new openings, which suffered from temporary inefficiencies on start-up. The mentioned lower contribution arising from sporting events was also noteworthy. Reduced margin was also caused by increased operating expense due to rises in energy prices and the implementation of measures to improve customer service.

A temporary but significant impact on the year's performance was due to the inefficiencies created by increased works on the motorway network, which caused traffic-flow problems and in some cases impeded access to our stores.

In Q4 2007 EBITDA was € 31.8m, slightly down, by 0.6%, as against the Q4 2006 figure of € 31.9m, giving an EBITDA margin that declined from 10.9% to 10.2%.

(11) To ensure comparability with the 2007 figure, the 2006 figure was reduced by € 3.7m from that originally published due to reclassification of the actuarial gain on post-employment benefits as "non- allocated"..

Capital Expenditure
2007 was characterised by unprecedented capital expenditure for a total of € 90.2m as against the 2006 figure of € 61.5m.

The motorway business absorbed about 60% circa of these resources and was involved both in the mentioned openings on toll-free roads and by an acceleration of renovation and up-grading of concessions renewed in previous years giving a total of 26 projects completed (including those at Flaminia West and Ledra East/West, on the Atlantia network, and at Cremona South, on the AutostradeCentroPadane network).

In the airport segment the main projects related to the opening of stores in the airports of Brindisi and Catania and renovation work in Milan Malpensa airport.

Resources were also devoted to the opening of new town and city stores (e.g. the Puro Gusto café in Piazza Duomo in Milan) and shopping centre outlets. Capital expenditure was intensified in Q4 2007 (€ 36.9m as against the Q4 2006 figure of € 28.8m), with special emphasis on the motorway business segment.

02.04.03 Rest of Europe

(€m)	2007	2006	Change at current exch. rates	Change at constant exch. rates
Revenue	657.1	550.6	19.3%	20.2%
EBITDA	61.1	55.9	9.2%	10.3%
EBITDA margin	9.3%	10.2%		
Capital Expenditure	50.8	43.6	16.5%	16.8%

In the Rest of Europe positive results were due to the airport segment and to non-concession business

Revenue
In 2007 the Group generated revenue of € 657,1m in the Rest of Europe, an increase of 19.3% at current exchange rates (+20.2% at constant exchange rates) as against the 2006 figure of € 550.6m del 2006. Even without the impact of the acquisitions of 2007, the Group recorded significant rates of growth (+18.8% organic growth) thanks to the good performance of both the airport businesses and the non-concession businesses of the other segments.

In Q4 2007, turnover grew by 6.5% or 7.3% at constant exchange rates to € 152.8m as against the Q4 2006 figure of € 143.3m, with a contribution of € 2.1m from the units acquired from Le Carrousel du Louvre.

In the other countries of Europe motorway traffic is more closely linked to holiday travel than in Italy and thus is more sensitive to the state of the economy

The performance of each business segment was as follows.

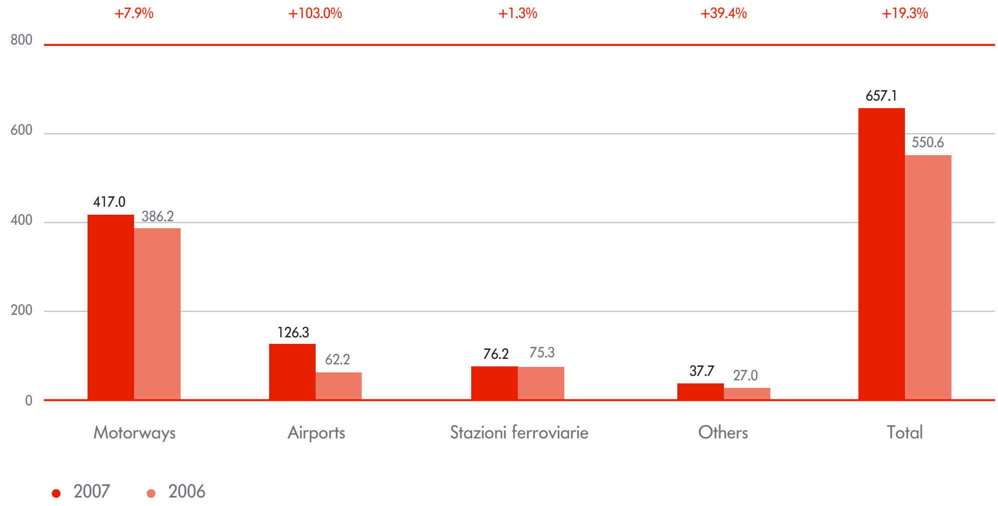
- **Motorways:** the segment's revenue was € 417m as against the 2006 figure of € 386.2m, with an increase of 7.9% (organic growth was 8.4%). In general, the motorway traffic of the other countries of Europe is more closely linked to holiday travel than in Italy and thus is more sensitive to the state of the economy because the proportion of holiday traffic is larger than commuting and commercial travel. At the time of writing official data on the various countries' 2007 traffic flows were not available. The Group's revenue grew by some 2% in France, was more or less flat in Spain, not least following the closure of some units on toll-free motorways, and a decline of about 1% in Switzerland, where Pratteln, the most important store in the country, was affected by the extension of the rebuilding work on the Basel-Berne section.
  In Q4 2007, the segment had slightly lower revenue (-1.2% at current exchange rates and -0.7% at constant exchange rates) of € 90.2m as against the 2006 figure of € 91.2m: whereas sales grew by 5% on the motorways in France, turnover in Switzerland and Spain suffered from the mentioned difficulties and was more or less flat.

- **Airports:** the segment's revenue increased from the 2006 figure of € 62.2m in 2006 to € 126.3m in 2007. This was an increase of 103% at current exchange rates or 106% at constant exchange rates and was due to the numerous new openings that were made following the concessions won in 2006 and 2007: in Spain, Madrid and Palma di Mallorca, in France the new low-cost terminal in Marseille airport and in Northern Europe, Copenhagen and Shannon. The businesses in Cork and Stockholm airports benefited from their first full year of operation, having been opened in 2006. In Q4 2007 the revenue of the airport businesses grew by 26.1% or 27.2% at constant exchange rates to € 32.3m as against the Q4 2006 figure of € 25.6m.

- **Railway Stations:** growth of 1.3% (+1.9% at constant exchange rates) to € 76.2m as against the 2006 figure of € 75.3m was due on the one hand to the positive performance of the Spanish and Swiss locations and on the other, to the weakness of the French stations. In Spain the increase of almost 5% in revenue was due to growth of the high-speed train segment and the contribution of store up-grading. In Switzerland the increase was some 10% (in Swiss francs) thanks to our entry into Fribourg station and the generally good performance of the other stores. In France turnover fell slightly, by 0.8%, due to the renovation work in progress at some important stations such as Paris Est and Paris Saint Lazare, and to the public transport strikes that occurred in Q4 2007.
  Q4 2007 brought results in line with the year's trends, 6% growth in Spain and over 24% in Swiss francs in Switzerland, while French income fell by 2%, due mainly to the strikes. Q4 2007 totalled revenue of € 19.6m (up by 3.2% at current exchange rates or 3.8% at constant exchange rates) as against the Q4 2006 figure of € 19m.

- **Other Segments:** the consolidation of food&beverage operations in Le Carrousel du Louvre (with a contribution of € 7.7m) and robust organic growth of business (up by 14.8%), thanks to the results of the stores inside the Telefónica office complex in Madrid, brought this segment's revenue to € 37.7m as against € 27m in 2006.
  In Q4 2007 sales reached € 10.7m as against the Q4 2006 figure of € 7.6m, an increase of 40.8% of the total or 45.3% at constant exchange rates and organic growth of 16.7%.

Revenue by Business Segment - Rest of Europe (€m)



EBITDA

EBITDA growth of 9.2% at current exchange rates, or 10.3% at constant exchange rates, to € 61.1m as against the 2006 figure of € 55.9m was matched by a 0.9% margin reduction (9.3% in 2007) due to the consolidation of Carestel Group and the start-up costs of the new stores opened (e.g., the Northern European airports) and businesses that are gradually starting to operate at their proper level (e.g., the outlets in the Telefónica business center in Spain).

In Q4 2007 EBITDA was € 3.5m, in line with Q4 2006 and the ratio to sales was 2.3% as against the 2006 figure of 2.4%.

Capital Expenditure

Intense development activity in all business segments led to a significant rise in capital expenditure

The significant increase in the resources deployed in the Rest of Europe - € 50.8m as against € 43.6m in 2006, i.e., an increase of 16.5% at current exchange rates and 16.8% at constant exchange rates - was mainly due to development activity carried out in 2007, including: in France, capital expenditure in Le Carrousel du Louvre and the new low-cost terminal in Marseille airport; in Belgium, as part of the Carestel integration project, re-branding the motorway stores at Mersch, Wanlin, Rotselaar and Bièrges and the start of renovation work in Brussels airport following renewal of the concession; in Spain, the completion of the outlets in the Telefónica business center and the boost of the offering in the Madrid Atocha railway station; and the capital expenditure undertaken in the Northern European airports.

Capital expenditure was high in Q4 2007 as well, reaching € 24.2m as against the Q4 2006 figure of € 17.1m; the ratio to sales rose from 11.9% to 15.8%.

02.04.04 Aldeasa*

(€m)	2007	2006	Change
Revenue	830.3	723.6	14.7%
EBITDA	77.2	74.4	3.8%
EBITDA margin	9.3%	10.3%	
Capital expenditure	22.3	28.4	(21.6%)

(*) These figures and those of the following commentary refer to 100% of the company. The contribution to the Group consolidated accounts was 50% of these figures.

Aldeasa was the fastest growing macro-area in terms of revenue in 2007

Revenue

In 2007 Aldeasa generated revenue of € 830.3m, an increase of 14.7% as against the 2006 figure of € 723.6m, with positive results both within and outside Spain.

In Q4 2007 turnover increased by 13.7% to € 202.7m as against the 2006 figure of € 178.4m.

The performance of each business segment was as follows.

- **Airports:** revenue increased by 16% to € 812m as against the 2006 figure of € 700.3m. The turnover of the Spanish businesses rose by 10.3% to € 619.2m over the 2006 figure of € 561.5m, as against an increase in traffic of 8.7% (source: A.E.N.A.)[12]. Growth in Spain was limited by the closure for several months of the Tenerife Sur stores for up-grading: in general, both the airport business and the holiday businesses had double-digit increases. International turnover reached € 192.8m, an increase of 38.9% over the 2006 figure of € 138.8m: the new stores in Vancouver and Atlanta airports added to the sales of the existing outlets, which recorded an advance of almost 19%.
  In Q4 2007 the revenue of this segment was € 198.8m - an increase of 14.8% over the Q4 2006 figure of € 173.2m. The Spanish airports' turnover was € 145.3m - an increase of 6.5% as against the Q4 2006 figure of € 136.5m; excluding Tenerife Sur, the rise was 12.3% as against an increase of traffic in Q4 2007 of some 8% (source: A.E.N.A.)[12]. Sales in the international airports reached € 53.4m, an increase of 45.6% over the Q4 2006 figure: net of the openings in North America (operations began in Atlanta in December), growth was some 20%. In Q4 2007 Aldeasa exercised its option to terminate duty-free business in Mumbai (concession won at the beginning of 2007) due to a substantive change in the airport's operating conditions which - in Aldeasa's view - would have had an adverse effect on the profitability of the concession.

- **Palaces and Museums:** the revenue of this segment was € 18.3m as against the 2006 figure of € 23.4m, and was affected by the decision of the Prado to run its own merchandising directly. The effects were evident above all in Q4 2007, when the business closed causing a 24.4% fall in turnover (€ 4.0m as against the Q4 2006 figure of € 5.3m).

EBITDA

Aldeasa ended the year with EBITDA of € 77.2m, an increase of 3.8% over the 2006 figure of € 74.4m, giving an EBITDA margin of 9.3% (10.3% in 2006).

The reduction of this margin was due to higher rentals following the extension of the Spanish airport concessions to the end of 2009, which was signed in July back-dated to 1 January 2007, and the start-ups in North America. The latter had a notable effect on Q4 2007, which achieved EBITDA of € 17m as against € 18.4m in Q4 2006), and an EBITDA margin of 8.4% as compared to 10.3% in Q4 2006.

(12) Aeropuertos Españoles y Navegaciòn Aerea, the public sector entity that runs Spain's airports.

The importance of the businesses outside Spain increased: in 2007 they absorbed about half of total capex

Capital Expenditure

In 2007 Aldeasa's capital expenditure was € 22.3m as against the 2006 figure of € 28.4m, with a ratio to sales of 2.7% (3.9% in 2006). About half of capex was deployed in the international businesses, with the opening of the North American locations and the inauguration of a new store in Cancun Airport, Mexico. In the closing months of the year up-grading of the stores in the old terminals of Madrid Barajas airport was started, at the same time as the renovation work on the infrastructure.

02.04.05 Alpha Group

Alpha Group, together with its subsidiaries, was included in the consolidation scope on 1 June 2007, so that its contribution to the Group's results was for seven months.
In these months Alpha Group generated revenue of € 584.2m equivalent.
Of this figure, € 320.4m related to the in-flight business and € 263.8m to the retail operation.
In terms of EBITDA, the contribution to the consolidated result was € 48m.

In Q4 2007 Alpha Group contributed € 216.8m to Group revenue, of which € 120.5m relating to in-flight sales and € 96.4m to retail sales. EBITDA was € 12.7m.

The following table summarises Alpha Group's contribution to the Autogrill Group's 2007 accounts in pounds sterling.

(£m)	2007
Revenue	399.5
EBITDA	32.9
EBITDA margin	8.2%
Capital expenditure	8.9

In order to provide fuller information on the business performance of Alpha Group, the following is an account of its 2007 results over eleven months, from 1 February to 31 December 2007, which is its new balance-sheet date.
For the sake of comparability with previously published results, 2007 figures and those of the comparable period, 2006, are disclosed according to Alpha Group accounting policies[13].

(£m)	February-December 2007	February-December 2006	Change
Revenue	550.6	523.9	5.1%
EBITDA	40.0	27.4	46.0%
EBITDA margin	7.3%	5.2%	
Capital expenditure	12.6	16.0	(21.3%)

Alpha Group's concession businesses grew not only in the British Isles, but also internationally

Revenue

In 2007 Alpha Group generated consolidated revenue of £ 550.6m, an increase of 5.1% over the figure of £ 523.9m for the corresponding period of 2006 and both its business segments contributed positively to this result.

In Q4 2007 revenue was £ 141m, an increase of 4.3% over the Q4 2006 figure of £ 135.2m.

The performance of each business segment was as follows.

(13) The main difference was the method of consolidation of joint-ventures, which Alpha Group accounted for using the equity method, whereas Autogrill consolidates them proportionately.

- **In-flight:** on-board catering and sales of food&beverage and retail products recorded revenue of £ 290.4m, an increase of 4.6% over the figure of £ 277.7m for the corresponding period of 2006. The domestic business (UK and Ireland) was down by 1.4%, to £ 230m from the 2006 figure of £ 233.1m, due to the termination of supply contracts with ThomsonFly, BA Connect and, principally, in Q4 2007, with EasyJet. International operations however grew robustly - by 35.5% - and achieved turnover of £ 60.4m compared to £ 44.6m for the corresponding period of 2006, due to good performances in Jordan, central Europe (especially Romania) and above all Australia, reflecting the new agreements signed in the year. In Q4 2007, the in-flight sector's turnover was £ 71.1m, which was an increase of 4.9% over the Q4 2006 figure of £ 67.7m, thanks to the performance of the international businesses which offset the contraction of domestic turnover. Due mainly to the termination of the EasyJet contract at the beginning of November, domestic businesses contracted by 8.8% to £ 50.6m, whereas the international businesses achieved significant growth of 66.7% with sales of £ 20.5m: the new Australian contracts and the expansion of business in Jordan (due to the flow of passengers towards Mecca) were the main drivers.

- **Retail and food&beverage:** concession businesses achieved revenue of £ 260.2m, an increase of 5.7% over the figure of £ 246.2m for the corresponding period of 2006.
  The UK business grew by 5.4% to £ 203.9m, thanks to a sharp rise in traffic which more than offset the closure of 13 World News stores following expiry of the concession. International business increased by 6.6% to £ 56.3m: the results in the US, Sweden and above all in the Indian sub-continent offset the termination of operations in Turkey

In Q4 2007 turnover was £ 70m, an increase of 3.6% over the figure of £ 67.5m for the corresponding period of 2006. US business and above all operations in the Indian sub-continent (where Q4 is the most important period for tourist traffic) led the growth of the international businesses, which expanded by 15.9% to £ 17.3m. UK and Ireland business generated turnover of £ 52.6m, in line with Q4 2006.

EBITDA

Thanks to the improvements made in the in-flight as well as the concession business, Alpha Group's EBITDA reached £ 40m in February-December 2007, an increase of 46% over the figure of £ 27.4m for the corresponding period of 2006, while the EBITDA margin rose from 5.2% al 7.3%. Specifically, in-flight sales benefited from faster growth in the international business than that of the domestic operation and the first rewards of the initiatives undertaken to improve the contract portfolio. Progress with the cost of sales and labour productivity made the improvement of the retail and food&beverage businesses possible. The period also benefited from an indemnity of £ 1.2m, which compensated the early termination of the in-flight contract with BA Connect, though there were one-off costs relating to termination of certain agreements and the launching of new businesses.

In Q4 2007 EBITDA grew to £ 8.7m as against the figure of £ 1.3m for the corresponding period of 2006, with an EBITDA margin of 6.2% (1% in the corresponding period of 2006).

Capital Expenditure

In 2007 Alpha Group carried out capital expenditure of £ 12,6m as against the figure of £ 16m for the corresponding period of 2006: the reduction was mainly due to the completion in 2006 of the up-grading of the retail division's ICT systems. In 2007 resources were absorbed equally by the two business segments. The concession business opened two stores after entering into an agreement with Starbucks Coffee Company and preparations were made for the openings planned for early 2008. The Dublin airport stores were also renovated. Capex was undertaken in the in-flight segment to support the development of the Australian business following the signature of important contracts relating to this geographical area.

Business Development

In 2007 Alpha Group had numerous achievements, both in the in-flight sector and in the retail and food&beverage businesses.

- **In-flight**
  - Significant expansion of operations in the Asia Pacific region, thanks to new contracts with Air New Zealand, Etihad Airways and Emirates. The former, which has a term of five years, covers flights to Australia; the latter, which has a term of three years, covers the Sydney-Abu Dhabi route. The contract with Emirates, which has a term of eight years, covers all the company's flights out of Australia. Co-operation with Emirates was boosted by the entry of the United Arab Emirates' flag carrier into the capital of Alpha Group's Australian subsidiary, of which it currently holds 49%.
  - Consolidation of its position in the UK, not least on US routes. Alpha Group extended its relationship with American Airlines by renewing its catering services contract for all its flights out of London Heathrow and London Gatwick until 2011 and winning a new contract, also until 2011, for all flights out of Manchester. The contract with United Airlines for all flights out of London Heathrow was renewed until 2010. Following the merger of the charter airlines Thomas Cook and MyTravel, the latter already a client, Alpha Group extended co-operation to include Thomas Cook. As from 1 November 2007 the supply contract with EasyJet was terminated.

- **Retail e food&beverage**

  2007 was an especially important year for Alpha Group: it entered into a licensing agreement with Starbucks Coffee Company to open stores using the Starbucks Coffee brand in several UK airports. Given the UK market's familiarity with the brand, this agreement will be an important way of penetrating the food&beverage market, in which Alpha Group is less well-known than in retailing. The agreement was signed before the acquisition, but will benefit from the long-standing relationship between HMSHost and Starbucks Coffee in North America.

  The agreement with Starbucks Coffee Company will benefit from the Group's long-standing working relationship with Starbucks in North America

  The World News stores in London Heathrow's Terminal 3 and Aberdeen and Edinburgh airports were closed in 2007.

02.05 Parent, Autogrill S.p.A.

Condensed Income Statement

(€m)	2007	Ratios	2006	Ratios	Change
Revenue	1,257.1	100.0%	1,160.4	100.0%	8.3%
Other operating income	64.8	5.2%	63.8	5.5%	1.4%
Total revenue and income	1,321.9	105.2%	1,224.2	105.5%	8.0%
Cost of raw materials, consumables and supplies	(616.8)	49.1%	(541.7)	46.7%	13.9%
Personnel expense	(277.0)	22.0%	(273.0)	23.5%	1.5%
Leases, rents, concessions and royalties	(127.7)	10.2%	(125.5)	10.8%	1.7%
Other operating costs	(142.0)	11.3%	(129.7)	11.2%	9.5%
EBITDA	158.3	12.6%	154.3	13.3%	2.6%
Depreciation, amortisation and impairment losses	(48.3)	3.8%	(44.0)	3.8%	9.7%
EBIT	110.0	8.8%	110.3	9.5%	(0.3%)
Net financial income	88.6	7.0%	40.5	3.5%	119.0%
Impairment losses on financial assets	(3.3)	-	-	-	-
Profit before tax	195.4	15.5%	150.8	13.0%	29.6%
Tax	(47.0)	3.7%	(55.4)	4.8%	(15.2%)
Profit	148.3	11.8%	95.3	8.2%	55.6%

As well as carrying on its role of directing and controlling the Group, Autogrill S.p.A. conducts the businesses that earn over 98% of revenue produced in the Italian market directly through specific organisational units. The remaining 2% of Italian revenue is generated by subsidiaries (mainly Trentuno, Nuova Sidap and Aviogrill). See section 02.04.02 above for commentary on domestic business.

EBITDA

The 2.6% increase in EBITDA to € 158.3m as against the 2006 figure of € 154.3m was due, apart from the broad stability of operating income from Italian businesses (see commentary in section 02.04.02 above), to an increase in corporate centre costs from € 23.1m to € 24.8m, and the greater actuarial gain on post-employment benefits, which reduced personnel expense by € 9.3m (€ 3.7m in 2006). The 2007 figure benefited specifically from the actuarial valuation of the liability under the pension reform, which came into force on 1 January 2007.

EBIT

EBIT was € 110m as against the 2006 figure of € 110.3m, after depreciation, amortisation and impairment losses totalling € 48.3m compared to € 44m in 2006. The increase in depreciation and amortisation was due to intensified expansion and modernisation of the store network.

Net Financial Income

Dividends from subsidiaries rose from € 40m in 2006 to € 84.5m in 2007, driving this item's increase from € 40.5m to € 88.6m.

Gains on exchange rate risk hedges of the investment in GB pounds - which qualify for hedge accounting in the Autogrill Group's consolidated accounts, but not in the Company accounts - offset interest expense in 2007 on the borrowing incurred to finance the acquisition of Alpha Group.

Profit

Profit rose by 55.6% to € 148.3m as against the 2006 figure of € 95.3m, after tax of € 47m. Tax was lower than the 2006 figure of € 55.4m, mainly due to adjustment of deferred tax to align it with the new tax rates in effect from 2008.

Condensed Balance Sheet[14]

(€m)	31.12.2007	31.12.2006	Change
Intangible assets	120.3	89.2	31.1
Property, plant and equipment	196.7	165.3	31.4
Equity investments	892.9	595.7	297.2
A) Non current assets	1,210.0	850.3	359.6
Inventories	48.6	44.3	4.3
Trade receivables	31.2	40.5	(9.3)
Other current assets	66.4	32.3	34.2
Trade payables	(281.9)	(265.7)	(16.2)
Other current liabilities	(80.2)	(99.2)	19.0
B) Working capital	(215.9)	(247.8)	31.8
C) Capital invested, less current liabilities	994.1	602.5	391.6
D) Post-employment benefits and non-current non-financial liabilities	(129.5)	(145.1)	15.7
E) Net capital invested	864.6	457.3	407.3
F) Equity	655.8	609.3	46.5
Non-current financial liabilities	763.6	370.5	393.1
Non-current financial assets	(293.4)	(419.4)	126.0
G) Net non-current financial position	470.2	(48.9)	519.1
Bank current overdrafts	8.9	10.7	(1.8)
Current financial liabilities	22.9	155.6	(132.7)
Cash and cash equivalents	(45.7)	(108.5)	62.8
Current financial assets	(247.4)	(160.9)	(86.5)
H) Net current financial position	(261.4)	(103.1)	(158.3)
Net Financial Position (G+H)	208.8	(152.0)	360.8
I) Total, as in E)	864.6	457.3	407.3

The balance sheet shows an increase in net capital invested of € 407.3m, which was due to the acquisition of a shareholding in Alpha Group, as well as the intensification of capital expenditure on the Italian store network.
Working capital contracted mainly on account of higher tax payments of € 25m due to the change in Italian tax consolidation rules and the payment of deferred compensation to staff, including in particular incentives for 2004-2006, which exceeded provisions made in the year by € 10m.

(14) The main Condensed Consolidated Balance Sheet items are directly derived from the full balance sheet taken together with the Notes to the Financial Statements.

Increased assets were largely financed by medium-long term bank loans, as detailed on page 62 above.

Please see the Parent Company's annual report and accounts for the cash-flow statement.

Capital Expenditure

The Company's capital expenditure amounted to € 113.2m in 2007 (€ 59.4m in 2006).

The Parent's acquisition of brands and commercial concepts from subsidiaries will boost the Group's growth

As well as the capital expenditure detailed on page 64 above, Autogrill S.p.A. bought € 24.2m worth of brands and store formulas from its subsidiaries to promote their development and diffusion throughout the Group, as part of a strategic plan designed to maximise the effectiveness and efficiency of the development of the commercial concepts used in the business.

To this end, a new Department for Marketing and Concept Development Europe was set up in 2007 and expanded during the year

Staff and Organisation

	31.12.07			31.12.06		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Managers	70	-	70	57		57
White collars	900	167	1,067	894	179	1,073
Blue collars	3,723	6,174	9,897	3,368	6,247	9,615
Junior managers	462	8	470	451	6	457
Total	5,155	6,349	11,504	4,770	6,432	11,202

At end 2007 there were 11,504 people on the payroll, an increase of 302 people over 2006, who were mainly staff employed in the store network.
In Italy Management and Corporate Centre year-end staff numbered 443, three more than the end 2006 figure.

The Main Subsidiaries

Autogrill International S.p.A.
Autogrill International concentrates the direction, co-ordination and development of the Group's business outside Italy.
Its 2007 profit was € 86.4m (€ 5.6m in 2006), due mainly to dividends from subsidiaries.

Autogrill Finance S.A.
This unit provides financial and administrative services to Group companies. Its registered offices are in Luxembourg. In 2007 its profit was € 1.4m (€ 0.2m in 2006).

Alpha Group Plc.
See section 02.04.05 above for a description of this acquisition and its 2007 results.
Its 2007 profit was £ 0.6m.

As part of the Group integration process, the airport food&beverage business of Carestel Group was transferred to other subsidiaries

Carestel Group N.V.
This unit manages motorway food&beverage businesses in Belgium and airport catering in Brussels, Belgium and London City, UK airports through its subsidiaries. As part of the Autogrill Group integration process, in 2007 it transferred its airport food&beverage businesses in Lille, France and Hamburg and Stuttgart, Germany to other Group companies.

Following the acquisition of 65.2% of Carestel Group on 20 October 2006, a subsequent tender offer and a squeeze-out increased Autogrill S.p.A.'s interest to 100% on 2 February 2007.

In 2007 this company reported a loss of € 0.2m. In the post-acquisition period of 2006 low seasonality and initiation of integration caused a loss of € 1.3m.

HMSHost Europe G.m.b.H.
This unit develops airport food&beverage business in Europe.
Its 2007 profit was € 0.4m, as against the 2006 figure of € 0.1m of 2006.
HMSHost Europe holds:

- an interest in the joint-venture, Steigenberger Gastronomie, which operates in Frankfurt airport, Germany;
- HMSHost Sweden, which operates in Stockholm-Arlanda airport, Sweden;
- HMSHost Ireland, which started operations in Cork Airport in the first half of 2006 and in Shannon Airport in the second half of 2007.

Autogrill D.o.o.
This company operates along motorways in Slovenia and started in 2005 under a multi-year agreement with the Austrian petroleum group OMV. In 2007 it reported a loss of € 1.8m (€ 0.9m in 2006), due to failure to capture enough traffic to reach break-even.

02.06 Outlook

02.06.01 Subsequent Events

In early 2008 the Group continued its expansion both by winning new concessions and by making further acquisitions.

The acquisition of World Duty Free and the remaining 50% of Aldeasa make Autogrill the leading airport retailer in the world

In January the Group strengthened its presence in Asia by winning several concessions for stores in Changi Airport, Singapore. In the US the Group renewed the concession to manage the retail operation in the Empire State Building in New York. In February the Group continued expansion in the UK by starting up in Belfast City Airport and in Italy it entered into a food&beverage service agreement with Grandi Navi Veloci.

In January Alpha Group acquired the Air Czech catering division from Air Czech; this business exclusively manages Air Czech's in-flight services.

On 10 March 2008 the Group informed the markets that it had agreed to the acquisition of the remaining 49.95% stake of Aldeasa held by Altadis and of 100% of World Duty Free Europe from BAA, for an aggregated enterprise value of € 1,070m, which would entail a € 2,232.2m pro-forma of opening debt.
These two transactions significantly strengthen the Group's position in airport retail & duty-free: it becomes the leading airport retailer in the world. Both these transactions are subject to examination by the European Competition Commission.

02.06.02 Outlook

In the first ten weeks of 2008, the Group recorded a 16.9% increase in revenue (+24% at constant exchange rates, +5,9% excluding Alpha Group) as against the figure for the corresponding period of 2007.

In 2008 the Group expects to generate revenue in the € 5.2bn to € 5.3bn range on a like-for-like basis with 2007, unless there is a deterioration of the economic situation, currently impossible to predict.

Following the acquisition of the 49.95% stake of Aldeasa shares and 100% of World Duty Free Europe, the Group's turnover is expected to be around € 6bn[15] at end 2008.

10th week of 2008

€/$	€/£
1.479	0.751

Rates used in the 2008 budget

€/$	€/£
1.45	0.72

(15) On the basis of consolidation of the remaining 49.95% of Aldeasa from 1 April 2008 and of 100% of World Duty Free Europe from 1 June 2008.

02.07 Further Information

02.07.01 Management and Coordination
Following the transfer from Edizione Holding to Schematrentaquattro - which is wholly owned by Edizione Holding - of its entire shareholding in Autogrill of 57.09% (subsequently increased by Schematrentaquattro to 57.86% at 31.12.2007 and to 58.72% at 13.02.2008), in its meeting held on 18 January 2007 the Board of Directors judged that there were still no conditions whereby Autogrill would be subject to the management and coordination of the Parent, now Schematrentaquattro, pursuant to §2497 bis of the Civil Code.

02.07.02 Related-Party Transactions
See the section "Other Information" in the Notes to the consolidated financial statements.

02.07.03 Research and Development
Given the nature of its business the Group invests in innovation, product development and increasing the quality of its operating systems service.
It does not however carry on any technological research in the proper sense of the term.

02.07.04 Personal Data Protection
The Parent has drawn up and updated for 2007 a Data Protection Document (DPS), as required by data protection legislation and bearing in mind the peculiar characteristics of the company.

In 2007, the Parent continued to ensure that rules and regulations were complied with and specifically:
- by installing a new cashier identification system using swipe cards;
- by commissioning a study for the adoption of Telecomunication Industry Association TIA security Standard 942 under which certain changes had already been made;
- by introducing continuous scheduled controls of perimeter data protection against hacking.

02.07.05 Directors' and other Officers' Equity Investments
As required by §79 of the implementation rules for Law 58/98, adopted by Consob resolution 11971/99, the following table shows the shares in Autogrill S.p.A. and its subsidiaries, held by members of the board and control bodies of Autogrill S.p.A., general managers and senior managers with strategic responsibilities as well as their not legally separated spouses and children who have not reached majority.

Name of Officer	Shares in	Shares held at the end of the previous year	Shares purchased	Shares sold	Shares held at the end of the current year (2007)
Gianmario Tondato Da Ruos	Autogrill S.p.A.	-	14,700	-	14,700

02.07.06 Treasury Shares
At 31 December 2007 neither the Parent nor the other companies included in the Group's consolidation scope, possessed treasury shares or the shares of subsidiaries or parents, nor did they buy or sell such shares either directly or indirectly through nominees or intermediaries in 2007.

02.07.07 Shareholders Informations
The information on shareholders required by §123-bis, Law 58/98 is contained in the Corporate Governance Report published in the "Governance" Section of the Company website (www.autogrill.com) except for the information specified under (m) of the mentioned §123-bis, Law 58/98, which is contained in the Notes to the Parent Company Accounts, under "Further Information".

Consolidated Financial Statements

03.01 Consolidated Balance Sheet

(€k)		31.12.2007	31.12.2006	Change
Notes				
I	Cash and cash equivalents	202,023	216,810	(14,787)
II	Other financial assets	22,468	19,989	2,479
III	Tax assets	6,358	2,552	3,806
IV	Current assets	173,154	123,888	49,266
V	Trade receivables	104,808	23,963	80,845
VI	Inventories	196,775	137,609	59,166
	Total current assets	705,586	524,811	180,775
VII	Property, plant and equipment	908,103	768,435	139,668
VIII	Goodwill	1,282,222	1,063,139	219,083
IX	Other intangible assets	121,335	60,903	60,432
X	Equity Investments	10,367	5,272	5,095
XI	Other financial assets	17,630	35,861	(18,231)
XII	Deferred tax assets	101,716	103,399	(1,683)
XIII	Other non-current assets	13,811	10,267	3,544
	Total non-current assets	2,455,184	2,047,276	407,908
XIV	Assets held for sale	5,779	21,442	(15,663)
	TOTAL ASSETS	3,166,549	2,593,529	573,020
XV	Trade payables	529,380	449,978	79,402
XVI	Tax liabilities	15,704	7,887	7,817
XVII	Other current liabilities	303,493	290,119	13,374
XVIII	Due to banks	125,168	192,068	(66,900)
XIX	Other financial liabilities	19,518	22,212	(2,694)
XXIV	Provisions for risks and changes	12,949	10,518	2,431
	Total current liabilities	1,006,212	972,782	33,430
XX	Other non-current liabilities	44,243	34,838	9,405
XXI	Loans (net of current portion)	852,525	492,599	359,926
XXII	Bonds	393,959	319,409	74,550
XII	Deferred tax liabilities	56,219	48,976	7,243
XXIII	Post-employment and other employee benefits	120,177	113,447	6,730
XXIV	Provisions for risks and charges	67,571	54,900	12,671
	Total non-current liabilities	1,534,694	1,064,169	470,525
	TOTAL LIABILITIES	2,540,906	2,036,951	503,955
	EQUITY	625,643	556,578	69,065
XXV	- attributable to the shareholders of the Parent	567,474	524,467	43,007
	- attributable to minority interests	58,169	32,111	26,058
	TOTAL LIABILITIES AND EQUITY	3,166,549	2,593,529	573,020

03.02 Consolidated Income Statement

(€k)		2007	2006	Change
Notes				
XXVI	Revenue	4,949,182	4,002,648	946,534
XXVII	Other operating income	93,600	101,200	(7,600)
	Total revenue and other operating income	5,042,782	4,103,848	938,934
XXVIII	Cost of raw materials, consumables and supplies	1,895,318	1,446,872	448,446
XXIX	Personnel expense	1,322,687	1,106,440	216,247
XXX	Leases, rents, concessions and royalties	727,624	588,774	138,850
XXXI	Other operating costs	533,885	447,662	86,223
XXXII	Depreciation and amortisation	212,459	183,160	29,299
XXXII	Impairment losses on property, plant and equipment and intangible assets	10,814	6,350	4,464
	Operating Profit	339,995	324,590	15,405
XXXIII	Financial income	8,544	10,873	(2,329)
XXXIV	Financial expense	(72,672)	(59,144)	(13,528)
X	Reversals of impairment losses on financial assets	432	1,152	(720)
	Profit before tax	276,299	277,471	(1,172)
XXXV	Tax	(103,816)	(114,177)	10,361
	PROFIT FOR THE YEAR	172,483	163,294	9,189
	- attributable to the shareholders of the Parent	158,716	152,502	6,214
	- attributable to minority interests	13,767	10,792	2,975
	Earnings per Share (in € cents)			
	- basic	62.4	59.9	
	- diluted	61.8	59.4	

03.03 Changes in Consolidated Equity

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Profit for the Year	Equity attr. to the shareholders of the Parent	Equity attr. to minority interests
31.12.2005	132,288	6,245	(4,035)	2,129	185,041	130,092	451,760	30,881
Allocation of 2005 Profit:								
- Reserves	-	4,500	-	-	64,536	(69,036)	-	-
- Dividend	-	-	-	-	-	(61,056)	(61,056)	(11,247)
Exchange rate gains (losses) and other changes	-	-	-	(24,911)	3,310	-	(21,601)	(2,029)
Fair value gains (losses) on hedging instruments	-	-	4,430	-	(1,568)	-	2,862	-
Effect of purchase of equity stakes of <100%	-	-	-	-	-	-	-	3,714
Profit for the year	-	-	-	-	-	152,502	152,502	10,792
31.12.2006	132,288	10,745	395	(22,782)	251,319	152,502	524,467	32,111

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Profit for the Year	Equity attr. to the shareholders of the Parent	Equity attr. to minority interests
31.12.2006	132,288	10,745	395	(22,782)	251,319	152,502	524,467	32,111
Allocation of 2006 Profit:								
- Reserves	-	4,763	-	-	57,243	(62,006)	-	-
- Dividend	-	-	-	-	(11,264)	(90,496)	(101,760)	(20,083)
Exchange rate gains (losses) and other changes	-	-	-	(9,419)	(5,633)	-	(15,053)	32,374
Fair value gains (losses) on hedging instruments	-	-	880	-	225	-	1,105	-
Profit for the year	-	-	-	-	-	158,716	158,716	13,767
31.12.2007	132,288	15,508	1,275	(32,201)	291,889	158,716	567,474	58,169

Consolidated income and expense recognised directly in Equity

(€k)	2007	2006
Fair value gains (losses) on hedging instruments[1]	1,105	2,862
Exchange rate gains (losses) and other changes	(15,053)	(21,601)
Exchange rate gains (losses) recognised directly in Equity attributable to the shareholders of the Parent	(13,948)	(18,739)

(1) Net of the tax effect recognised in Other reserves and retained earnings.

03.04 Consolidated Cash-Flow Statement

(€m)	2007	2006
Net cash and cash equivalents - opening balance	181.6	75.7
Profit before tax and net financial expense for the year (including minority interests)	340.4	325.6
Depreciation, amortisation and impairment losses on non-current assets, net of reversals	223.3	189.5
Impairment losses and (gains)/losses on disposal of financial assets	(0.4)	(1.2)
(Gains)/losses on disposal of non-current assets	(4.8)	(12.7)
Change in working capital[1]	(33.1)	49.1
Net change in non-current non-financial assets and liabilities	(18.1)	(25.1)
Cash flow from operations	507.3	525.3
Tax paid	(126.2)	(92.9)
Net interest paid	(60.3)	(45.0)
Net cash flow from operations	320.8	387.4
Expenditure on property, plant and equipment and intangible assets	(278.2)	(213.9)
Proceeds from disposal of non-current assets	37.4	62.7
Acquisition of consolidated equity investments[2]	(318.8)	(63.6)
Net change in non-current financial assets	9.6	(9.1)
Cash flow used in investing activity	(550.0)	(223.9)
Bond issues	101.9	-
Increase in non-current loans	396.8	132.6
Repayments of non-current loans	(39.9)	(226.0)
Repayments of current loans net of new loans	(136.4)	(24.7)
Payment of dividends	(101.8)	(61.1)
Other cash flows[3]	(16.8)	125.7
Cash-flow from financing activities	203.7	(53.5)
Cash flow for the year	(25.6)	110.0
Exchange rate gains and losses on net cash and cash equivalents	(3.3)	(4.1)
Net cash and cash equivalents - closing balance	152.7	181.6

(1) Includes the exchange rate gains (losses) on income-forming items.
(2) Net of cash and cash equivalents amounting to € 24.9m on acquisition and the financial effect of Emirates becoming a shareholder of Alpha Group Plc's Australian branch.
(3) Includes dividend paid to minority shareholders in subsidiaries.

Reconciliation of net cash and cash equivalents

(€m)	2007	2006
Net cash and cash equivalents - opening balance:	181.6	75.7
Cash and cash equivalents	216.8	144.2
Current account overdrafts	(35.2)	(68.5)
Net cash and cash equivalents - closing balance:	152.7	181.6
Cash and cash equivalents	202.0	216.8
Current account overdrafts	(49.3)	(35.2)

Notes to the Consolidated Financial Statements

04.01 Accounting Policies and Consolidation Methods

The Group's Business
The Group carries on the business of food&beverage and retailing in Italy and, through subsidiaries, in other countries, in airports, on aircraft, on motorways and in railway stations under agreements known by convention as concessions, a term that reflects the nature of public utility of the services provided to the public. Autogrill is the only concern among the main players in its market which operates almost exclusively under concessions.

General Policies
Autogrill complies with IFRS as issued by the IASB and endorsed by the EU for the preparation of these accounts. IFRS means the international financial reporting standards including the international accounting standards taken together with the interpretations issued by the International Financial Reporting Interpretations Committee, IFRIC.

In 2007 the following IFRS were issued effective after 1 January 2008 with applications and the following IAS revised:
IFRS 8 - Operating Segments
IAS 1 revised - Presentation of financial statements
IAS 23 - Borrowing costs
IAS 27 revised - changes to IAS 27: Consolidated and separate financial statements
IFRS 2 revised - changes to IFRS 2: Share-based payments: terms and conditions on settlement and cancellations
IFRS 3 revised - Business Combinations
IFRIC 12 - Service Concession Arrangements
IFRIC 13 - Customer Loyalty Programmes
IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

We believe that the application where necessary of these standards and interpretations would not have significant effects on the Autogrill Group's consolidated accounts such that they should be described in these Notes.

The accounting policies and consolidation methods we adopt are consistent with those used for the 2006 accounts.
The Consolidated Financial Statements were prepared on a going-concern basis using the euro as the functional currency.
The figures given in the Consolidated Financial Statements tables and notes are in thousands of euros (€k) except for the Cash-Flow Statement where they are in millions of euros (€m).

Structure, Format and Content of the Consolidated Financial Statements
Consolidated Financial Statements formats as prescribed by IAS 1 and 7 and used in the 31 December 2007 Consolidated Financial Statements are as follows:
• Balance Sheet: assets and liabilities divided between current and non-current items
• Income Statement: classification by cost nature
• Statement of changes in Shareholders' Equity
• Cash-Flow Statement: operating cash flow determined using the indirect method.

The individual Consolidated Financial Statements of each company within the scope of consolidation are prepared in the currency of the main area of their business (functional currency). For the purposes of the Consolidated Financial Statements the assets and liabilities of each foreign subsidiary with a functional currency other than the euro are converted into euros at the rate ruling on the balance-sheet date.

Income and expense are converted at average exchange rates for the year.

Exchange differences are recognised in the equity item Translation Reserve. Goodwill and remeasurement at fair value on acquisition of a foreign company are recognised in the appropriate currency and converted at the year-end exchange rate.

Exchange Rates used to translate non-euro subsidiaries' financial statements into euros:

	2007		2006	
	ruling on 31 December	average for the year	ruling at 31 December	average for the year
US Dollar	1.4721	1.3707	1.3170	1.2555
Canadian Dollar	1.4449	1.4675	1.5281	1.4237
Swiss Franc	1.6547	1.6427	1.6069	1.5729
Pound Sterling	0.7334	0.6839	0.6715	0.6814

To improve disclosure of accounts and cash-flow data, in contrast to the consolidated financial statements at 31 December 2006, we reclassified € 36,072k from trade payables to Other assets and € 19,585k from Trade payables to Other liabilities.

Scope and Methods of Consolidation
The scope of consolidation includes companies subject to control as per IAS 27 (i.e., the Parent has the power to determine the financial and operational policies of the company in such a way as to obtain benefits from its business), joint-ventures (i.e., entities subject to joint control as per IAS 31) and associates (i.e., those entities subject to significant influence as per IAS 28, measured using the equity method). Companies included in consolidation are listed in an Annex to these Notes.

Specifically, the consolidated financial statements include the financial statements at 31 December 2007 of Autogrill S.p.A. and all those companies in which the Parent has, directly or indirectly, the majority of the voting rights, or exerts dominant influence. The latter group includes Sorebo SA, Soberest SA, Volcarest SA and S.R.S.R.A. SA, which are controlled on the basis of a 50% stake and an agreement that gives the Group the management of the business.

The following are equal-share joint ventures: Aldeasa S.A. (S.p.A.in), Steigenberger Gastronomie GmbH (Germany), Caresquick N.V. (Belgium), Servair Air Chef S.r.l. (Italy), Alpha Future Airport Retail Pvt Ltd.. (India) and Alpha ASD Ltd. (UK). All were consolidated using the proportionate method.

Autogrill Overseas, Inc. and its subsidiaries close their financial year on the Friday nearest to 31 December; the year is divided into 13 periods each of 4 weeks, grouped into ‘quarters’ of 12 weeks, except for the last which is of 16 weeks. The 2007 consolidated accounts therefore include accounts referring to the period 30 December 2006 - 28 December 2007 and the comparable period is 31 December 2005 - 29 December 2006.

Alpha Group Plc. and its subsidiaries and joint ventures were consolidated as from 1 June 2007; therefore for 2007 the financial statements included in consolidation refer to the period 1 June 2007 - 31 December 2007.

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 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.

The consolidation of subsidiaries’ financial statements was carried out according to the full consolidation (line-by-line) method, i.e., by recognising the full amount of each asset, liability, income and expense item of the individual company and eliminating the carrying amount of the consolidated equity investments held by the Parent against their Equity.

Minority interests in the net assets of consolidated subsidiaries are identified separately from Group Equity. Minority interests are determined on the basis of their percentage share of the fair value of the assets and liabilities recognised at the date of acquisition (see Business Combinations below) and changes in Equity after that date.

Unrealised gains and losses, provided they are not immaterial, arising out of transactions between consolidated companies are eliminated, as are all payables and receivables, income and expense, between Group companies. These adjustments, like the other consolidation adjustments, take into account, where applicable, any related deferred tax effect.

As compared to 31 December 2006 scope of consolidation has changed to include:
- Alpha Group Plc. and its subsidiaries and joint-ventures;
- Autogrill Restauration Carrousel S.a.s. (formerly Carlest S.a.s.);
- Patisserie du Louvre S. à r.l.;
- Trentuno S.p.A.;
- the business of FoodBrand LLC;
- a business line of CBR;
- The Bagel Street Company Ltd..

See section 04.02 to find a detailed description of the acquisitions listed above.

Accounting Policies

Business Combinations
The acquisition of subsidiaries is accounted for under the acquisition method. Purchase price is calculated as the sum of the fair values on the date of exchange of the assets given, of the liabilities borne or assumed, and of financial instruments issued by the Group in exchange for control of the acquired entity, plus the directly attributable costs of the combination.

The acquired entity’s identifiable assets, liabilities and contingent liabilities which can be recognised under IFRS 3 are recognised at their fair value on the date of acquisition.

Goodwill arising out of the acquisition is recognised as an asset and valued initially at cost, i.e., the amount by which the purchase price exceeds the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities recognised on acquisition.

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, viz. 1 January 2004: consequently, goodwill arising on acquisitions made prior to that date has been maintained at the previous value determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

Minority interests in the acquired entity are initially measured according to their share of the current value of the assets, liabilities and contingent liabilities recognised on acquisition.

Associates

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

The associate's income and expense, assets and liabilities, are recognised in the Consolidated Financial Statements using the equity method, except where the investment is classified held for sale.

Under this method investments in associates are recognised at cost, adjusted in line with 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 recognised on acquisition is recognised as goodwill. Goodwill is included in the associate's carrying amount and is subject to impairment test, as indicated below.

Joint Ventures

Entities set up or acquired on the basis of agreements giving equal powers to each investor are classified as joint ventures. The Group recognises joint ventures using the method of proportionate consolidation. This entails the Group's share of the joint ventures' assets, liabilities, income and expense being added line by line to the corresponding items of the Consolidated Financial Statements.

Unrealised gains and losses on transactions between a Group company and a joint venture are eliminated in proportion to the Group's percentage interest in the joint venture, unless the unrealised losses are evidence of an impairment loss of the transferred asset.

The joint ventures are separately detailed in the list of Group companies at the end of these consolidated financial statements.

Recognition of Income and Expense

Purchases and disposals of goods are recognised on transfer of title and are recognised at the fair value of the price paid or received net of returns, allowances, discounts and year-end bonuses.

Revenue from and cost of services are recognised according to the stage of completion of the service rendered at the balance-sheet date.

Interest income and expense is recognised on an accruals basis. Dividends are recognised when the shareholders' right to receive them is established.

Recoveries of costs borne on behalf of third parties are recognised as a deduction from the related cost.
Borrowing costs are recognised in the Income Statement on an accruals basis and are not capitalised.

Employee Benefits

All employee benefits are recognised and disclosed in the consolidated financial statements on an accruals basis.

Group companies provide defined-benefit and defined-contribution plans. Post-employment benefit plans are formalised and unformalised agreements whereby the entity provides, to one or more employees, post-employment benefits.
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 whereby the entity pays fixed contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay all the employee benefits relating to service rendered in the current year and in previous years.

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

Defined-benefit plans may be unfunded or wholly or partly funded by the employer's contributions and sometimes by its employees, to a company or fund which is a legally separate entity from the company making the contributions.

The accrued amount is projected forward to the future to estimate the amount payable on termination of employment and then discounted using the projected unit credit method, to account for the time value of money.

The liability is recognised in the accounts net of the fair value of any plan assets. If this fair value exceeds the value of the liability, it is recognised as an asset. Actuarial valuations are made by actuaries external to the Group. The Group applies neither the corridor approach nor the equity changes method on recognising actuarial gains and losses determined on calculating the liabilities relating to these plans.

Actuarial gains and losses are taken directly to the income statement under Personnel expense as for the allocation accruing in the period, while the effect of discounting is entered to Financial expense.

Following the changes to the T.F.R. (Italian post employment benefit) rules introduced by Law 296/06 and later decrees and regulations (together the "Pension Reform") and issued in early 2007, the Group treats T.F.R. as follows:
- T.F.R. vested up to 31 December 2006 is considered a defined-benefit plan under IAS 19. The benefits granted to employees were recognised over the vesting period.
- T.F.R. accrued from 1 January 2007 is considered a defined-contribution plan and therefore the benefits accrued in the year are recognised as costs and shown in the item post-employment and other employee benefits, after deducting any contributions already paid.

The difference resulting from the remeasurement of T.F.R. vested up to 31 December 2006 on the basis of the Pension Reform calculations has been taken to profit or loss under Personnel expense.
The actuarial gains and losses calculated up to 31 December 2006 and included at 31 December 2006 in retained earnings are to be considered as released from this limit as to their use.

Tax

Tax for the year is the sum of current and deferred taxes.

Current tax is calculated on taxable income for the year. Taxable income differs from the profit before taxes figure disclosed in the Income Statement in that it excludes positive and negative items that will be taxable or deductible in later years. It also excludes items that will never be taxable or deductible. Current tax liability is calculated using prevailing or actual tax rates at the balance sheet date.

In the three tax years 2007-09, Autogrill S.p.A., together with its wholly-owned Italian subsidiaries (Autogrill International S.r.l., Nuova Sidap S.r.l. and Nuova Estral S.r.l.), joined the domestic tax consolidation scheme of the ultimate Parent Ragione di Gilberto Benetton & C. S.a.p.A., pursuant to §§117-129 of the Unified Income Tax Act.

The regulation signed by the parties provides for payment in full of the amount corresponding to the multiplication of transferred losses or profits by the IRES (corporate tax) rate, as well as the transfer of any tax credits.

The net current tax credit or liability for the year, in respect of IRES only, is therefore recognised as a receivable or payable due from/to the ultimate Parent Ragione di Gilberto Benetton & C. S.a.p.A. and thus not recognised in the item Tax liabilities or tax assets, but rather under Other liabilities or Other assets.

In the previous three-year period (2004-2006), these companies had taken part in the Italian tax consolidation scheme headed by the sub-holding company Edizione Holding S.p.A..
Deferred tax liabilities are generally recognised in respect of every taxable temporary difference, while deferred tax assets are recognised to the extent that it is considered probable that there will be future taxable income that will enable use of the deductible temporary differences. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that sufficient taxable income to recover the credit wholly or in part may not exist.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from initial recognition of goodwill or (not in business combinations) of other assets or liabilities in transactions that have no effects either on accounting profit or on taxable income. Deferred tax liabilities are recognised in respect of taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Group is able to monitor the elimination of the temporary differences and it is probable they will not be eliminated in the foreseeable future.

Deferred tax is calculated on the basis of the tax rate that is expected to rule when the asset is realised or the liability is settled.

Deferred tax assets and liabilities are disclosed as a net balance when it is legally possible to offset current tax assets and liabilities and provided they are payable to the same tax authority and the Group intends to settle current tax assets and liabilities on a net basis.

Non-Current Assets

Other Intangible Assets
Other intangible assets are recognised 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 recognised at purchase price or production cost including additional charges and amortised over their useful life.

The Group reviews the estimated useful life of Other intangible assets at each balance-sheet date and whenever there is evidence that the asset is impaired.

If impairment losses arise - determined in accordance with the section on Impairment of assets - the asset is written-down accordingly.

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

Licenses and Similar Rights	
Licences to use software applications	3 years
Cost of authorisation to sell State monopoly	The validity of the licence
Other:	
Commissioned software applications	3 years
Other costs to be amortised	5 years, or the life of the underlying contract

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

They are recognised at purchase or production cost, including additional costs and indirect or direct costs for the part that is reasonably attributable to the asset, in certain cases increased under monetary revaluation legislation.

These revaluations were maintained in the financial statement on transition to IFRS, as being permitted by IFRS 1.

Property, plant and equipment are systematically depreciated every year on a straight-line basis according to technical and economic rates in relation to each asset’s residual useful life. The Group reviews the useful life of each asset at every year-end. The cost of assets that are to be transferred free of charge includes the cost - provided it is within the provisions of IAS 37 - which is reasonably estimated and expected to be borne on expiry of the relevant contract to bring the asset into the contractually agreed state of conservation, assuming that maintenance will continue to be carried out properly and in a timely manner. Components of significant value (in excess of € 500k) or with a different useful life (50% greater or less than that of the asset to which the component belongs) are considered separately in the depreciation calculation.

The following depreciation rates are used:

Industrial buildings	3%
Plant and machinery	10% - 33%
Industrial and commercial equipment	15% - 33%
Furniture and furnishing	10% - 20%
Motor veichles	25%
Other	12% - 20%

Land is not depreciated.

The depreciation rate used for assets that are to be transferred free of charge are those given in the relevant financial amortisation plan, if they are higher than those in the table.

Depreciation rates are reduced by 50% on assets that have been brought into use in the course of the year (this percentage is considered the weighted average period of the year for which new assets are in use).

An asset's useful life is reviewed annually and is changed when maintenance carried out in the year includes enhancements or replacements that materially change its useful life.

If there are impairment losses - determined as described in the section Impairment of assets - regardless of depreciation already recognised 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 capitalised and increase the carrying amount of the asset. Maintenance costs of a routine nature are taken direct to the Income Statement.

Leasehold improvements are included in property, plant and equipment on the basis of the type of cost borne. The depreciation period is the lesser of the residual useful life of the asset and the duration of the contract.

Leases are classified as finance leases when the contract terms substantially transfer all the risks and benefits of ownership to the lessee. All other leases are operating leases.

Assets leased under finance leases are assets of the Group recognised at fair value on the contract date, adjusted to take account of additional costs and any sub-leasing costs incurred, or, if less, the present value of the minimum lease payments under the contract. The corresponding liability to the lessor is recognised under other financial liabilities in the balance sheet. Each lease payment is divided between principal and interest so that a constant interest rate is achieved on the remaining liability. Interest is taken to the Income Statement.

Operating lease payments are recognised on a straight-line basis over the term of the lease. Benefits received or receivable or paid or payable as an incentive to enter into an operating lease are also recognised on a straight-line basis over the term of the lease.

Impairment of Assets
At each balance sheet date, the Group tests whether there is evidence of impairment of its property, plant and equipment or its intangible assets. If such evidence exists, the recoverable amount of the asset is estimated, in order to determine the amount of 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. With regard to property, plant and equipment used in the sales network, this minimum aggregation unit is the point of sale or points of sale covered by a single concession agreement. The minimum cash-generating unit for other items of property, plant and equipment (intangible assets or goodwill) is the sales channel or the legal entity to which the assets belong.

Goodwill is tested for impairment at each year-end and at any time that there is evidence of possible impairment.

The recoverable amount is the greater of fair value less costs to sell and value in use. To determine value in use estimated future cash flows are discounted to their present value using a pre-tax rate (post-tax for goodwill) which reflects current market valuation of the value of money and the specific risks of the business.

If an asset's recoverable value (or that of a unit generating cash flow) is estimated to be lower than carrying value, it is reduced to the smaller recoverable value. Impairment losses are recognised immediately in the Income Statement.

If an impairment loss on an asset ceases to be justified, the carrying amount of the asset (or of the cash-generating unit) is increased to its new value - except in the case of goodwill - but not above the net carrying amount that the asset would have had if the impairment loss had not occurred.

A reversal of impairment losses is taken immediately to the Income Statement.

Current Assets and Liabilities

Inventories
Inventoies are measured at the lower of the purchase price and production cost - including directly attributable additional costs, net of discounts, allowances, annual bonuses and similar promotions, calculated on a FIFO basis - and market value.

Financial Assets and Liabilities

Trade receivables
Trade receivables are disclosed at amortised cost using the effective interest method or at acquisition cost where there is no fixed due date, in both cases less an appropriate amount to take account of estimated bad debts.

Other Financial Assets
Other financial assets are recognised or derecognised at the transaction date and are initially measured at cost, including direct acquisition costs.

On subsequent balance sheet dates, the financial assets that the Group has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortised 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 recognised in that year's Income Statement. The gains and losses of other financial assets, i.e., those not held for trading, arising from changes in fair value are recognised directly in equity until they are sold or impaired. In this case total gains or losses previously recognised in equity are taken to the Income Statement.

Cash and Cash Equivalents
The item Cash and Cash Equivalents includes cash and current accounts with banks and post offices, as well as demand deposits and other highly liquid short-term financial investments which are immediately convertible to cash and are subject to no significant risk of impairment.

Loans, Bank Loans and Bank Overdrafts
Interest-bearing loans and bank loans and overdrafts are recognised on the basis of the amounts received less transaction costs, and subsequently measured at amortised cost, using the effective interest method.

Convertible Bonds
Convertible Bonds are financial instruments consisting of a liability component and an equity component. On issue date the fair value of the liability is measured using the spot market interest rate for similar non-convertible bonds. The difference between the net amount received from the issue and the fair value assigned to the liability, which is the implicit option to convert the bonds into shares in the Group, is recognised in equity under Other reserves.

Trade payables
Trade payables are recognised at face value, since the financial effect of payment deferral is not material and therefore the carrying amount recognised using this method is close to amortised cost.

Derivative Instruments and Hedge Accounting
The Group's liabilities are primarily exposed to financial risks linked to changes in interest rates. The Group uses financial derivatives to manage interest rate risk. They are mainly interest rate swaps, forward rate agreements, interest rate options, and possible combinations of these. It is specifically some Group companies' policy to convert part of its floating-rate liabilities to fixed-rate and designate them cash flow hedges. The use of hedging instruments is governed by Group policies approved by the Board of Directors which has laid down precise written procedures for the use of derivatives in accordance with the Group's risk management strategy. Derivative contracts have been entered into with counterparties selected among the most financially solid, in order to reduce the risk of default. Group companies make no use of derivatives for trading purposes, but to hedge identified risks.

See the policy described in section 04.06.

In line with the requirements of IAS 39, derivatives qualify for hedge accounting if and only if, at the origination of the hedge, (i) the hedging relationship is formally designated and documented as such, (ii) the hedge is considered effective, (iii) its effectiveness can be reliably measured and (iv) the hedge is effective during all the accounting periods for which it is designated.

All financial derivatives arranged by the Group are measured at fair value as required by IAS 39.

When financial instruments are eligible for hedge accounting, the following accounting treatment is applied:
- Fair value hedge - If a financial derivative is designated as a hedge of the exposure to changes in the fair value of an asset or liability attributable to a specific risk which may affect the Income Statement, the gains or losses arising on subsequent measurement at fair value of the hedging instrument are recognised in the Income Statement. Fair value gains or losses on the hedged item attributable to the hedged risk change the carrying amount of the hedged item and are recognised in the Income Statement.

- Cash flow hedge - If a financial derivative is designated as a hedge of the exposure to variability of the future cash flows of an asset or liability or of a forecast highly probable transaction and may affect the Income Statement, the effective portion of fair value gains or losses on the financial derivative is recognised in equity. Cumulative gains and losses are removed from equity and transferred to the Income Statement of the same period in which the hedged transaction is recognised. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognised in the Income Statement immediately. If a hedge or a hedging relationship are closed, but the hedged transaction has not been concluded, the cumulative gains and losses, up to that time recognised in equity, are recognised in the Income Statement when the transaction is carried out. If the hedged transaction is no longer considered probable, the realised gains and losses recognised in equity are immediately taken to the Income Statement.

- Hedge of net investment - If a derivative is designated as a hedge of a net investment in a foreign operation, including a hedge of a monetary amount which is accounted for as being part of the net investment, the effective portion of fair value gains or losses on the hedge is recognised in equity, through changes to the appropriate equity items, and the ineffective portion is recognised in the Income Statement. On disposal of the foreign operation, the realised gains and losses on the effective portion of the hedge recognised in equity will be taken to the Income Statement.

If hedge accounting cannot be applied, the gains or losses arising from measurement at fair value of the financial derivative are immediately recognised in the Income Statement.

Derivatives are initially recognised at cost and adjusted to fair value at each subsequent reporting date.

Provisions
Provisions for risks and charges are recognised when the Group has a present obligation as the result of a past event and it is probable that it will be required to settle the obligation. Provisions are made on the basis of the best estimate of the cost of settling the obligation on the balance sheet date and, when the effect is material, are discounted to present value.

Use of Estimates
Preparing the financial statements and related disclosures under IFRS requires the Group's Management to make estimates and assumptions that affect the carrying amount of assets and liabilities and the disclosure about contingent liabilities at the balance sheet date. Actual outturns may differ from these estimates. Estimates are used to determine the effects of business combinations, provisions for bad debts and inventory obsolescence, amortisation and depreciation, impairment losses on assets, employee benefits, tax and provisions. Estimates and assumptions are periodically reviewed and the effect of any change is taken to the current and future year's Income Statement.

04.02 Acquisitions of Companies and Businesses

In 2007 the Group acquired Alpha Group Plc. (formerly Alpha Airports Group Plc., UK), The Bagel Street Company Ltd. (UK), Trentuno S.p.A. (Italy), Autogrill Restauration Carrousel S.a.s. (formerly Carlest S.a.s.), Patisserie du Louvre S. à r.l. (France), the businesses of Foodbrand LLC (U.S.) and a business unit of CBR (U.S.).

These transactions were recognised in accordance with IFRS 3, as detailed below.

Carestel Group N.V.
The valuation of the assets and liabilities of Carestel Group N.V. was completed in 2007 ; this is a Belgian company acquired in two tranches by purchasing 65.2% of shares of the Carestel Group at € 5 per share for a total price of € 28.9m from the majority shareholders and through a tender offer launched on 20 October 2006 for the remaining 34.8% of share capital, of which acceptances brought the stake to 95.95% of share capital, which in turn made it possible for Autogrill to squeeze out the remaining shares and delist Carestel Group NV from Euronext in Brussels on 2 February 2007.

These valuations were made within the 12-month window permitted by IFRS 3 for purchase price allocation, and - as compared to the figures given in the 2006 accounts, described as provisional - led to the identification of liabilities under onerous contracts relating to loss-making units and a more exact determination of the tax assets to be recognised.

The comparative 2006 balances were adjusted as necessary to reflect these changes. Goodwill was increased by € 2,559k, Deferred tax assets by € 850k, Provisions by € 4,766k and Minorities were reduced by € 1,366k.
For correct disclosure purposes, the amount of € 4,079k was reclassified to Deferred tax liabilities, previously a reduction of Deferred tax assets.

The following table shows the final acquisition date values and subsequent adjustments made in order to recognise assets, liabilities and contingent liabilities at fair value and to recognise the final goodwill figure being the difference between Autogrill S.p.A.'s interest in these items and the cost of the acquisition.

(€m)	Carestel Group N.V.	Adjustments to the acquisition values	Carestel Group N.V. adjusted
Intangible assets	0.3	12.0	12.3
Property, plant and equipment	12.1	-	12.1
A) Non-current assets	12.4	12.0	24.4
Inventories	0.8	-	0.8
Trade receivables	2.8	-	2.8
Other assets	3.1	-	3.1
Trade payables	(12.1)	-	(12.1)
Other liabilities	(9.1)	-	(9.1)
B) Working Capital	(14.5)	-	(14.5)
C) Capital invested less current liabilities	(2.1)	12.0	9.9
D) Other non-current non-financial assets and liabilities	(1.1)	(3.9)	(5.0)
E) Net capital invested	(3.2)	8.1	4.9
Equity attributable to the shareholders of the Parent	2.6	8.1	10.7
F) Equity	2.6	8.1	10.7
Net financial debt	(5.8)	-	(5.8)
G) Total equal to (E)	(3.2)	8.1	4.9
Purchase price			46.4
Goodwill			35.7

The adjustments listed above refer to:
- the fair value of brands used and certain contractual rights
- liabilities due to onerous contracts relating to loss-making units and
- tax assets relating to losses carried forward.

Alpha Group Plc. (formerly Alpha Airports Group Plc.)
In May 2007, Autogrill S.p.A. launched its acquisition of Alpha Airports Group Plc., which later changed its company name to Alpha Group Plc.. Through subsequent share purchases and a tender offer launched on 4 June 2007, at 31 December 2007 Autogrill S.p.A. held 182,482,234 shares being 100% of company capital and voting rights in Alpha Group Plc..

On 17 September 2007 the share was delisted from UKLA's official list and removed from trading on the London Stock Exchange and a squeeze-out was initiated.

The following is the detail of the assets and liabilities acquired and recognised at fair value on acquisition date. The excess of the purchase price over these values was recognised as goodwill under assets.

Business Activity
Alpha Group Plc. is one of the largest in-flight catering and retail and airport retail concerns. It operates through various subsidiaries and joint ventures as two divisions - Alpha Airport Services and Alpha Airlines Services. The former provides a complete range of food&beverage and retail services in 47 airports in 13 countries . The latter provides in-flight catering and retail services to over 100 airlines in 12 countries. At 31 January 2007 (It. reporting date) Alpha Group Plc. reported 2006-2007 consolidated revenue of £ 561.5m (£ 550.9m in 2005-2006) and a profit of £ 12.3m (£ 13.8m in 2005-2006), excluding extraordinary items. Year-end net debt was £ 48m.

Consolidation
Alpha Group Plc. was fully consolidated starting from 1 June 2007.

It contributed revenue of € 584.2m to the 2007 consolidated accounts or 11.8% of consolidated revenue, and a profit attributable to the Group of € 14.2m, excluding borrowing costs connected with the acquisition.

	Alpha Group Plc. (£m)	Adjustments to the acquisition values (£m)	Alpha Group Plc. adjusted (£m)	Alpha Group Plc. adjusted (€m)*
Intangible assets	8.0	32.6	40.6	60.3
Property, plant and equipment	64.3	4.0	68.3	101.4
Financial assets	0.7	-	0.7	1.0
A) Non-current assets	73.0	36.6	109.5	162.6
Inventories	39.9	-	39.9	59.1
Trade receivables	40.7	-	40.7	60.3
Other assets	28.9	-	28.9	42.9
Trade payables	(47.5)	-	(47.5)	(70.4)
Other liabilities	(32.6)	-	(32.6)	(48.4)
B) Working Capital	29.4	-	29.4	43.5
C) Capital invested less current liabilities	102.3	36.6	138.9	206.2
D) Other non-current non-financial assets and liabilities	(27.6)	(9.0)	(36.6)	(54.4)
E) Net capital invested	74.7	27.6	102.2	151.8
Equity attributable to the shareholders of the Parent	8.2	12.4	20.6	30.7
Minority interests	3.2	15.2	18.4	27.3
F) Equity	11.4	27.6	39.0	58.0
G) Medium-long term debt	3.4	-	3.4	5.1
H) Short term debt	59.8	-	59.8	88.7
Net financial debt	63.2	-	63.2	93.8
G) Total equal to (E)	74.7	27.6	102.2	151.8
Purchase price				291.9
Goodwill				261.2

(*) £/€ exchange rate on acquisition date: £ 0.674 = € 1

The table shows the acquired assets and liabilities as at the acquisition date.

Provisionally, as permitted by §§61 and 62, IFRS 3, the acquisition date carrying amounts were adjusted in order to:
- recognise the current valuation of commercial property in Property, plant and equipment
- recognise the fair value of brands in use and certain contractual rights relating to international businesses
- recognise the effect of alignment of the useful life of software
- derecognise existing goodwill
- recognise the effect of the exercise of stock options by Directors and employees of the company under plans current at the date of acquisition
- recognise liabilities arising out of onerous contracts relating to loss-making units and
- recognise refurbishment costs relating to concessions requiring return of premises in defined condition.

All listed adjustments were accompanied by their tax effect.

These accounts were then adjusted to recognise the excess between Autogrill S.p.A.'s interest in these values and the cost of the acquisition, provisionally recognised as a non-current asset, under Goodwill. These values were determined, as noted above, provisionally, given the complexity of the necessary assumptions, especially with regard to intangible assets and provisions for risks and charges, and they will therefore be adjusted as foreseen in IFRS 3.

It is estimated that, had the acquisition and consolidation of Alpha Group Plc. taken place on 1 January 2007, the Group's 2007 consolidated revenue would have been € 332.4m higher, whereas 2007 consolidated profit would not have been materially different from the actual figure.

Trentuno S.p.A.
On 3 May 2007, Autogrill S.p.A. finalised its acquisition of Trentuno S.p.A., by acquiring 100% of the leading food&beverage chain in the region of Trentino Alto Adige, at a price of around € 12m, in line with the revenue of the company in the previous year.

This transaction enabled the Autogrill Group to extend its presence to the motorways, shopping centres and towns and cities of the region. Trentuno S.p.A. also provides food&beverage services in shopping centres and towns in the regions of Friuli Venezia Giulia, Veneto, Lombardy and Emilia Romagna.

(€m)	Trentuno S.p.A.	Adjustments to the acquisition value	Trentuno S.p.A. adjusted
Intangible assets	1.0	1.1	2.1
Property, plant and equipment	2.4	0.2	2.5
A) Non-current assets	3.3	1.3	4.6
Inventories	0.3	-	0.3
Trade receivables	0.9	-	0.9
Other assets	0.2	-	0.2
Trade payables	(1.1)	-	(1.1)
Other liabilities	(1.4)	-	(1.4)
B) Working Capital	(1.1)	-	(1.1)
C) Capital invested less current liabilities	2.3	1.3	3.5
D) Other non-current non-financial assets and liabilities	(0.2)	(0.4)	(0.6)
E) Net capital invested	2.0	0.9	2.9
F) Equity	3.3	0.9	4.1
G) Net short term financial debt	(1.3)	-	(1.3)
H) Total equal to (E)	2.0	0.9	2.9
Purchase price			12.2
Goodwill			8.1

Trentuno S.p.A. was fully consolidated starting from 1 May 2007 and contributed € 6.8m, or 0.1% to the Group's consolidated revenue for 2007, while the profit attributable to the Group was close to nil.

The table shows the acquired assets and liabilities at their fair value on the date of acquisition.

These accounts were adjusted to recognise the fair value of contractual rights as Intangible assets and the higher value of a commercial property following specific valuation in Property, plant and equipment. Non-current non-financial liabilities include the related deferred tax.

The excess between Autogrill's interest in these values and the cost of the acquisition was recognised as a non-current asset, under Goodwill.

It is estimated that, had the acquisition and consolidation of Trentuno S.p.A. occurred on 1 January 2007, the Autogrill Group's 2007 revenue would have been € 5.2m higher, whereas 2007 consolidated profit would not have been materially different from the actual figure.

Autogrill Restauration Carrousel S.a.s. and Patisserie du Louvre S. à r.l.
On 1 February 2007, Autogrill S.p.A. acquired, through its French subsidiary Holding de Participation Autogrill S.a.s., the French-based companies Autogrill Restauration Carrousel S.a.s. (formerly Carlest S.a.s.) and Patisserie du Louvre S. à r.l., thus acquiring the food&beverage businesses operating in Le Carrousel du Louvre, the shopping arcade inside the Louvre museum. The 14 stores form the largest food-court in France with its two million customers per year and in 2006 they generated revenue of € 8.5m.

The purchase price was € 10m.

These two companies were fully consolidated starting 1 February 2007. They contributed € 7.7m, or 0.2% to the Group's consolidated revenue for 2007, while the loss attributable to the Group was € 0.2m.

The table shows the acquired assets and liabilities at their fair value on the date of acquisition. These accounts were adjusted to recognise a contractual right (droit de bail) under Intangible assets and the related deferred tax in Other non-current non-financial liabilities. The excess between Autogrill's interest in these values and the cost of the acquisition was recognised as a non-current asset, under Goodwill.

(€m)	Patisserie du Louvre S.a.s	Autogrill Restauration Carrousel S. à r. l.	Adjustments to the acquisition values	Total adjusted
Intangible assets	-	-	9.0	9.0
A) Non-current assets	-	-	9.0	9.0
Trade receivables	-	1.0	-	1.0
Other assets	0.1	2.0	-	2.1
Trade payables	(0.1)	(0.4)	-	(0.5)
Other liabilities	(0.4)	(0.8)	(3.0)	(4.2)
B) Working Capital	(0.3)	1.7	(3.0)	(1.6)
C) Capital invested less current liabilities	(0.3)	1.7	6.0	7.4
D) Other non-current non-financial assets and liabilities	-	(0.4)	-	(0.4)
E) Net capital invested	(0.3)	1.4	6.0	7.1
F) Equity	(0.3)	0.6	6.0	6.3
G) Net financial position	(0.0)	0.8	-	0.8
H) Total equal to (E)	(0.3)	1.4	6.0	7.1
Purchase price				10.0
Goodwill				3.7

FoodBrand LLC
In Q3 2007 Autogrill S.p.A. acquired, through its US subsidiary HMSHost, all the businesses of FoodBrand LLC, a concession caterer operating in US airports and shopping malls.

The FoodBrand LLC portfolio comprises over 80 food&beverage stores, which generated revenue of $ 66.3m in 2006. The purchase price was $ 12.4m.

The businesses acquired contributed $ 35.1m (€ 25.6m) to 2007 consolidated revenue, or 0.5% of total consolidated revenue, and $ 0.2m (€ 0.1m) to profit.

The table shows the acquired assets and liabilities at their fair value on the date of acquisition.

	Businesses of FoodBrand LLC	Adjustments to the acquisition values	Businesses of FoodBrand LLC adjusted	
			($m)	(€m)
Intangible assets	0.4	9.7	10.1	6.9
Property, plant and equipment	44.6	(37.8)	6.9	4.7
A) Non-current assets	45.1	(28.1)	17.0	11.5
Inventories	0.4	-	0.4	0.3
Other assets	0.2	-	0.2	0.1
Trade payables	(0.1)	-	(0.1)	(0.1)
B) Working Capital	0.5	-	0.5	0.3
C) Capital invested less current liabilities	45.5	(28.1)	17.4	11.9
D) Other non-current non-financial assets and liabilities	-	(5.4)	(5.4)	(3.7)
E) Cash	(0.4)	-	0.4	0.3
Purchase price			12.4	8.4

Acquisition-date values were adjusted to recognise the fair value of contractual rights, the higher of market value and value in use of Property, plant and equipment and liabilities under onerous contracts relating to loss-making units. The related tax effect was recognised under Other liabilities.

The Bagel Street Company Ltd.
In July 2007, Autogrill S.p.A. acquired the English-based company The Bagel Street Company Ltd., which is the holder of the famous brand and provides food&beverage services in some London areas with large traffic, such as the London Eye and London Bridge, as well as Heathrow Airport. The purchase price was £ 4.6m. The transaction was part of the Group's expansion strategy in the UK, which began with the acquisition of Alpha Group Plc.. At year-end The Bagel Street Company Ltd. was transferred to Alpha Group Plc..

This company contributed revenue of £ 2.2m (€ 3.2m) to 2007 consolidated revenue, or 0.1% of total consolidated revenue, and a loss attributable to the Group of £ 0.1m (€ 0.2m).

The table shows the acquired assets and liabilities on the date of acquisition.

	The Bagel Street Company Ltd	Adjustments to the acquisition values	The Bagel Street Company Ltd adjusted	
	(£m)	(£m)	(£m)	(€m)
Intangible assets	-	1.4	1.4	2.0
Property, plant and equipment	0.7	(0.2)	0.5	0.7
A) Non-current assets	0.7	1.3	2.0	2.7
Other assets	0.2	-	0.2	0.3
Trade payables	(0.4)	-	(0.4)	(0.5)
Other liabilities	(0.2)	(0.2)	(0.5)	(0.7)
B) Working Capital	(0.4)	(0.2)	(0.6)	(0.9)
C) Capital invested less current liabilities	0.3	1.0	1.3	1.8
D) Other non-current non-financial assets and liabilities	-	(0.2)	(0.2)	(0.2)
E) Net capital invested	0.3	0.9	1.2	1.6
F) Equity	0.6	0.9	1.5	2.0
G) Net short term debt	(0.3)	-	(0.3)	(0.4)
H) Total equal to (E)	0.3	0.9	1.2	1.6
Purchase price			4.6	6.3
Goodwill			3.2	4.3

Acquisition-date values were adjusted to recognise the fair value of brands and the higher of market value and value in use of Property, plant and equipment. The related tax effect was recognised under Other liabilities. The excess between the sum of these values and the cost of the acquisition was recognised as a non-current asset, under Goodwill.

CBR

On 17 December 2007, the US subsidiary HMSHost acquired from CBR Inc. a business comprising 34 airport retail stores operating in nine US airports. A further seven units in four airports are expected to be acquired under the terms of the agreement and with the prior approval of the airport authorities. The total purchase price is $ 2.3m, of which the price paid for the first lot was $ 19m.
The acquired business contributed $ 2.1m, (€ 1.5m) to 2007 to consolidated revenue (a small percentage of total revenue) and profit of $ 0.3m (€ 0.2m).

The table shows the acquired assets and liabilities at their fair value on the date of acquisition.

	Businesses of CBR	Adjustments to the acquisition values	Businesses of CBR adjusted	
			($m)	(€m)
Goodwill		10.2	10.2	7.0
Intangible assets	-	2.8	2.8	1.9
Property, plant and equipment	3.3	(0.5)	2.8	1.9
A) Non-current assets	3.3	12.5	15.8	10.8
Inventories	2.9	-	2.9	2.0
Trade payables	(0.4)		(0.4)	(0.3)
B) Working Capital	2.5	-	2.5	1.7
C) Capital invested less current liabilities	5.8	12.5	18.3	12.4
D) Other non-current non-financial assets and liabilities	0.6		0.6	0.4
Purchase price			19.0	12.9

Acquisition-date values were adjusted to recognise the fair value of contractual rights and the higher of market value and value in use of Property, plant and equipment. The related tax effect was recognised under Other liabilities. The excess between the sum of these values and the cost of the acquisition was recognised as a non-current asset, under Goodwill.

04.03 Notes to the Balance Sheet

Curent Assets

I. Cash and Cash equivalents

(€k)	31.12.2007	31.12.2006	Change
Deposits with banks and post-offices	87,331	132,257	(44,926)
Cash and cash items	114,692	84,553	30,139
Total	202,023	216,810	(14,787)

Newly consolidated entities contributed € 45,840k; exchange rate losses amounted to € 5,748k.

Deposits with banks and post offices mainly consist of time deposits bearing interest at rates very close to LIBOR or EURIBOR.

Cash and other cash items included both the normal cash amounts held at each store and amounts being credited which vary according to the frequency with which they are deposited.

II. Other Financial Assets

(€k)	31.12.2007	31.12.2006	Change
Fair value of interest rate hedging instruments	6,709	2,604	4,105
Fair value of exchange rate hedging instruments	5,763	10,177	(4,414)
Due from associates	4,365	4,661	(296)
Other	5,631	2,547	3,084
Total	22,468	19,989	2,479

"Fair value of interest rate hedging instruments" includes the fair value of interest rate swaps outstanding at the year-end for a notional amount of € 85m and $ 75m. The increase over 2006 was the effect of interest-rate rises in the period and new contracts of € 35m and $ 75m.

"Fair value of exchange rate hedging instruments" includes the fair value of the exchange rate hedges outstanding at the year-end, which related mainly to the forward purchases of ¥ 15,288m and $ 140m. The reduction in the year related to a reduction in the underlying exposure. Please see section 04.06 Financial Risk Management for a detailed analysis.

"Due from associates" refers mainly to North American associates.
"Other" comprises mainly amounts owed by US joint-venture partners.

III. Tax Assets

Tax assets amounted to € 6,358k and refer to payments on account and other income tax credits.

IV. Other Current Assets

(€k)	31.12.2007	31.12.2006	Change
Suppliers	60,503	70,711	(10,208)
Inland Revenue and public administration	21,476	9,416	12,060
Lease and concession advance payments	19,474	10,935	8,539
Credit card receipts	10,356	10,634	(278)
Sub licensees	3,768	2,587	1,181
Advances to grantors for investments	4,862	1,755	3,107
Staff	4,349	3,178	1,171
Other assets	48,366	14,672	33,694
Total	173,154	123,888	49,266

Newly consolidated entities contributed € 29,865k, mainly under “Other assets” (€ 20,223k), “Inland Revenue and public administration” (€ 4,368k), “Suppliers” (€ 1,633k) and “Lease and concession advance payments” (€ 398k).

The change also comprised an exchange rate loss of € 2,701k.

The charge was also due to:
- a reduction in “Suppliers”, mainly promotion contributions, supplier bonuses to be received and advances for services to be supplied, due to more timely payments.
- an increase in “Inland Revenue and public administration” relating to indirect tax credits.
- an increase in “Lease and concession, advance payments” mainly due to new concession start-ups.
- an increase in “Advances to grantors for investments” due to increased investment in the operating networks.

“Other assets” includes a receivable due from Ragione di Gilberto Benetton & C. S.a.p.A. which is the consolidating entity of the main Italian companies that joined the tax consolidation scheme for 2007-2009 (€ 3,632k).

“Other assets” comprises mainly prepayments of maintenance, insurance policies, local taxes and commission receivable relating to businesses generating commission.

V. Trade receivables

(€k)	31.12.2007	31.12.2006	Change
Third parties	109,310	27,588	81,722
Disputed accounts receivable	5,724	5,229	495
Bad debt provision	(10,226)	(8,854)	(1,372)
Total	104,808	23,963	80,845

Newly consolidated entities contributed € 59,089k and the change also comprised an exchange rate loss of € 484k.

“Third parties” refers mainly to catering service agreements, accounts with affiliated concerns and agreements with airlines to provide meals and retail products, the latter referring to Alpha Group Plc., which has a large turnover in this business.
The item increase was also due to increased revenue, including like-for-like basis revenue.

The following table details changes in the “Bad debt provision”:

(€k)	
Balance at 31.12.2006	8,854
Allocations	148
Other changes	3,145
Uses	(1,922)
Balance at 31.12.2007	10,226

Other changes mainly include amounts relating to newly-consolidated entities (€ 3,011k).

VI. Inventories

(€k)	31.12.2007	31.12.2006	Change
Food&beverage and retail	192,963	133,735	59,228
Merchandise and various items	3,812	3,874	(62)
Total	196,775	137,609	59,166

Newly consolidated entities contributed € 48,725k and the change also comprised an exchange rate loss of € 3,912k.

Inventories are shown net of the provision for inventory obsolescence of € 2,289k (€ 2,424k at 31 December 2006), which was set aside to account for the obsolescence valuation of slow-moving items. The allocation for the year was € 1,570k and use was € 1,666k.

The item increase was due - as well as to the newly consolidated companies - to business growth.

Non-Current Assets

VII. Property, Plant and Equipment

(€k)	31.12.2007 Gross carrying amount	31.12.2007 Depreciation and impairment losses	31.12.2007 Net carrying amount	31.12.2006 Gross carrying amount	31.12.2006 Depreciation and impairment losses	31.12.2006 Net carrying amount
Land and buildings	146,581	(60,081)	86,500	117,941	(54,767)	63,174
Leasehold improvements	940,878	(628,868)	312,010	849,205	(604,654)	244,551
Plant and machinery	292,686	(209,093)	83,593	185,827	(129,897)	55,930
Industrial and commercial equipment	635,334	(466,330)	169,004	584,971	(444,194)	140,777
Assets to be transferred free of charge	463,777	(321,614)	142,163	450,436	(298,533)	151,903
Other	99,789	(73,867)	25,922	53,766	(44,164)	9,602
Assets under construction and down-payments	88,911	-	88,911	102,498	-	102,498
Total	2,667,956	(1,759,853)	908,103	2,344,644	(1,576,209)	768,435

Newly consolidated entities contributed € 102,147k to the item; exchange rate losses amounted to € 37,005k.

Changes in all items are given in the table below.

Impairment losses were € 8,901k in 2007 (€ 4,871k in 2006) determined as the results of future earnings tests carried out on individual stores or concessions. These tests are based on projected cash flows without taking possible efficiency gains into account. The discount rate used was gross of tax and varied between 7.06% and 8.07% according to the cost of money and the specific business risks associated with each country of operation.

"Leasehold improvements" refer to costs borne to set up or adapt leased premises or concessions. This item comprises costs incurred to set up points of sale within the US airport segment, along motorways and in shopping malls, as well as numerous European stores.

"Assets under construction" refer to works under way in the US (€ 57,993k vs. € 72,141k at end-2006).

The Group uses third party assets worth € 1,408k and rents businesses with assets worth € 14,581k.

The items included in the following table include, according to the financial method, the contractual value of all property, plant and equipment held under a finance lease.

(€k)	31.12.2007 Gross carrying amount	31.12.2007 Depreciation and impairment losses	31.12.2007 Net carrying amount	31.12.2006 Gross carrying amount	31.12.2006 Depreciation and impairment losses	31.12.2006 Net carrying amount
Land and industrial buildings	2,869	(797)	2,071	7,259	(3,485)	3,774
Plant and machinery	688	(318)	370	688	(180)	508
Assets to be transferred free of charge	15,148	(9,111)	6,036	11,319	(6,107)	5,212
Other	2,666	(2,599)	67	-	-	-
Total	21,370	(12,826)	8,545	19,266	(9,772)	9,494

The reduction in "Land and buildings" was due to the purchase of a building.

The financial liability under these transactions was € 14,629k and is recognised under "Other financial liabilities (current)" as to € 2,371k (€ 1,044k at end-2006) and "Other financial liabilities (non-current)" as to € 12,258k (€ 9,3318k at end-2006). Lease payables were € 13,885k.

VIII. Goodwill

The item increased from € 1,063,139k to € 1,282,222k due to recognition of goodwill as follows:

- € 261,227k on the acquisition of 100% of Alpha Group Plc.;
- € 14,391k on the acquisition of the minority investment in Carestel Group N.V.;
- € 6,955k on the acquisition of the business unit of CBR Inc.;
- € 8,043k on the acquisition of Trentuno S.p.A.;
- € 4,324k on the acquisition of The Bagel Street Company Ltd.;
- € 3,694k on the acquisition of Patisserie du Louvre S. à r.l. and Autogrill Restauration Carrousel S.a.s. (formerly Carlest S.a.s.).

A reduction in part of the goodwill attributed to Alpha Group Plc. was made following the sale of 49% of Alpha Flight Services Pty Limited (Australia) to Emirates.

Exchange rate losses amounted to € 69,182k. Please see section 04.02 for details of the acquisitions.

The table shows the geographical distribution of total goodwill.

(€k)	31.12.2007	31.12.2006	Change
US and Canada	405,344	441,327	(35,983)
Aldeasa S.A.	304,962	310,722	(5,760)
Alpha Group Plc.	236,549	-	236,549
Switzerland	88,504	92,358	(3,854)
Italy	87,937	78,115	9,822
France	65,237	60,936	4,301
Belgium	48,205	34,687	13,518
The Netherlands	22,161	22,161	-
S.p.A.in	20,203	20,203	-
Germany	3,120	2,630	490
Total	1,282,222	1,063,139	219,083

Goodwill was tested for impairment (recoverable amount) in respect of each operational unit, i.e., generally a geographical area, possibly divided by business segment if significant, and treating Aldeasa S.A. and Alpha Group Plc. as single units.

These tests use estimated cash flows based on profit and financial projections for average concession life and including assumptions as to concession renewal and medium-term profitability, diversified by operational unit and taking past experience into account. These assumptions do not take account of planned efficiency gains over Group standards or achievable through corporate reorganisation of individual concerns.

The discount rate used was net of tax and varied according to the cost of money and the specific business risks associated with unit, varying between 6.6% and 7.6%.

The mentioned tests confirmed the recoverability of the amounts recognised.

In 2007 tax losses relating to the Swiss unit were recovered. These had accrued in years prior to the acquisition by Autogrill. As prescribed by IFRS 3 we adjusted the relevant goodwill by their amount (€ 1,174k).

As noted in the Report on Operations, Aldeasa S.A. renegotiated the terms of the retail and duty-free concessions in S.p.A.nish airports with the granting body, AENA, extending the expiry date to 31 December 2009 from the original end 2006 (the Madrid Barajas concession, in which the largest portion of Aldeasa income is generated, expires in 2012).

IX. Other Intangible Assets

(€k)	31.12.2007	31.12.2006	Change
Concessions, licences, brands and similar assets	92,237	35,379	56,859
Assets under development and down-payments	12,067	6,939	5,128
Other	17,031	18,585	(1,555)
Total	121,335	60,903	60,432

Newly consolidated entities contributed € 66,597k to the item. "Concessions, licences, brands and similar assets" includes € 62,371 relating to contractual rights and € 4,226k relating to the fair value of newly acquired brands as per IFRS 3.

The change also includes exchange rate losses amounting to € 1,837k.

These items have defined useful lives and are therefore amortised accordingly.
In 2007 there were impairment losses of € 739k, recognised following the results of tests of future cash flow in respect of individual stores or concessions.

Intangible Assets

	31.12.2006			Changes in gross carrying amount					
(€k)	Gross carrying amount	Amortisation and impairment losses	Net carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other charges*	Total
Concessions, licences, brands and similar assets	61,888	(26,509)	35,379	66,613	1,119	3,366	(161)	363	71,300
Goodwill	1,063,139	-	1,063,139	286,722	(69,013)	16,185	(13,637)	-	220,257
Assets under development and down-payments	6,939	-	6,939	-	-	7,737	(2,877)	268	5,128
Other	42,615	(24,030)	18,585	16,907	(4)	7,204	(636)	(9,308)	14,163
Total	1,174,581	(50,539)	1,124,042	370,242	(67,898)	34,492	(17,311)	(8,677)	310,848

Property, plant and equipment

	31.12.2006			Changes in carrying amount					
(€k)	Gross carrying amount	Depreciation and impairment losses	Net carrying amount	Change in consolidation scope	Exchange rate gains (losses)	Increases	Decreases	Other charges*	Total
Land and buildings	117,941	(54,767)	63,174	13,574	(616)	12,268	(90)	3,504	28,640
Leasehold improvements	849,205	(604,654)	244,551	61,371	(54,528)	27,178	(31,368)	89,020	91,673
Plant and machinery	185,827	(129,897)	55,930	96,532	(920)	16,524	(9,644)	4,367	106,859
Industrial and commercial equipment	584,971	(444,194)	140,777	31,720	(24,349)	34,405	(37,379)	45,966	50,363
Assets to be transferred free of charge	450,436	(298,533)	151,903	-	(199)	22,900	(12,705)	3,345	13,341
Other	53,766	(44,164)	9,602	44,095	(259)	6,954	(5,838)	1,071	46,023
Assets under construction and down-payments	102,498	-	102,498	119	(7,108)	139,697	(5,219)	(141,076)	(13,587)
Total	2,344,644	(1,576,209)	768,435	247,411	(87,979)	259,926	(102,243)	6,197	323,312

(*) The balance of Other changes relates to the reclassification to Assets held for sale of Aldeasa S.A. property which will be sold in 2008.

Amortisation and impairment losses						31.12.2007		
		Increases						
Change in consolidation scope	Exchange rate gains (losses)	Amortisation	Impairment losses	Decreases	Total	Gross carrying amount	Amortisation and impairment losses	Net carrying amount
(16)	410	(14,962)	(14)	140	(14,442)	133,188	(40,951)	92,237
-	-	-	(1,174)	-	(1,174)	1,283,396	(1,174)	1,282,222
-	-	-	-	-	-	12,067	-	12,067
(8,212)	177	(7,089)	(726)	133	(15,717)	56,778	(39,747)	17,031
(8,228)	587	(22,051)	(1,914)	273	(31,333)	1,485,429	(81,872)	1,403,557

Depreciation and impairment losses						31.12.2007		
		Increases						
Change in consolidation scope	Exchange rate gains (losses)	Depreciation	Impairment losses	Decreases	Total	Gross carrying amount	Depreciation and impairment losses	Net carrying amount
(2,786)	637	(3,972)	-	807	(5,314)	146,581	(60,081)	86,500
(24,902)	42,998	(74,714)	(3,337)	35,741	(24,214)	940,878	(628,868)	312,010
(69,394)	1,219	(19,229)	(395)	8,603	(79,196)	292,686	(209,093)	83,593
(21,143)	21,956	(56,920)	(2,609)	36,580	(22,136)	635,334	(466,330)	169,004
-	62	(29,754)	(2,430)	9,041	(23,081)	463,777	(321,614)	142,163
(26,152)	416	(5,819)	(129)	1,981	(29,703)	99,789	(73,867)	25,922
-	-	-	-	-	-	88,911	-	88,911
(144,377)	67,288	(190,408)	(8,900)	92,753	(183,644)	2,667,956	(1,759,853)	908,103

X. Equity Investments

Newly consolidated entities contributed € 1,675k to the item.
Any surplus of an equity investment's carrying value over pro rata equity represents future profitability inherent in the investment. Using the equity method, adjustments of € 432k were recognised in the Income Statement as "Reversals of impairment losses on financial assets".

Company Name	Registered Office	Country	% held	Currency in '000s	Revenue	Profit/ (loss) for the year	Total Assets	Total Liabilities	Carrying amount (€k)
Associates									
Estación Aduanera de Zaragoza S.A.	Zaragoza	S.p.A.in	31%	Euro	12	(21)	1,125	48	374
Creuers del Port de Barcelona S.A.	Barcelona	S.p.A.in	23%	Euro	14,369	4,135	33,753	18,968	1,566
Souk Al Mohuajir, S.A.	Casablanca	Morocco	36%	Euro	905	217	1,661	415	215
Lanzarote de Cultura y Ocio, S.A.	Tias	Lanzarote	30%	Euro	-	-	-	-	12
Dewina Host Sdn Bhd	Kuala Lumpur	Malaysia	49%	MYR	24,229	2,422	10,313	6,741	357
HMSC-AIAL Ltd.	Auckland	New Zealand	50%	NZ$	15,208	2,010	10,884	1,997	2,324
TGIF National Restaurant JV	Texas	U.S.	25%	US$	3,394	143	451	157	337
Aldeasa Vancouver LP	Vancouver	Canada	25%	CAN$	35,993	(4,285)	26,870	5,354	3,568
Aldeasa Atlanta Joint Venture	Georgia	U.S.	25%	US$	663	(168)	3,810	1,778	345
Virgin Express Catering Services	Brussels	Belgium	49%	Euro	-	-	-	-	809
Others					-	-	-	-	460
Total									10,367

XI. Other Financial Assets

(€k)	31.12.2007	31.12.2007	Change
Guarantee deposits	9,243	20,826	(11,583)
Interest-bearing balances with others	3,865	6,063	(2,198)
Receivables due from associates	341	346	(5)
Other receivables due from third parties	4,182	8,627	(4,445)
Total	17,630	35,861	(18,231)

"Guarantee deposits" reduced due to closure of the deposit of € 16,209k which had been given to guarantee the tender offer made by Autogrill S.p.A. in December 2006 for the remaining outstanding shares, and options and warrants on the shares, of Carestel Group N.V., which was closed in February 2007 with the squeeze-out of the remaining minority shareholders.

"Other receivables due from third parties" are mainly due from US joint venturers.

XII. Deferred Tax Assets

Deferred tax assets are disclosed net of off-settable deferred tax liabilities and amounted to € 101,716k, (vs. € 103,399k at 31 December 2006). The reduction included exchange rate losses of € 6,447k.

They mainly refer:
• as to € 59,775k (€ 61,242k at 31 December 2006), to our US units, generated mostly due to the different amortisation period of leasehold improvements and provisions in respect of concession rents with deferred deductibility
• as to € 16,331k (€ 17,327k at 31 December 2006), to the Aldeasa Group, mainly due to tax assets connected with the of

tax losses carried forward and the recognition under purchase accounting of provisions for concession rentals as referring to transactions concluded with grantors in previous periods and deductible on payment.

At 31 December 2007 non off-settable deferred tax liabilities were € 56,219k (vs. € 48,976k in 2006).

This liability was mainly due to temporary differences relating to property, plant and equipment belonging to Dutch, S.p.A.nish and Italian units and assets recognised under purchase accounting, as well as recognition of expected tax on consolidated companies' undistributed profits.

Tests of the recoverability of tax assets, based on projections of future taxable income generated by the companies involved, confirmed their recoverability.

Net deferred tax assets at 31 December 2007 were € 45,496k and broke down as follows:

	2007		2006	
(€k)	Temporary Differences	Tax Effect	Temporary Differences	Tax Effect
Trade receivables	6,775	1,863	6,919	2,283
Other assets	35,774	14,301	21,703	7,596
Property, plant and equipment and intangible assets	38,483	7,822	(94,708)	(27,682)
Total temporary differences on assets	81,031	23,985	(66,086)	(17,803)
Trade payables	7,590	1,837		
Other liabilities	4,185	(64)	(91,776)	(35,737)
Post-employment and other employee benefits	(24,670)	(10,881)	1,160	383
Provisions for risks and charges	(51,889)	(16,107)	(80,836)	(28,152)
Other reserves and undistributed profits	208,152	22,331	1,709	567
Total temporary differences on liabilities and Equity	143,368	(2,884)	(169,744)	(62,938)
Net temporary differences		26,870		45,136
Deferred tax assets relating to losses carried forward		18,627		9,287
Net deferred tax assets		45,496		54,423

XIII. Other non-current assets
Other non-current assets of € 13,811k at 31 December 2007 refer to receivables due from suppliers (contributions to multi-year agreements) of and concession rents paid in advance.

XIV. Assets held for sale
Entirely referred to property belonging to Aldeasa S.A. to be disposed of in 2008, in completion of a wider plan to dispose of some of this company's properties which was initiated after acquisition by the Group.

Current Liabilities

XV. Trade payables
At 31 December 2007 trade payables were € 529,380k as against € 449,978k at 31 December 2006. The item increase of € 79,402k was mainly due to the contribution of newly-consolidated entities (as to € 66,456k). Exchange rate differences caused a reduction of € 9,392k.

The rest of the change was principally due to like-for-like increases in turnover.

XVI. Tax Liabilities
The item totalled € 15,704k, an increase of € 7,817k over end 2006, and refers to tax liabilities that accrued during the year.

The newly-consolidated entities contributed € 5,483k to the total.

The Italian companies' tax liability under domestic tax consolidation scheme is disclosed under "Other current liability" (€ 1,966k).

XVII. Other Current Liabilities

(€k)	31.12.2007	31.12.2006	Change
Due to staff	119,259	122,145	(2,886)
Suppliers for capex	53,363	51,831	1,532
Indirect tax	22,341	21,728	613
Withholdings	11,080	10,514	566
Social security institutions	46,476	37,437	9,039
Accrued expenses and deferred income	35,518	13,028	22,490
Other	15,456	33,436	(17,980)
Total	303,493	290,119	13,374

The newly-consolidated entities contributed € 38,535k to the total, mainly under "Due to staff" (€ 8,516k), "Social security institutions" (€ 4,619k), "Accrued expenses and deferred income" (€ 9,805k) and "Other" (€ 5,161k).

Excluding this effect and that of the exchange rate loss of € 10,479k, the contraction of this item was mainly due to:
- payment of 2005-2007 three-year plan incentives to management;
- increased capital expenditure;
- reduction in the net amount of IRES (Italian corporate tax) transferred to Edizione Holding S.p.A., under the 2004-2006 domestic tax consolidation scheme (€ 27,882k).

"Accrued expenses and deferred income" refer mainly to insurance premiums, lease payments and prepaid utilities.

XVIII. Due to Banks

(€k)	31.12.2007	31.12.2006	Change
Unsecured bank loans	75,835	156,799	(80,964)
Current account overdrafts	49,333	35,269	14,064
Total	125,168	192,068	(66,900)

The newly-consolidated entities contributed € 2,120k to the item total. The exchange rate loss was € 2,437k.

These borrowings were made under short-term lines of credit.

The reduction was mainly due to early re-payment of the remaining tranches of the 2004 syndicated loan (€ 141,667k).

XIX. Other financial liabilities

(€k)	31.12.2007	31.12.2006	Change
Accrued interest on loans	11,412	13,309	(1,897)
Fair value of exchange-rate hedging instruments	2,368	2,747	(379)
Fair value of interest-rate hedging instruments	2,362	1,731	631
Lease payables	2,371	1,044	1,327
Due to other lenders	128	3,255	(3,127)
Other	876	126	750
Total	19,518	22,212	(2,694)

The newly-consolidated entities contributed € 12 ,985k to the item total. The exchange rate loss was € 6,106k.

"Accrued interest on loans" comprises mainly the half-yearly coupon due on private placement bonds issued by HMSHost Corp. and by Autogrill Group Inc. which are payable respectively in January and July and May and November.

"Fair value of exchange-rate hedging instruments" comprises the fair value of the notional amounts of exchange-rate hedges outstanding at end 2007, mainly concerning the forward sales of ¥ 15,288m and SwFr80m. The change recorded in 2007 corresponds to the change in the underlying exposure.

"Fair value of interest-rate hedging instruments" comprises the fair value of IRSs outstanding at 31 December 2007 referring to the division headed by Autogrill Overseas, Inc. (with a notional amount of € 35m and $ 110m).
The reduction from 2006 was the net result of new hedging contracts € 35m and the termination of existing contracts hedging $ 200m notional.

Non Current Liabilities

XX. Other non-current liabilities

The item total of € 44,243k refers mainly to concession rents due for previous periods recognised on purchase price al location following the acquisition of Aldeasa, to be paid in 2008 - 2012. This item also contains liabilities to staff relating to long-term incentive plans.
The change was also due to newly-consolidated entities' contribution of € 223k to the item total and an exchange rate loss of € 1,047k.

XXI. Loans (net of current portion)

(€k)	31.12.2007	31.12.2006	Change
Unsecured medium-term bank loans	840,870	483,190	357,679
Bank charges on loans	(1,604)	-	(1,604)
Total bank debt	839,266	483,190	356,075
Leases payables	12,258	9,331	2,928
Other	1,001	78	923
Total	852,525	492,599	359,926

The newly-consolidated entities contributed € 4,375k to the item total. The exchange rate loss was € 25,041k.

Long-term bank debt at 31 December 2007 comprised the following:
- a loan of € 200m with bullet repayment on maturity (June 2015);
- drawings under a € 500m revolving credit granted in May 2007 with bullet repayment on maturity by end May 2015;
- drawings under a € 300m revolving credit with bullet repayment on maturity by end June 2012;
- the consolidated 50% portion of a € 330m loan maturing in July 2011 granted to Aldeasa S.A. in August 2006, which was used as to € 150m at end-2007.

At 31 December 2007 the Group's bank lines of credit maturing beyond one year were about 70% utilised. Bank loans bear floating-rate interest. The average life of bank loans, including unutilised lines, is about 5.6 years.

The main multi-year loan agreements require regular monitoring of financial ratios relating to debt coverage and interest coverage. At 31 December 2007, as in all previous observation periods, these covenants were fully satisfied and there was no reason to believe that they might not be so satisfied in the future.

XXII. Bonds

(€k)	31.12.2007	31.12.2006	Change
Non-convertible bonds	355,215	280,942	74,274
Convertible bonds	40,219	39,385	834
Issuing fees	(1,476)	(918)	(558)
Total	393,959	319,409	74,550

Non-convertible bonds are:
- a private placement issued on 19 January 2003 by HMSHost Corp. for a total of $ 370m. The issue was guaranteed by Autogrill S.p.A. and is in three tranches of $ 44m, $ 60m and $ 266m maturing respectively in 2010, 2011, and 2013. The tranches pay fixed-rate interest half-yearly;
- a private placement issued on 9 May 2007 by Autogrill Group, Inc. for a total of $ 150m. The issue was guaranteed by Autogrill S.p.A. and bears fixed interest of 5.73% p.a. payable half-yearly. The bonds mature on 9 May 2017.

As with multi-year bank loans, the terms of these private placements include covenants requiring periodical monitoring of financial ratios (debt coverage and interest coverage).

At 31 December 2007, as in all previous observation periods, these covenants were fully satisfied and there was no reason to believe that they might not be so satisfied in the future.

Convertible bonds were issued by Autogrill Finance SA on 15 June 1999 for € 471,055k. On 15 June 2004 early repayment of 90% of the bond was made. The bond is zero-coupon; when issued it paid the nominal amount less the OID which was a notional 2% p.a. payable half-yearly.

These outstanding bonds are worth € 47,680k, including interest of € 5,717k payable in future years. These bonds are recognised at amortised value contra an entry to equity of € 1,744k, corresponding to the value of the conversion option.

The Parent guarantees redemption of the bonds in 2014, though the bearer may ask for early repayment on 15 June 2009.

The change was due to an exchange rate loss of € 29,503k and accrual of € 834k of implicit interest.

XXIII. Post-employment and Other Employee Benefits

The item totalled € 120,177k at 31 December 2007, an increase of € 6,730k over end 2006.

The newly-consolidated entities contributed € 23,882k to the total. The change was also due to an exchange rate loss of € 1,688k.

The following table shows the detail of post-employment and Other Employee Benefits.
The legal liability in respect of Italian post-employment benefits (T.F.R.) was € 88,154.

(€k)	31.12.2007	31.12.2006	Change
Defined benefit plans:			
- Post-employment benefits	76,544	91,806	(15,262)
- Health care schemes	581	304	277
- Other	24,497	2,723	21,774
Total	101,622	94,833	6,789
Other Employees Benefits	18,555	18,614	(59)
Total	120,177	113,447	6,730

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

Discount rate	3.6% - 6.3%
Salary increase rate	1% - 4.25%
Inflation rate	2% - 3.25%
Trend in cost rises for medical care	9.3%
Expected yield on assets	3.8% - 4.2%

The following is a reconciliation of liabilities recognised in the Balance Sheet.

(€k)	
Defined benefit plans at 31.12.2006	94.833
Current service	(6.348)
Interest cost	3.786
Payments	(11.347)
Changes in consolidation scope	20.698
Defined benefit plans at 31.12.2007	101.622

Interest cost is recognised in the Income Statement as "Financial expense", while post-employment benefit cost, including all actuarial gains of € 2,949k, is recognised under "Payroll". The 2007 pension cost reflects the rule changes introduced by Italy's T.F.R. reform, which caused a curtailment of € 6,404k.

XXIV. Provisions for risks and charges

(€k)	Balance at 31.12.2006	Other Charges	Allocations	Uses	Balance at 31.12.2007
Current tax	3,852	(362)	1,890	(826)	4,554
Various risks	6,545	1,674	7,339	(7,470)	8,088
Disputes with third parties	121	-	207	(21)	307
Total Provision for Current Risks and Charges	10,518	1,312	9,436	(8,317)	12,949
Tax	-	1,460	-	(35)	1,425
Various risks	32,658	8,295	570	(11,144)	30,379
Onerous contracts	9,158	9,512	3,782	(2,888)	19,564
Refurbishment costs of third party assets	3,959	5,624	427	(2,349)	7,661
Disputes with third parties	5,017	(131)	1,091	(1,584)	4,393
Refurbishment costs on assets to be returned free of charge	4,108	-	245	(204)	4,149
Total Provision for Non-Current Risks and Charges	54,900	24,760	6,115	(18,204)	67,571

Other changes comprise newly-consolidated entities' provisions in the amount of € 20,074k and an exchange rate loss of € 2,283k.

Current tax provision
The item refers mainly to disputes regarding US companies' indirect tax obligations (€ 4,554k).

Various risks
This provision mainly concerns
- as to € 15,410k: a "Self-insurance provision" which was set aside to cover deductibles on third-party liability as per insurance plan. In 2007 an allocation of € 8,162k was made and uses for settlements were € 7,173k;
- as to € 15,222k: provisions for concession renewal costs, disputes with employees and social security bodies;
- as to € 300k: integration costs relating to the Group's operations in Belgium.

The reductions, mainly in the "Various risks" provision, were mainly due to uses of the self-insurance provision.

Disputes with third parties
On the basis of legal advice, the item provides against the risk of losing cases involving Group companies. Uses were actual payments made during the year as well as revised estimates.

Refurbishment costs of third party assets
This item provides against foreseeable liabilities in respect of the need to ensure the contractually agreed state of conservation of assets to be transferred free of charge or in use under lease. The provision amount at 31 December 2007 was considered

in line with an up-to-date estimate of the risk provided against. Uses refer to funds released on expiry of contracts relating to certain premises.

Onerous contracts
This item includes allocations to cover loss-making concessions in unprofitable units.

The allocations made in 2007 refer to expected losses on the basis of the budgets of certain loss-making stores managed under multi-year concessions from which the Group cannot withdraw. They do not cover lease payments.

"Other changes" comprise, as well as the conversion effect, provisions made on acquisitions as per IFRS 3 relating to loss-making concessions with non-discretional obligations referring to units of Alpha Group Plc. (€ 7,626k) and FoodBrand LLC (€ 4,061k).

XXV. Equity
Autogrill S.p.A.'s share capital, fully subscribed and paid up, amounts to € 132,288k and is made up of 254,400,000 ordinary shares with a par value of € 0.52.

The shares are held as to 57.87% by Schemaventiquattro S.r.l., a 100% subsidiary of Edizione Holding S.p.A., in turn controlled as to 99.9984% of its shares by Ragione di Gilberto Benetton & C. S.a.p.A.

The Shareholders' Meeting held on 30 April 1999 resolved to increase share capital by issuing new shares up to a maximum of 33,500,000 shares to service convertible bonds with a face value of € 471,055,000 issued on 15 June 1999 by the subsidiary Autogrill Finance SA, generating € 349,993,865, net of implicit interest and gross of issuing expense.

In view of the conditions under which the transaction was carried out and the redemption of 90% of the issue on 15 June 2004, the maximum number of issuable shares under the conversion clause is about 2,478,000. The issuer has the option of redeeming the bond at any time prior to maturity, and bondholders can redeem on 15 June 2009.

Autogrill S.p.A. shares have been traded on the Milan Sotck Exchange since 1 August 1997[1].

At 31 December 2007 and during the year 2007 neither the Parent Autogrill S.p.A. nor any of its subsidiaries possessed - whether directly or indirectly or through a nominee - any Autogrill S.p.A. shares or any shares in its parents.

Changes in Equity items during 2007 are shown in the specific table.

The following changes are worthy of note:
- a reduction of € 101,760k following payment of the dividend approved by the Shareholders' Meeting held on 24 April 2007 (a dividend of € 0.40 per share);
- a reduction of € 9,419k due to translation differences of financial statements in currencies other than the euro;
- a reduction of € 6,455k in "Other reserves and undistributed profits" due to the fair value changes of hedging instruments designated net investment hedges and the related tax effect;
- an increase of € 822k in "Other reserves and undistributed profit" recognised contra recognition of the tax benefit connected with the long-term incentive plan recognised under "Other liabilities" by Autogrill Overseas, Inc.;
- a net increase of € 1,105k, relating to the change in the fair value reserve, an increase of € 880k, plus the related tax effect, due to the effect of a change in the Italian tax rate (€ 225k);
- an increase due to consolidated profit (€ 158,716k).

Information as to earnings per share (basic and diluted) is given at the foot of the Income Statement. In the calculation of this ratio the numerator is profit attributable to the shareholders of the parent (€ 158,716k in 2007 and € 152,502k in 2006) and the denominator is, respectively, the number of ordinary shares and respectively the same number adjusted to include the 2,478,000 shares that could be used for conversion under the Autogrill Finance convertible bond 1999-2014 as described in Note XXII above.

(1) Up to April 1997 the share listed since January 1996 was Finanziaria Autogrill S.p.A. which was subsequently merged, together with Autogrill S.p.A., into Schemaventidue S.p.A. subsequently renamed Autogrill S.p.A..

04.04 Notes to the Income Statement

Detailed comments on the main income statement items are given below.

The figures for 2007 were marked by the inclusion in the consolidation scope of Autogrill Restauration Carrousel S.a.s. and Patisserire du Louvre S. à r.l., in the first quarter of 2007; Alpha Group Plc. and its subsidiaries and Trentuno S.p.A. in Q2 2007; The Bagel Street Co. Ltd. and the businesses of FoodBrand LLC in Q3 2007 and a business line of CBR in Q4 2007.

Mention of the effects of the entry of newly-consolidated entities refers to these transactions.

XXVI. Revenue

(€k)	2007	2006	Change
Catering	2,916,551	2,703,661	212,890
Retail	1,627,774	1,224,049	403,725
Sales to third parties and affiliates	379,397	53,717	325,680
Hotellerie	25,459	21,221	4,238
Total	4,949,182	4,002,648	946,534

The newly acquired entities contributed € 625,762k to the 2007 total. The change also included an exchange rate loss of € 160,725k.

Retail includes € 87,843k relating to fuel sales mainly in Swiss and Italian motorway service areas (€ 73,272k in 2006).

XXVII. Other Operating Income

(€k)	2007	2006	Change
Suppliers' contributions to promotions	46,271	44,888	1,383
Business rents	12,397	12,333	64
Affiliation fees	5,792	4,947	845
Gains on disposal of property. plant and equipment	5,662	12,930	(7,268)
Other	23,478	26,102	(2,624)
Total	93,600	101,200	(7,600)

The newly acquired entities contributed € 1,249k to the 2007 total.

“Other” includes principally fees relating to operations yielding commission and prior year income.

“Gains on disposal of property. plant and equipment” mainly refers to the disposal of most of the Aldeasa S.A.’s property (€ 3,811k), which was initiated in 2006, when the gains were € 11,784k.

XXVIII. Cost of Raw Materials, Consumables and Supplies

(€k)	2007	2006	Change
Catering and retail purchases	1,901,509	1,455,486	446,023
Changes in inventories	(6,191)	(8,614)	2,423
Total	1,895,318	1,446,872	448,446

The newly consolidated entities contributed € 283,290k to the 2007 total.

The change also included an exchange rate loss of € 44,428k for the year.

XXIX. Personnel expense

(€k)	2007	2006	Change
Wages and salaries	1,081,874	872,608	209,267
Social security contributions	167,018	159,369	7,650
Employee benefits	12,644	20,544	(7,900)
Other costs	61,151	53,920	7,231
Total	1,322,687	1,106,440	216,247

The newly consolidated entities contributed € 142,619k to the 2007 total.

The change also included an exchange rate loss of € 49,703k.

The reduction in “Employee benefits” was partly due to the effects of Italian Pension Reform as described above.

Average staff numbers in FTE (full time equivalent) terms were 49,053 (39,073 in 2006).

XXX. Leases, rents, concessions and Royalties

(€k)	2007	2006	Change
Leases, rents and concessions	666,582	531,006	135,576
Royalties for use of brands	61,041	57,768	3,274
Total	727,624	588,774	138,850

The newly consolidated entities contributed € 88,471k to the 2007 total.

The change also included an exchange rate loss of € 27,410k.

The item increase was due to higher turnover and changes in the sales mix, especially where concession rents are based on sales volume.

XXXI. Other Operating Costs

(€k)	2007	2006	Change
Water and energy utilities	87,652	77,637	10,015
Maintenance costs	63,914	56,247	7,667
Cleaning and disinfestation services	47,297	37,575	9,722
Consultancy and professional services	42,498	40,557	1,941
Other costs for materials	32,851	28,036	4,815
Logistics costs	25,998	17,359	8,639
Travel costs	25,631	24,234	1,397
Commission on payments by credit card	23,568	19,129	4,439
Advertising and market research	20,408	16,356	4,052
Postal and telephone charges	15,137	13,060	2,077
Hire and lease of equipment	15,102	9,953	5,149
Insurance	7,437	5,010	2,427
Surveillance	6,821	6,923	(102)
Bank charges for services	5,893	4,439	1,454
Secure transportation	4,999	4,389	610
Other services	44,876	38,877	5,999
Cost of materials and external services	470,082	399,781	70,301
Bad debt provision - trade receivables	148	1,091	(943)
Bad debt provision - other assets	(774)	1,029	(1,803)
Onerous contracts provision	3,782	561	3,221
Tax provision	1,890	292	1,598
Disputes provision	1,298	1,220	78
Other risk provision	7,909	15,904	(7,995)
Total allocations to provisions	14,879	17,977	(3,098)
Indirect taxes and duties	20,469	18,015	2,454
Cash differences	2,889	3,041	(152)
Losses on disposals	901	(224)	1,125
Other costs	25,291	6,952	18,339
Other operating costs	29,081	9,769	19,312
Total	533,885	447,662	86,223

The newly consolidated entities contributed € 62,153k to the 2007 total (o/w € 19,414k for "Cost of materials and external services" and € 14,802k for "Other operating costs").

The change also included an exchange rate loss of € 17,333k.

"Other services" include costs for various services, e.g., sanitary inspections, PR, general services and staff recruitment and training.

"Other costs for materials" refer to purchases of equipment with a low unit value and consumables, e.g., uniforms, stationery and publicity material.

"Other costs" include Parent Directors' fees as detailed in the "Key Managers' Fees" note.

XXXII. Depreciation, Amortisation and impairment losses on property, plant and equipment and intangible assets

The table shows the depreciation and amortisation for the year by category.

(€k)	2007	2006	Change
Property, plant and equipment	160,654	147,885	12,769
Assets to be transferred free of charge	29,754	25,554	4,200
Other intangible assets	22,051	9,721	12,330
Total	212,459	183,160	29,299

The newly consolidated entities contributed € 22,273k to the 2007 total

The change also included an exchange rate loss of € 8,256k.

Impairment losses of € 10,814k were recognised in 2007 on the basis of tests of the recoverability of carrying amounts based on forecast cash flows from each cash generating unit.

Tax losses relating to the pre-acquisition period were realised in 2007 by the Swiss unit. The unit's goodwill was adjusted by an equal amount (€ 1,174k) as prescribed by §65, IFRS 3.

See Notes VII and IX for details on the assumptions and criteria incorporated in the tests.

(€k)	2007	2006	Change
Property, plant and equipment	6,471	3,096	3,375
Assets to be transferred free of charge	2,430	1,775	655
Intangible assets	739	1,479	(740)
Goodwill	1,174	-	1,174
Total	10,814	6,350	4,464

XXXIII. Financial Income

(€k)	2007	2006	Change
Interest differentials on interest-rate hedges	546	579	(33)
Bank interest income	5,824	2,505	3,318
Exchange rate gains	1,098	1,677	(579)
Other financial income	1,075	6,112	(5,036)
Total	8,544	10,873	(2,329)

In 2006 "Other financial income" included 50% of the interest (i.e., the non-consolidated portion) on Autogrill S.p.A.'s loan to Aldeasa S.A. which was repaid in full on 18 August 2006.

The newly consolidated entities contributed € 1,195k to the 2007 total.

XXXIV. Financial Expense

(€k)	2007	2006	Change
Interest expense on bank loans	42,647	28,895	13,752
Interest expense on bonds	20,617	18,120	2,497
Release to profit or loss of the hedging reserve relating to interest rate hedges	803	-	803
Interest differentials on interest-rate hedges	-	599	(599)
Discounting of non-current financial liabilities	3,445	4,699	(1,253)
Interest differentials on currency hedges	2,824	4,648	(1,824)
Commission and fees	998	1,262	(264)
Other financial expense	1,337	921	416
Total	72,672	59,144	13,528

The newly consolidated entities contributed € 4,757k to the 2007 total.

XXXV. Tax

Of the total amount of € 103,816k (€ 114,177k in 2006) current tax was € 106,481k (€ 102,049k in 2006) and net deferred tax income was € 17,487k (vs. a net deferred tax expense of € 12,128k in 2004). IRAP, a regional tax on productive activity payable on productive activity in Italy and basically levied on the total of operating profit and the personnel expense, was € 14,822k (€ 16,679k in 2004).

In 2007 the Group's effective tax rate, excluding IRAP, was 35%.

Below is a reconciliation of the tax charge as recognised in the consolidated financial statements, to the theoretical tax charge.

The latter was calculated by applying the theoretically applicable tax rate to pre-tax profit in each jurisdiction and by making provision for the further tax charge on future dividend paid out of the profit of the subsidiaries.

(€k)	2007	2006
Theoretical income tax	96,705	102,610
Reduced tax due to direct taxation of minority partners in fully consolidated US joint ventures	(3,744)	(3,620)
Use of tax losses carried forward less unvalued tax losses	(2,883)	-
Impairment losses on deferred tax assets arising from tax losses		9,050
Tax benefit of Aldeasa merger	-	(14,784)
Tax rate change effect	(4,171)	
Other permanent differences	3,088	4,242
Tax recognised in the financial statements excl. IRAP	88,995	97,498
IRAP	14,822	16,679
Tax recognised in the financial statements	103,816	114,177

04.05 Net Financial Position

The following is a breakdown of the net financial position as at 31 December 2007 and 31 December 2006.

Notes	(k€)	31.12.2007	31.12.2006	Change
I	A. Cash	114,692	84,553	30,139
I	B. Other cash items	87,331	132,257	(44,926)
	C) Cash and cash equivalents (A+B)	202,023	216,810	(14,787)
II	D) Current financial assets	22,468	19,986	2,482
XVIII	E. Due to banks	125,168	192,068	(66,900)
XIX	F. Due to other lenders	2,498	4,300	(1,801)
XIX	G. Other financial liabilities	17,019	17,913	(894)
	H) Total current liabilities (E+F+G)	144,686	214,281	(69,595)
	I) Net current financial position (H-D-C)	(79,805)	(22,516)	(57,289)
XI	J) Non-current financial assets	4,523	8,972	(4,449)
XXI	K. Bank loans	839,266	483,190	356,075
XXII	L. Bonds	393,959	319,409	74,550
XXI	M. Due to other lenders	13,260	9,409	3,851
	N) Non-current financial liabilities (K+L+M)	1,246,484	812,008	434,476
	O) Net non-current financial debt (N-J)	1,241,961	803,035	438,925
	P) Net financial debt (I+O)	1,162,156	780,519	381,636

Please see the notes to each item above for commentary.

At 31 December 2007 and 31 December 2006 there were no financial assets liabilities due from/to related parties.

04.06 Financial Risk Management

The Group is exposed to the following risks due to the use of financial instruments:
• market risk;
• credit risk;
• liquidity risk.

This section contains information on the Group's exposure to each of the above risks, its objectives, its policies and the process whereby these risks are managed as well as the methods used to assess them.

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 market prices, exchange rates, interest rates or equity instrument prices. The aim of market risk management is to manage and control the Group's exposure to these risks within acceptable levels while optimising return on investments.

Group financial policy attributes particular importance to the control and management of market risk, especially interest rate and currency risks.

Risk management is centralised for all Group companies.

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

Hedging instruments are allocated to companies with significant exposure to interest rate risk where there are borrowings paying a variable rate (thus exposing the company 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 finance costs).

Currently, with regard to interest rate risk management, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) must as a matter of policy be in the range 40% to 60%. The Group's total debt is currently within this range, though the fixed-rate ratio is higher on dollar-denominated debt than on euro-denominated debt, which is a consequence of the recent acquisition of the Aldeasa Group.

At 31 December 2007 gross debt denominated in US dollars amounted to $ 965m. Some $ 520m of this was in the form of fixed-rate bonds. Interest-rate risk on the remaining debt was covered by IRSs with a notional amount of $ 110m and € 120m with an average life of 5.3 years. The average borrowing cost including hedging interest differentials was 5.5% in 2007.

If interest rates had risen or fallen by 1%, as the balance-sheet date, Equity and Profit would have been greater or smaller respectively by € 5.3m. This analysis was based on the assumption that the other variables, especially exchange rates, had remained unchanged.

When applying the policy and procedures described above, interest rate risk management instruments were accounted for as cash flow hedges in Group companies' balance sheets, where they were subject to this risk, and thus recognised as financial assets or liabilities contra the Hedging reserve in Equity. With regard to the instruments that tested effective in 2007 the change of € 880k was recognised in the Equity reserve mentioned above.

The fixed-to-floating IRS contract details as at 31 December 2007 were as follows:

Counterparty	National amount	Date negotiated	Start date	Expiry	Fixed Rate paid	Floating Rate received	Fair Value
Goldman Sachs	€ 25,000k	6.09.2005	11.10.2005	24.06.2015	3,08%	3 month Euribor	€ 2,321k
Mediobanca	€ 25,000k	6.09.2005	11.10.2005	24.06.2015	3.10%	3 month Euribor	€ 2,316k
Intesa SanPaolo	€ 35,000k	15.10.2007	17.10.2007	24.06.2015	4.56%	3 month Euribor	€ (215)k
BNP Paribas	€ 35,000k	19.10.2007	23.10.2007	24.06.2015	4.44%	3 month Euribor	€ 70k
JP Morgan	$ 110,000k	13.01.2005	13.01.2005	16.10.2009	5.398%	3 month Usd Libor	$ (3,174)k

Hedges of fixed-rate debt were accounted for as fair value hedges in Group companies' balance sheets, where they were subject to this risk, and thus recognised as financial assets or liabilities at fair value through profit or loss.

The floating-to-fixed IRS contract details as at 31 December 2007 were as follows:

Counterparty	National amount	Date negotiated	Start date	Expiry	Fixed Rate paid	Floating Rate received	Fair value
Royal Bank of Scotland	$ 25,000k	6.04.2007	9.05.2007	9.05.2017	5.73%	6 month Usd Libor + 0,4755%	$ 1,021k
Royal Bank of Scotland	$ 50,000k	6.04.2007	9.05.2007	9.05.2017	5.73%	6 month Usd Libor + 0,5055%	$ 1,924k

The fair value of derivatives was calculated on the basis of market parameters at the balance-sheet date and using valuation models widely used in the financial industry. The fair value of interest rate swaps was calculated by discounting cash flow, using the interest rate curve at 31 December 2007.

Currency Risk

The objective of currency risk management is to neutralise this risk in respect of foreign currency receivables and payables. The hedges used are exclusively forward forex sales or purchases.

The Group's exposure to currency risk is detailed in the following table:

	US $	GBP	CAD	CHF
Net assets	94,442	159,539	30,428	109,715
Profit or loss	85,450	6,336	7,807	9,436

If the euro had risen by 5% against the above currencies at 31 December 2007, Net Assets and Profit would have been reduced, as the following table shows:

	US $	GBP	CAD	CHF
Net assets	3,377	5,811	2,184	3,490
Profit or loss	3,281	488	280	302

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

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

Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to the Income Statement, as is the corresponding change in the equivalent value of the hedged assets and liabilities. The fair value these hedges outstanding at 31 December 2007 is shown in the following table:

Counterparty	National amount	Date negotiated	Start date	Expiry	Fixed Rate paid	Floating Rate received	Fair value
Intesa SanPaolo	$ 10.000k	20.12.2007	24.12.2007	24.01.2008	1.432	1.43274	€ 188k
BNP Paribas	YEN 15,288,000k	15.10.2007	17.10.2007	16.01.2008	167.45	165.968	€ (510)k
Intesa SanPaolo	CHF 20,000k	12.12.2007	14.12.2007	14.01.2008	1.664	1.6613	€ (55)k
BNP Paribas	YEN 15,288,000k	15.10.2007	17.10.2007	16.01.2008	117.6	116.341	€ 4,227k

Fluctuations in the fair value of hedges of translation risk are taken to the "Translation reserve" in Equity, as is the change in the hedged items.
The fair value these hedges outstanding at 31 December 2007 is shown in the following table:

Counterparty	National amount	Date negotiated	Start date	Expiry	Fixed Rate paid	Floating Rate received	Fair value
Citibank	CHF 30,000k	20.12.2007	27.12.2007	27.03.2008	1.6605	1.65314	€ (58)k
Unicredit	CHF 30,000k	21.12.2007	27.12.2007	27.03.2008	1.6605	1.65315	€ (67)k
Banca Akros	$ 25,000k	27.12.2007	31.12.2007	22.02.2008	1.45	1.45115	€ 248k
Unicredit	$ 25,000k	27.12.2007	31.12.2007	22.02.2008	1.45	1.4512	€ 248k
BNP Paribas	$ 80,000k	27.12.2007	31.12.2007	22.02.2008	1.45	1.4512	€ 801k

The fair value of derivatives was calculated on the basis of market parameters at the balance-sheet date and using valuation models widely used in the financial industry with special attention to the exchange rate and interest rates in the two currencies on the exercise date.

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 in relation principally to the Group's trade receivables and financial investments.

The carrying amounts of the financial assets is the Group's maximum exposure to credit risk, together with the face value of guarantees given for others' borrowings or commitments, as detailed in Note 04.09.

At 31 December 2007 the exposure was as follows.

(€k)	31.12.2007	31.12.2006	Change
Trade receivables	104,808	23,963	(80,845)
Other assets	193,323	136,707	(56,616)
Cash and cash equivalents	202,023	216,810	14,787
Derivatives	13,161	14,556	1,395
Other financial assets	26,837	41,294	14,457
Total	540,152	433,330	(106,822)

Exposure to credit risk depends on the specific characteristics of each customer. The Group's business model, centred on the relationship with the end-consumer, means that trade receivables are of limited significance and therefore of their risk level in relation to the total of financial assets, since most sales are paid for in cash. Moreover business is largely concentrated in areas where retail business predominates as well as those areas - mostly in Italy - where the Group has a significant number of affiliates.

In most cases the Group's trade receivables and other assets related to food&beverage service agreements, affiliation and contracts with airlines for the provision of catering and retail services, which are mostly the province of the newly-acquired Alpha Group Plc., which operates mainly in the in-flight sector.

Financial assets are recognised net of impairment losses calculated on the basis of risk of default by the counterparty.

Impairment losses are calculated according to local procedures, which may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectibility of part of or the whole amount due, or generic impairment calculated on the basis of historical and statistical data.

Trade receivables		Overdue, but not impaired				
(€k)	Not due	1-3 months	3-6 months	6 months - 1 year	Over 1 year	Total
Airlines	3,308	39,169	1,508	133	-	44,117
Affiliates	7,577	1,857	-	2,096	-	11,531
Catering service agreements	5,868	2,308	-	755	-	8,931
Other	16,486	6,503	15,335	1,596	310	40,230
Total	33,239	49,837	16,842	4,580	310	104,808

It is worth noting that there is no significant concentration of credit risk: the ten largest customers are 20% of total trade receivables and the largest customer (Alpha Future Airport) accounts for 7%.

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

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

At 31 December 2007 the exposure and run-off were as follows:

Financial liabilities (excluding derivatives)		Contractual Cash Flows					
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months - 1 year	1-5 years	Over 5 years
Current account overdrafts	49,333	45,559	39,188	2,000	3,741	-	630
Secured loans	-	-	-	-	-	-	-
Unsecured loans	916,705	916,933	62,992	109	12,734	324,098	517,000
Lease payables	14,629	14,628	499	1,844	2,157	8,473	1,654
Due to other lenders	1,129	442	-	-	156	286	-
Bonds	355,215	355,215	-	-	-	70,647	284,568
Convertible bonds	45,936	47,680	-	-	-	-	47,680
Trade payables	529,381	511,836	461,787	1,958	47,773	-	317
Total	1,912,328	1,909,282	581,333	6,043	66,553	403,504	851,849

With regard to exposure to trade payables, there is no concentration of suppliers, of whom the largest ten concerns account for 13% of the total and the leading supplier (Consorzio Lotterie Nazionali Italiano) 4.4%.

04.07 Segment Reporting

The Group segments its business in two ways: by geographical segment and by business segment, the latter being understood as the physical environment in which business is carried on (motorway service areas, airports and railway stations, to mention the principal business segments).

The primary segment is the geographical one, which reflects both the organisational structure and reporting lines.

In the following tables the figures relating to Aldeasa S.A. and its subsidiaries - consolidated proportionately as to 50% - are shown separately on account of the different (exclusively retail & duty-free) business they carry on, and the different form of shareholding and control - joint venture - as compared to the other subsidiaries included in the geographical areas. It is worth noting in any case that Aldeasa S.A. operates mainly in S.p.A.in.

Alpha Group Plc. figures are treated in the same way, i.e., presented separately, given the significant share of in-flight business. This company operates mainly in the UK.

Breakdown by Geographical Segment

(€k)	2007							
	Italy	US and Canada	Rest of Europe	Aldeasa	Alpha	Not attributable	Eliminations	Consolidated results
Revenue	1,334,356	1,852,799	762,703	415,141	584,183	-	-	4,949,182
Other operating income	58,159	(1,140)	22,122	11,286	111	3,062	-	93,600
Intra-segment revenue	1,853	1,146	17	-	-	1,571	(4,587)	-
Total revenue and other operating income	1,394,368	1,852,805	784,842	426,427	584,294	4,633	(4,587)	5,042,782
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	48,825	92,113	57,148	5,434	19,582	171	-	223,273
Operating profit	127,157	146,818	20,057	33,161	28,452	(15,650)	-	339,995
Capital expenditure	90,231	113,749	50,840	11,131	12,114	168	-	278,233
Total assets	1,599,486	1,496,784	-	517,519	547,815	978,012	(1,973,068)	3,166,549

Breakdown by Geographical Segment

(€k)	2006							
	Italy	US and Canada	Rest of Europe	Aldeasa	Alpha	Not attributable	Eliminations	Consolidated results
Revenue	1,214,008	1,777,350	649,471	361,819	-		-	4,002,648
Other operating income	56,806	1,412	17,445	10,045	-	15,492	-	101,200
Intra-segment revenue	1,887	456	14	3	-	958	(3,318)	-
Total revenue and other operating income	1,272,701	1,779,218	666,930	371,867	-	16,450	(3,318)	4,103,848
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	43,940	90,991	46,814	7,551	-	214	-	189,510
Operating profit	134,569	151,933	23,175	29,631	-	(14,718)	-	324,590
Capital expenditure	61,487	94,549	43,619	14,199	-	-	-	213,854
Total assets	583,850	772,587	453,909	136,562	-	647,823	(1,202)	2,593,529

Breakdown by Business Segment	2007							
(€k)	Motorways	Airports	Railway Stations	Shopping Centres	In-flight	Others	Not attributable	Consolidated
Revenue	1,867,005	2,403,068	96,111	158,092	320,439	104,740	(273)	4,949,182
Other operating income	64,694	16,644	1,387	4,512	15	3,983	2,365	93,600
Total revenue and other operating income	1,931,699	2,419,712	97,498	162,603	320,454	108,723	2,092	5,042,782
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	80,768	103,759	6,901	8,572	11,830	9,087	2,356	223,273
Operating profit	144,800	192,961	(306)	5,465	18,992	(2,289)	(19,627)	339,995
Capital expenditure	104,026	103,032	7,998	12,308	5,152	13,600	32,117	278,233
Total assets	647,049	766,188	50,339	49,631	177,891	83,344	1,392,108	3,166,549

Breakdown by Business Segment	2006							
(€k)	Motorways	Airports	Railway Stations	Shopping Centres	In-flight	Others	Not attributable	Consolidated
Revenue	1,769,191	1,910,035	90,268	134,558	-	98,812	(215)	4,002,648
Other operating income	63,464	22,930	1,131	4,375	-	4,257	5,043	101,200
Total revenue and other operating income	1,832,654	1,932,965	91,399	138,933	-	103,069	4,828	4,103,848
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	77,579	91,230	4,790	7,401		7,044	1,467	189,510
Operating profit	148,409	187,054	2,311	8,741	-	3,152	(25,077)	324,590
Capital expenditure	69,466	90,284	2,983	7,849	-	16,612	26,659	213,854
Total assets	682,058	638,413	30,870	40,632	-	60,445	1,141,112	2,593,529

Aldeasa's S.p.A.nish revenue was € 318,746k and outside S.p.A.in it had turnover of € 96,395k. Alpha Group Plc's domestic revenue was € 411,134k and its international revenue was € 173,049k.

04.08 The Seasonality of the Business

The Group's business volume is closely related to the flow of travellers, which is highly seasonal in some businesses, and this in turn affects consolidated results.

The 2007 quarterly results show that the Group's business volume is concentrated in H2 and especially Q3, which has much a higher level of activity than the average for the year, due to summer holiday traffic flows.

	2007			
(€m)	Q1	H1	Jan-Sep	Full year
Revenue	897.7	2.034.4	3.516.8	4.861.3
Share of full year	18.5%	41.8%	72.3%	100.0%
EBITDA	79.9	222.9	443.9	563.3
Share of full year	14.2%	39.6%	78.8%	100.0%
EBIT	36.4	132.0	301.6	341.2
Share of full year	10.7%	38.7%	88.4%	100.0%
Consolidated Profit	9.8	52.2	142.6	158.7
Share of full year	6.1%	32.9%	89.9%	100.0%

Figures not normalised to take account of exchange differences.

It should be noted that the above percentages are shown for informational purposes and cannot be used to predict results.

Seasonality is further accentuated by cash flow, since in Q1 annual payments such as rents to be paid in order to carry on business generally fall due, both as settlement of amounts relating to the previous year, and as payments in advance covering the current year. In Q3, by contrast, cash generation is concentrated.

The entry of Alpha Group Plc. into the Group should increase the seasonality of the business, since its business is generally more concentrated - in terms of both revenue and margin - in the middle part of the year.

04.09 Guarantees given, Commitments and Contingent Liabilities

Guarantees given
At 31 December 2007 the guarantees given by the Group amounted to € 91,934k and referred to sureties and personal guarantees issued to grantors and other business counterparties; additionally Aldeasa S.A. granted guarantees to airport grantors in the amount of € 6m.

Commitments
Commitments outstanding at 31 December 2007 referred to:
- an amount still payable for the purchase of two commercial properties (€ 2,272k);
- the value of third party assets in use (€ 1,408k);
- the value of assets of rented businesses (€ 14,581k); and
- the value of sale-or-return motorway toll cards held at Parent premises (€ 2,168k).

Details of the minimum future payments due under operating leases, including existing concessions, are given in a specific section of these Notes below.

Contingent Liabilities
For the sake of continuity of information, it is noted that in October 2004, the previous majority shareholders of Receco S.L. (S.p.A.in) began an arbitration proceeding by which they requested the termination of the sale contract. On 6 February 2007 the court of arbitration issued its ruling in which inter alia it states that the sale and purchase agreement is valid and orders that - once the amount of the guarantee to be given by the sellers has been determined - the transfer of the shares being the remaining 15% of the company capital of Receco S.L. be carried out, and simultaneously that the amount of €6.5m be paid and that a bank guarantee be issued in favour of Autogrill Partecipationes SL for the amount of the guarantee that has been fixed.
The sellers were formally requested to honour their obligations under the sale contract and failed to do so, initiating two further arbitration proceedings before the International Chamber of Commerce. The first request is that due to exceptional events the Court of arbitration should establish that the final sale price be determined on the basis of the 2009 EBIT and not that of 2006 as originally agreed in the contract. The second request is that the method and calculation of an outside expert, chosen by agreement between the parties under the above arbitration ruling and used to determine the residual 15% of the capital of Receco S.L. and the amount of the guarantee to be provided by the sellers, be invalidated. In early April 2007 the arbitration court accepted a request from Autogrill Partecipationes S.L. that the two proceedings be unified.
Our legal advisors consider that the requests and claims of the applicants are completely groundless. It is reasonably believed that there is no risk of contingent liabilities.

04.10 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.

Management and provision of catering services along the motorways or in airports is assigned by the manager of the infrastructure (motorway or airport) to specialised companies under sub-concession contracts.

In railway stations - alongside this kind of contract - recourse is also made to 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 specialised firms.

The most common kinds of concession are commercially defined as follows.

Access Concession
Ownership of the land and buildings along the motorway is in the hands of a private firm (e.g., Autogrill) which negotiates access rights with the motorway company with the commitment to sell fuel and lubricants 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 continuity of service.

Area Concession
La società autostradale autorizza un soggetto i) a costruire su suoli, di proprietà della stessa società autostradale, impianti The motorway company authorises 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 rent based on turnover with certain stipulations regarding the way the services are to be provided and the continuity of service.

On expiry of the contract the buildings and equipment used for provision of services are to be transferred free of charge to the landlord (the motorway company).

Usually the owner of an area concession is a petrol company, which in turn can assign management of restaurant services to a specialised firm, generally through a business lease.

Service Concession
The motorway operator authorises separate contractors by means of separate independent contracts (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 rent based on turnover with certain stipulations regarding the way the services are to be provided and the continuity of service. On expiry of the contract the buildings and equipment used for provision of services are transferred free of charge to the landlord (the motorway company).

Service concessions are also used in airport terminals where the contractor is authorised to sell food and beverages after installing the necessary equipment and furnishings at its own expense, against payment of rent - usually based on turnover - and undertaking to ensure continuity of service within opening hours specified by the landlord. The obligation to transfer to the landlord on expiry of the concession the structures and equipment used for provision of services is not common, but not impossible.

Business rent and commercial lease
Renting a business or parts thereof confers the right to use rights and/or buildings, equipment etc. organised to serve food and beverage products. In some cases the company consists of an authorisation to operate and an administrative licence. In these cases the lessee undertakes the necessary capital expenditure and provides the service.

In other cases, a firm leases a company consisting of both the authorisation and the necessary buildings and equipment.

Leasing a company in the concession segment entails the obligation to ensure continuity of service and payment of a composite rent, which includes all amounts due to the landlord.

Commercial leases permit use of the buildings for business activity against payment of rent. The premises are equipped and furnished according to the specification and at the expense of the operator, who has the obligation to clear the premises on termination.

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 towns, in railway stations and shopping centres, according to the business objectives of the owner of the property.

Business lease is preferred by shopping centre management companies and sometimes in other business segments, with the aim of precluding fixed duration which, together with other rights (e.g., pre-emption and loss of goodwill), may be stipulated in commercial leases, and to ensure coordinated management of the administrative licences to trade.

Sub-concract
The operator carries on the business of preparing and serving food and beverages using its own organisation, staff and equipment. It receives payment based on turnover (sales to the consumer). The contractor (owner) owns the property and has title to all the takings. This kind of agreement is usual in the in-flight business and used in certain Italian units.

The table below gives details by expiry date of the future minimum lease payments, as at 31 December 2007, under all the operating leases (of the types described above) currently held by the Group as lessee.

Year

(€k)	Total Minimum Lease payments	Sublease Minimum Lease Payments[1]	Net Minimum Lease Payments
2008	354,503	47,113	307,390
2009	348,963	44,389	304,574
2010	283,593	40,624	242,969
2011	235,966	37,960	198,006
2012	204,953	36,618	168,335
> 2012	1,127,715	60,807	1,066,908
Total	2,555,694	267,512	2,288,182

(1) Refers to sub-lease rentals mainly applying in the U.S. and Italian markets under the agreement with the landlord.

In 2007 lease payments and recognised in the Income Statement were € 467,945k for leases and € 25,099k for sub-leases.

4.11 Further Information

Related Party Transactions
Autogrill S.p.A. is controlled by Schematrentaquattro S.r.l., which holds a stake of 57.87%. Schematrentaquattro S.r.l. is wholly owned by Edizione Holding S.p.A., which in turn is controlled by Ragione di Gilberto Benetton & C. S.a.p.A.
All related party transactions were undertaken solely in the interest of the Group and are settled at arm's length, i.e. at market prices.
Transactions with related companies are of very small amounts.
No transactions were carried out with Schematrentaquattro S.r.l..

Transactions with Ragione di Gilberto Benetton & C. S.a.p.A.

	Ragione di Gilberto Benetton & C. S.a.p.A.		
(€k)	31.12.2007	31.12.2006	Change
Balance Sheet:			
Other assets	3,632	-	3,632

By means of resolutions passed on 10-29 May 2007 the Italian Group companies adhered - pursuant to §§117 and 119, T.U.I.R. [Unified Income Tax Act] - to the domestic tax consolidation scheme of Ragione di Gilberto Benetton & C. S.a.p.A. for the years 2007 - 2009.

Other assets refer to the excess payment of Autogrill S.p.A. on 2007 taxable income, i.e., prepaid IRES (corporate tax) instalments based on historical data, paid to Ragione di Gilberto Benetton & C. S.a.p.A. under the tax consolidation scheme for 2007 - 2009.

Other assets amounts to 5.7% of the Parent item and 2.1% of the consolidated item.

Transactions with Edizione Holding S.p.A.

	Edizione Holding S.p.A.		
(€k)	31.12.2007	31.12.2006	Change
Income Statement:			
Revenue	4	3	1
Other operating costs	5	65	(60)
Balance Sheet:			
Trade receivables	4	3	1
Trade payables	59	55	4
Other liabilities	966	28,848	(27,882)

Other operating costs refer to the January 2007 accrual of premium under the Director and Officer Liability policy taken out by Edizione Holding S.p.A. including on behalf of Autogrill S.p.A..

For the year beginning 1 February 2007 Autogrill S.p.A. took out a specific policy, within the negotiation conducted for the controlled group by Edizione Holding S.p.A.
Trade payables includes the amount payable for the mentioned insurance cover.

Other liabilities reduced due to the effect of payments made in the period and refers to the residual amount of IRES for 2006 owed to Edizione Holding S.p.A. under the tax consolidation scheme for 2004 - 2006 (€ 966k). Trade payables includes the accrualed fee due to a Director of Edizione Holding S.p.A. for a Directorship held in the Board of Autogrill S.p.A. (€ 54k) subsequently charged back to the Company.

All liabilities are entirely current.

"Other liabilities" were 1.3% of Autogrill S.p.A.'s corresponding balance sheet item in 2007 and 29.3% in 2006. The other item amounts are immaterial in relation to the corresponding items in both the separate and consolidated financial statements.

Transactions with Companies controlled by Ragione di Gilberto Benetton & C. S.a.p.A.
Following changes to the shareholders' agreements of Schemaventotto S.p.A. and Atlantia S.p.A., resolved on 8 June 2007 by the EGM of Schemaventotto S.p.A., Sintonia S.p.A., a company wholly controlled by Ragione di Gilberto Benetton & C. S.a.p.A., holds the control in law, though indirect, of Autostrade S.p.A. (now Atlantia S.p.A.) and its subsidiaries.

	Fabrica S.p.A.			Verde Sport S.p.A.			Olimpias S.p.A.		
(€k)	31.12.2007	31.12.2006	Change	31.12.2007	31.12.2006	Change	31.12.2007	31.12.2006	Change
Income Statement:									
Revenue	-	-	-	64	60	4	-	-	-
Other operating income	-	-	-	2	1	1	-	-	-
Other operating costs	78	35	43	61	55	6	40	187	(147)
Leases, rents, concessions and Royalties									
Balance Sheet:									
Trade receivables	60	20	40	3	-	3	23	225	(202)
Trade payables	-	-	-	17	2	15	-	-	-

As is evident from this table, the amounts involved in transactions with jointly controlled companies are immaterial, with the exception of Rents and Royalties and Creditors relating to Gruppo Atlantia, which were respectively 6.4% and 2.8% of the consolidated income statement and balance sheet figures.

Fabrica S.p.A.: the transactions referred to graphic design consultancy.

Verde Sport S.p.A.: Revenue and Trade payables refer to sales of food and beverage products under the commercial affiliation contract for the conduct of a Spizzico restaurant at La Ghirada - Città dello Sport.

Olimpias S.p.A.: These costs refer to purchase of uniforms for sales staff.

Benetton Group S.p.A.: Rents and Royalties refers to hire of meeting-rooms.

Bencom S.r.l.: The sub-lease of premises in Via Dante in Milan continues. Therefore, "Other operating income" relates to lease payments and related charges.

Gruppo Atlantia S.p.A.: Other operating income refers to the distribution of Viacard pre-paid toll cards and the contribution to promotional expense during the period. The costs relate to concession rentals and related additional charges.

All payables and receivables are current, except for the receivable due from Bencom s.r.l. which will be settled in instalments over the life of the sub-lease.

As is evident from this table, the amounts involved in transactions with jointly controlled companies are immaterial, with the exception of Leases, rents, concessions and royalties and trade receivables relating to Gruppo Atlantia, which were respectively 6.3% and 5.9% of the consolidated income statement and balance sheet figures and 35.4% and 11.1% respectively of the same items in the Parent separate financial statements.

Edizione Property S.p.A.			Benetton Group S.p.A.			Bencom S.r.l.			Gruppo Atlantia		
31.12.2007	31.12.2006	Change	31.12.2007	31.12.2006	Change	31.12.2007	31.12.2006	Change	31.12.2007	31.12.2006	Change
5	-	5	-	-	-	-	-	-	-	17	(17)
-	-	-	-	-	-	362	255	107	977	760	217
-	-	-	-	-	-	-	-	-	2,774	2,972	(198)
			59	41	18				45,646	41,592	4,054
-	-	-	4	7	(3)	-	-	-	31,231	25,477	5,728
6	-	6	-	-	-	987	1,089	(103)	1,048	972	76

Transactions with Associates of Ragione di Gilberto Benetton & C. S.a.p.A.

Transactions carried out in the period and balances at 31 December 2007, with Autogrill S.p.A..

	Grandi Stazioni S.p.A.		
(€k)	31.12.2007	31.12.2006	Change
Income Statement:			
Leases, rents, concessions and royalties	1,295	1,197	98
Balance Sheet:			
Trade payables	275	363	(88)

With Grandi Stazioni there is a lease of premises in the Rome Termini railway station. Costs refer to lease rentals and related additional costs.

All payables are current.

The percentages of these figures as a proportion of the total items for the Autogrill Group and the Parent Autogrill S.p.A. are immaterial.

Transactions with SAGAT S.p.A.

	SAGAT S.p.A.		
(€k)	31.12.2007	31.12.2006	Change
Income Statement:			
Leases, rents, concessions and royalties	745	-	745
Balance Sheet:			
Trade payables	5	-	5

Costs refer to lease, payments and additional charges for the lease of premises in Turin airport.

The percentages of these figures as a proportion of the total items for the Autogrill Group and the Parent Autogrill S.p.A. are immaterial.

Transactions with AdF S.p.A.

(€k)	AdF S.p.A. 31.12.2007	31.12.2006	Change
Income Statement:			
Revenue	66	-	66
Leases, rents, concessions and royalties	435	-	435
Balance Sheet:			
Trade payables	149	-	149
Trade receivables	41	-	41

Costs refer to lease payments and additional charges for the lease of premises in Florence airport.

"Revenue" refers to sales of products and the management fee for management of the VIP lounge in Florence airport.

The percentages of these figures as a proportion of the total items for the Autogrill Group and the Parent Autogrill S.p.A. are immaterial.

Reconciliation of the Parent's Equity and Profit to those of the Consolidated Financial Statements
As required by CONSOB resolution no. 15519 and Notice DEM/6064293, we provide the above reconciliation.

(€k)	Equity 31.12.2006	Changes to Equity	Profit for 2007	Equity 31.12.2007
Autogrill S.p.A. separate financial statements	609,337	(101,873)	148,333	655,799
Effect of consolidation of subsidiaries' financial statements and related deferred tax	(63,367)	822	10,383	(52,163)
Measurement of the option to convert convertible bonds into shares	1,744	-	-	1,744
Translation Reserve	(22,783)	(15,874)	-	(38,657)
Hedging reserve[1]	(464)	1,218	-	754
Consolidated financial statements	524,467	(115,708)	158,716	567,474
Minority interests	32,111	12,292	13,767	58,169
Total Consolidated Equity	556,578	(103,417)	172,482	625,643

(1) Net of the tax effect.

Significant Non-recurring Events and Transactions
There were no significant non-recurring events or transactions in 2007 or 2006 as defined by CONSOB resolution no. 15519 and notice DEM/6064293.

Positions and Transactions arising out of atypical or unusual business
No atypical or unusual business, as defined by CONSOB notice DEM/6037577 dated 28 April 2006 and notice DEM/6064293 dated 28 July 2007, was carried out in 2007.

Fees to Key Managers

At 31 December 2007 there were no Key Managers other than the Managing Director and the Parent's Board of Directors collectively, whose fees are shown in the following table.

Name of the Manager	Office held	Term of Office	Fees for the Office held	Non-monetary Benefits	Bonuses and other incentives	Other Fees
Gilberto Benetton	Chairman	01.01-31.12.07	€ 47,200			
Gianmario Tondato da Ruos	Managing Director	01.01-31.12.07	€ 466,774		€ 450,000	€ 400,000
Alessandro Benetton	Director	01.01-31.12.07	€ 46,000			
Giorgio Brunetti	Director	01.01-31.12.07	€ 58,800			
Antonio Bulgheroni	Director	01.01-31.12.07	€ 53,400			
Marco Desiderato	Director	01.01-31.12.07	€ 57,600			
Sergio De Simoi	Director	01.01-31.12.07	€ 46,000			
Sergio Erede	Director	01.01-31.12.07	€ 52,200			
Gianni Mion	Director	01.01-31.12.07	€ 45,400			
Gaetano Morazzoni	Director	01.01-31.12.07	€ 47,200			
Alfredo Malguzzi	Director	01.01-31.12.07	€ 66,800			
Total			€ 987,374	-	€ 450,000	€ 400,000

The Managing Director's fee includes salary relating to his employment by the Company, which is shown under Other fees.

The Managing Director's employment contract with the Company provides for payment - as well as of the indemnity for want of notice prescribed by the national managers collective contract for the commercial sector - of a further maximum indemnity should the Managing Director leave for just cause or be dismissed by the Company without just cause from any employment however denominated (in particular as senior manager and Managing Director) which the Managing Director has with the Company.

04.12 Subsequent Events

In the opening months of 2008 the Group continued its expansion, both by winning new concessions and through acquisitions.

In January it strengthened its presence in Asia by winning several concessions relating to a number of stores in Changi Airport in Singapore. In the U.S. it renewed the concession for the management of retail in the Empire State Building in New York. In Europe, in February the expansion into the U.K. progressed further with entry into Belfast City airport. In Italy an agreement was signed for the provision of food&beverage with Grandi Navi Veloci.

In January 2008 Alpha Group Plc. acquired the Air Czech catering division from Air Czech , the company that has exclusive management of the Czech airline's in-flight services.

On 7 March 2008 the Group signed an agreement for the acquisition of the remaining 49.95% di Aldeasa S.A. from Altadis S.A., at a price of € 275m, and on 9 March 2008 an agreement for the acquisition of 100% of World Duty Free Europe Ltd. from BAA, at a price of € 715m.

These two transactions enabled the Group to significantly strengthen its position in travel airport retail & duty-free. It is now the world leader in this business.

To finance these acquisitions, on 19 March 2008 Autogrill S.p.A. obtained a new line of credit for € 1bn.

This line of credit was managed and underwritten by BNP Paribas, Intesa San Paolo, The Royal Bank of Scotland and UniCredit, as mandated lead arrangers and bookrunners, and by ING Bank and Natixis as mandated lead arrangers and sub-underwriters.

This financing consists of two due term loans totalling € 875m - with an initial maturity of March 2013, which may be extended for one or two years - and a € 125m revolving line of credit maturing March 2013.

One term loan, for € 275m, provides for bullet repayment. The other has a partial repayment schedule of three annual amounts of € 100m each starting in 2010, plus a final repayment of € 300m.

On the date the publication of these financial statements was authorised, these transactions had not been finalised since they were under scrutiny by the European Competition Commission.

04.13 Authority to publish these Financial Statements

The Board of Directors authorised the publication of these Financial Statements at its meeting held on 18 March 2008.

Annexes

List of Consolidated Companies and other Equity Investments

Fully Consolidated Companies

Company Name	Registered Office	Currency	Share Capital	% held	Through
Parent					
Autogrill S.p.A.	Novara	EUR	132,288,000	57.870	Schematrentaquattro S.r.l.
Subsidiaries					
Autogrill International S.p.A.	Novara	EUR	4,951,213	100.000	Autogrill S.p.A.
Aviogrill S.r.l.	Bologna	EUR	10,000	51.000	Autogrill S.p.A.
Trentuno S.p.A.	Trento	EUR	1,417,875	100.000	Autogrill S.p.A.
Nuova Estral S.r.l.	Novara	EUR	10,000	100.000	Autogrill S.p.A.
Bar del Porto di Nuova Estral S.r.l. S.n.c.	Piombino	EUR	74,303	100.000	Nuova Estral S.r.l.
Nuova Sidap S.r.l.	Novara	EUR	10,000	100.000	Autogrill S.p.A.
Alpha Group Plc.	Cranford	GBP	18,258,499	100.000	Autogrill S.p.A.
Alpha Retail UK Limited	Cranford	GBP	180,000	100.000	Alpha Group Plc.
Alpha Overseas Holdings Limited	Cranford	GBP	2	100.000	Alpha Group Plc.
Alpha Flight UK Limited	Cranford	GBP	190,000	100.000	Alpha Retail UK Limited
The Bagel Street Company Limited	Cranford	GBP	116,358	100.000	Alpha Group Plc.
Alpha Flight ServicesOverseas Limited	Jersey	GBP	5,100	80.400	Alpha Overseas Holdings Limited
Alpha Airports Group (Jersey) Limited	Jersey	GBP	4,100	100.000	Alpha Overseas Holdings Limited
Alpha Airport Catering (Ireland) Limited	Dublin	EUR	1	100.000	Alpha Retail UK Limited
Alpha Flight Services Ireland Limited	Dublin	EUR	3	100.000	Alpha Airport Holdings B.V.
Alpha Airport Holdings B.V.	Boesingheliede	EUR	74,874	100.000	Alpha Group Plc.
Alpha Flight Services B.V.	Boesingheliede	EUR	1,623,172	100.000	Alpha Overseas Holdings Limited
Alpha Retail Catering Sweden A.B.	Nykoping	SEK	100,000	100.000	Alpha Overseas Holdings Limited
Alpha Retail Italy S.r.l.	Rome	EUR	10,000	100.000	Autogrill S.p.A.
Alpha Rocas S.A.	Otopeni	LEU	33,500,000	64.200	Alpha Overseas Holdings Limited
Alpha Airport Services EOOD	Sofia	LEV	7,633,200	100.000	Alpha Overseas Holdings Limited
Alpha Keys Orlando Retail Associates Limited	Wilmington	USD	100	85.000	Alpha Airport Services Inc.
Alpha Airport Services Inc.	Wilmington	USD	1	100.000	Alpha Overseas Holdings Limited
Alpha Flight Services Pty, Limited	Broadbeach	AUD	52,002	33.000 67.000	Alpha Overseas Holdings Limited Alpha Flight Services B.V.
Orient Lanka Limited	Sri Lanka	LKR	30,000,000	99.000	Alpha Airport Holdings B.V.
Jordan Flight Catering Company Limited	Fort Colombo	JOD	800,000	51.000	Alpha Flight Services Overseas Limited
Alpha MVKB Maldives Pvt Limited	Amman	MVR	20,000	60.000	Alpha Overseas Holdings Limited
Alpha Kreol (India) Pvt Ltd.	Male	INR	20	50.000	Alpha Airport Holdings BV

Company Name	Registered Office	Currency	Share Capital	% held	Through
Alpha In-Flight Retail Ltd.	UK	GBP	150,000	100.000	Alpha Flight UK Limited
Alpha Flight Services UAE	Sharjah	AED	100,000	49.000	Alpha Overseas Holdings Limited
Alpha Airport Retail Holdings Pvt Ltd.	India	INR	9,741,600	100.000	Alpha Retail UK Limited
Alpha Airport Pension Trustees Ltd.	UK	GBP	100	100.000	Alpha Group Plc.
Pratt & Leslie Jones Ltd.	Singapore	Sing$	9	100.000	Alpha Retail UK Limited
Alpha SUTL Pte Ltd.	UK	GBP	2	50.000	Alpha Overseas Holdings Limited
Alpha ESOP Trustee Ltd.	UK	GBP	100	100.000	Alpha Overseas Holdings Limited
Alpha Airports Group Ltd.	USA	USD	2	100.000	Alpha Overseas Holdings Limited
Alpha Euroservices Ltd.	UK	GBP	170	100.000	Alpha Overseas Holdings Limited
Alpha Airport Services Ltd.	UK	GBP	25,000	100.000	Alpha Overseas Holdings Limited
Airport Catering Services (Sotland) Ltd.	UK	GBP	2	100.000	Alpha Overseas Holdings Limited
Alpha Services Group Ltd.	UK	GBP	3	100.000	Alpha Overseas Holdings Limited
Alpha Airports Group (Channel Island) Ltd.	UK	GBP	21	100.000	Alpha Overseas Holdings Limited
Airport Catering Services (NI) Ltd.	UK	GBP	2	100.000	Alpha Overseas Holdings Limited
Alpha Airports (FURBS) Trustees Ltd.	UK	GBP	26,000	100.000	Alpha Overseas Holdings Limited
Airport Duty Free Shops Ltd.	UK	EUR	2	100.000	Alpha Overseas Holdings Limited
Alpha Airports Group S.L.	UK	EUR	3,006	100.000	Alpha Overseas Holdings Limited
Dynair B.V.	UK	GBP	18,151	100.000	Alpha Overseas Holdings Limited
Autogrill Austria A.G.	Gottlesbrunn	EUR	7,500,000	100.000	Autogrill International S.r.l.
HMSHost Europe GmbH	Munchen	EUR	205,000	100.000	Autogrill S.p.A.
HMSHost Ireland Ltd.	Cork	EUR	800,000	100.000	HMSHost Europe GmbH
HMSHost Sweden A.B.	Stockholm	SEK	2,500,000	100.000	HMSHost Europe GmbH
Autogrill Barcelona S.A.U.	Madrid	EUR	1,800,000	100.000	Autogrill International S.r.l.
Autogrill Participaciones S.L.	Madrid	EUR	6,503,006	100.000	Autogrill Barcelona S.A.
Restauracion de Centros Comerciales S.A. (RECECO)	Madrid	EUR	108,182	85.000	Autogrill Participaciones S.L.
Autogrill Finance S.A.	Luxembourg	EUR	250,000	99.996 0.004	Autogrill S.p.A. Autogrill Europe Nord-Ouest S.A.
Autogrill D.o.o.	Lubjana	EUR	308,643	100.000	Autogrill S.p.A.
Autogrill Czech Sro	Prague	CZK	2,000,000	100.000	Autogrill International S.r.l.
Autogrill Hellas E.P.E.	Avlona Attikis	EUR	1,696,350	99.990 0.01	Autogrill International S.r.l. Autogrill S.p.A.
Autogrill Overseas Inc.	Wilmington	USD	33,793,055	100.000	Autogrill International S.r.l.
Autogrill Europe Nord-Ouest S.A.	Luxembourg	EUR	41,300,000	99.999 0.001	Autogrill International S.r.l. Autogrill Finance S.A.
Autogrill Belgie N.V.	Merelbeke	EUR	26,250,000	99.999 0.001	Autogrill Europe Nord-Ouest S.A. Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels Beheer N.V.	Merelbeke	EUR	7,851,186	99.999 0.001	Autogrill Belgie N.V. Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels S.A.	Grevenmacher	EUR	500,000	99.990 0.010	Autogrill Belgie N.V. Ac Restaurants & Hotels Beheer N.V.

Company Name	Registered Office	Currency	Share Capital	% held	Through
Autogrill Nederland B,V,	Breukelen	EUR	41,371,074	100.000	Autogrill Europe Nord-Ouest S.A.
Maison Ledeboer B.V.	Zaandam	EUR	69,882	100.000	Autogrill Nederland B.V.
Ac Holding N.V.	Breukelen	EUR	150,000	100.000	Maison Ledeboer B.V.
The American Lunchroom Co B.V.	Zaandam	EUR	18,151	100.000	Ac Holding N.V.
Ac Apeldoorn B.V.	Apeldoorn	EUR	45,378	100.000	The American Lunchroom Co B.V.
Ac Bodegraven B.V.	Bodegraven	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Heerlen B.V.	Heerlen	EUR	22,689	100.000	The American Lunchroom Co B.V.
Ac Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	EUR	2,596,984	100.000	The American Lunchroom Co B.V.
Ac Holten B.V.	Holten	EUR	34,034	100.000	The American Lunchroom Co B.V.
Ac Leiderdorp B.V.	Leiderdorp	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Meerkerk B.V.	Meerkerk	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Nederweert B.V.	Weert	EUR	34,034	100.000	The American Lunchroom Co B.V.
Ac Nieuwegein B.V.	Nieuwegein	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Oosterhout B.V.	Oosterhout	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Restaurants & Hotels B.V.	Breukelen	EUR	91,212	100.000	The American Lunchroom Co B.V.
Ac Sevenum B.V.	Sevenum	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Vastgoed B.V.	Zaandam	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Vastgoed I B.V.	Zaandam	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Veenendaal B.V.	Woudensberg	EUR	18,151	100.000	The American Lunchroom Co B.V.
Ac Zevenaar B.V.	Zevenaar	EUR	56,723	100.000	The American Lunchroom Co B.V.
Holding de Participations Autogrill S.a.s.	Marseille	EUR	84,581,920	99.999 0.001	Autogrill Europe Nord-Ouest S.A. Autogrill S.p.A.
Autogrill Aeroports S.a.s.	Marseille	EUR	1,721,096	99.999	Holding de Participations Autogrill S.a.s.
Autogrill Côté France S.a.s.	Marseille	EUR	31,579,526	99.999	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	EUR	288,000	50.010	Autogrill Côté France S.a.s.
Société de la Porte de Champagne S.A. (SPC)	Auberives	EUR	153,600	51.900	Autogrill Côté France S.a.s.
Société de Restauration Autoroutière Dromoise S.a.s. (SRAD)	Marseille	EUR	1,136,000	49.994 49.998	Autogrill Côté France S.a.s. SRSRA S.A.
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	EUR	144,000	50.000	Autogrill Côté France S.a.s.
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	EUR	1,440,000	70.000	Autogrill Côté France S.a.s.
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA)	St Rambert d'Albon	EUR	515,360	50.000	Autogrill Côté France S.a.s.
Volcarest S.A.	Champs	EUR	1,050,144	50.000	Autogrill Côté France S.a.s.
Societè de Gestion de Restauration Routieère (SGRR S.A.)	Marseille	EUR	879,440	100.000	Autogrill Côté France S.a.s.
SCI Vert Pre Saint Thiebaut	Nancy	EUR	457	99.900 0.100	SGRR S.A. Autogrill Côté France S.a.s.
S.n.c. TJ2D	Chaudeney Sur Moselle	EUR	1,000	99.000 1.000	SGRR S.A. Autogrill Côté France S.a.s.

Company Name	Registered Office	Currency	Share Capital	% held	Through
Autogrill Restauration Services S.a.s.	Marseille	EUR	15,394,500	100.000	Holding de Participations Autogrill S.a.s.
Autogrill Gares Province S. a r.l.	Marseille	EUR	274,480	100.000	Autogrill Restauration Services S.a.s.
Autogrill Gares Metropoles S. a r.l.	Marseille	EUR	4,500,000	100.000	Autogrill Restauration Services S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	EUR	2,337,000	100.000	Holding de Participations Autogrill S.a.s.
Patisserie du Louvre S. a r.l.	Marseille	EUR	7,622	100.000	Holding de Participations Autogrill S.a.s.
La Rambertine S.n.c.	Saint Rambert d'Albon	EUR	1,524	51.000	Autogrill Côté France S.a.s.
Autogrill Schweiz A.G.	Olten	CHF	10,000,000	100.000	Autogrill International S.r.l.
Autogrill Pieterlen A.G.	Pieterlen	CHF	2,000,000	100.000	Autogrill Schweiz A.G.
Autogrill Pratteln A.G.	Pratteln	CHF	3,000,000	95.000	Autogrill Schweiz A.G.
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 Basel Airport S.a.s. (in liquidazione)	St. Louis	CHF	58,680	100.000	Autogrill Schweiz A.G.
Autogrill Group Inc.	Bethesda	USD	225,000,000	100.000	Autogrill Overseas Inc.
CBR Specialty Retail Inc	Bethesda	USD	-	100.000	Autogrill Group Inc.
HMSHost Corp.	Bethesda	USD	-	100.000	Autogrill Group Inc.
HMSHost Europe Inc.	Wilmington	USD	-	100.000	Autogrill Group Inc.
HMSHost International Inc.	Wilmington	USD	-	100.000	Autogrill Group Inc.
HMSHost Tollroads Inc.	Bethesda	USD	-	100.000	HMSHost Corp.
HMSHost USA LLC	Bethesda	USD	-	100.000	Autogrill Group Inc.
Host International Inc.	Bethesda	USD	326,831	100.000	HMSHost Corp.
Sunshine Parkway Restaurants Inc.	Bethesda	USD	100	50.000 50.000	HMSHost Corp. Gladieux Corp.
Cincinnati Terminal Services Inc.	Bethesda	USD	-	100.000	Host International Inc.
Cleveland Airport Services Inc.	Bethesda	USD	-	100.000	Host International Inc.
HMS-Airport Terminal Services Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
HMS B&L Inc.	Bethesda	USD	-	100.000	Host International Inc.
HMS Holdings Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
HMS Host Family Restaurants Inc.	Bethesda	USD	2,000	100.000	HMS Holdings Inc.
HMS Host Family Restaurants LLC	Bethesda	USD	-	100.000	HMS Host Family Restaurants Inc.
Gladieux Corporation	Bethesda	USD	750	100.000	HMS Holdings Inc.
Host (Malaysia) Sdn.Bhd	Sepang	MYR	-	100.000	Host International Inc.
Host Gifts Inc.	Bethesda	USD	100,000	100.000	Host International Inc.
Host International of Canada Ltd.	Vancouver	CAD	73,351,238	100.000	Host International Inc.
Host International of Canada (RD) Ltd.	Vancouver	CAD	-	100.000	Host International of Canada Ltd.
Host Canada L.P.	Vancouver	CAN	43	100.000	Host International Inc.
SMSI Travel Centres Inc.	Toronto	CAD	-	100.000	Host International of Canada Ltd.
Host International of Kansas Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Host International of Maryland Inc.	Bethesda	USD	79,576	100.000	Host International Inc.

Company Name	Registered Office	Currency	Share Capital	% held	Through
HMS Host USA Inc.	Bethesda	USD	-	100.000	Host International Inc.
Host International (Poland) Sp zo o. (in liquidazione)	Warsaw	Zity	-	100.000	Host International Inc.
Host of Holland B.V.	Schiphol	EUR	-	100.000	Host International Inc.
Horeca Exploitatie Maatschappij Schiphol B.V.	Schiphol	EUR	45,378	100.000	Host of Holland B.V.
Host Services (France) S.a.s. (in liquidazione)	Parigi	EUR	-	100.000	Host International Inc.
Host Services Inc.	Bethesda	USD	-	100.000	Host International Inc.
Host Services of New York Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Host Services Pty Ltd.	North Cairns	AUD	6,252,872	100.000	Host International Inc.
Las Vegas Terminal Restaurants Inc.	Bethesda	USD	-	100.000	Host International Inc.
Marriott Airport Concessions Pty Ltd.	Tullamarine	AUD	3,910,102	100.000	Host International Inc.
Michigan Host Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Shenzen Host Catering Company Ltd.	Shenzen	CNY	-	90.000	Host International Inc.
The Gift Collection Inc.	Bethesda	USD	1,000	100.000	Host International Inc.
Turnpike Restaurants Inc.	Bethesda	USD	-	100.000	Host International Inc.
HMShost Services India Private Ltd.	Bangalore	INR	88,606,387	99.000	Host International Inc
HMS Airport Terminal Services Inc.	Christchurch	NZ$	-	100.000	Host International Inc
HMSHost Singapore Pte Ltd.	Singapore	$ SGD	821,213	100.000	Host International Inc
AAI Investments Inc.	Washington	USD	-	100.000	Autogrill Group Inc.
Anton Airfood Inc. (AAI)	Washington	USD	1,000	100.000	AAI Investments Inc.
AAI Terminal 7 Inc.	New York	USD	-	100.000	Anton Airfood Inc.
AAI Terminal One Inc.	New York	USD	-	100.000	Anton Airfood Inc.
Airport Architects Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood JFK Inc.	New York	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Cincinnati Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Minnesota Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of New York Inc.	New York	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of North Carolina Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Ohio Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Rhode Island Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Texas Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Virginia Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Palm Springs AAI Inc.	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Boise, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
Anton Airfood of Tulsa, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
AAI Islip, Inc.	New York	USD	n.d.	100.000	Anton Airfood Inc.
Fresno AAI, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
Anton Airfood of Newark. Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.

Company Name	Registered Office	Currency	Share Capital	% held	Through
Anton Airfood of Seattle, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc.
Lee Airport Concession	Washington	USD	-	100.000	Anton Airfood Inc.
Anton Airfood of Bakersfield Inc. (in liquididation)	Washington	USD	1,000	100.000	Anton Airfood Inc.
Host Bush Lubbock Airport Joint Venture	USA	USD	n.d.	90.000	Host International Inc.
Host/Lub-Tech Joint Venture	USA	USD	n.d.	90.000	Host International Inc.
Host Keefee Joint Venture	USA	USD	n.d.	49.000	Host International Inc.
CS Host Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Airside C F & B Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host Kahului Joint Venture Company	USA	USD	n.d.	90.000	Host International Inc.
Host/Coffee Star Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Host-Chelle-Ton Sunglass Joint Venture	USA	USD	n.d.	80.000	Host International Inc.
Southwest Florida Airport Joint Venture	USA	USD	n.d.	68.000	Host International Inc.
Host Honolulu Joint Venture Company	USA	USD	n.d.	90.000	Host International Inc.
Host/Forum Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
HMS/Blue Ginger Joint Venture	USA	USD	n.d.	55.000	Host International Inc.
Savannah Airport Joint Venture	USA	USD	n.d.	45.000	Host International Inc.
Host/Star Concessions JV	USA	USD	n.d.	65.000	Host International Inc.
Host & Garrett Joint Venture	USA	USD	n.d.	75.000	Host International Inc.
Tinsley - Host - Tampa Joint Venture	USA	USD	n.d.	49.000	Host International Inc.
Host/NCM Atlanta Joint Venture	USA	USD	n.d.	80.000	Host International Inc.
Phoenix - Host Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host Taco Joy Joint Venture	USA	USD	n.d.	80.000	Host International Inc.
Host English Joint Venture Company	USA	USD	n.d.	69.400	Host International Inc.
Minnesota Retail Partners, LLC.	USA	USD	n.d.	51.000	Host International Inc.
Host Chelsea Joint Venture	USA	USD	n.d.	65.000	Host International Inc.
Providence Airport JV	USA	USD	n.d.	25.000	Host International Inc.
Host - Tinsley Joint Venture	USA	USD	n.d.	84.000	Host International Inc.
Host/Tarra Joint Venture	USA	USD	n.d.	75.000	Host International Inc.
Metro-Host Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Ben-Zey/Host Lottery JV	USA	USD	n.d.	40.000	Host International Inc.
ASG - Host Joint Venture	USA	USD	n.d.	85.000	Host International Inc.
Host D and D St. Louis Airport Joint Venture	USA	USD	n.d.	75.000	Host International Inc.
East Terminal Chilis Joint Venture	USA	USD	n.d.	55.000	Host International Inc.
Host Stellar Joint Venture	USA	USD	n.d.	51.000	Host International Inc.
Host - Chelsea Joint Venture #2	USA	USD	n.d.	75.000	Host International Inc.
Host/LJA Joint Venture	USA	USD	n.d.	85.000	Host International Inc.
Host/NCM Atlanta E Joint Venture	USA	USD	n.d.	75.000	Host International Inc.

Company Name	Registered Office	Currency	Share Capital	% held	Through
Houston 8/ Host Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Seattle Restaurant Associates	USA	USD	n.d.	70.000	Host International Inc.
Bay Area Restaurant Group	USA	USD	n.d.	49.000	Host International Inc.
Islip Airport Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Sarasota Joint Venture	USA	USD	n.d.	20.000	Host International Inc.
Host Prose #2 J/V	USA	USD	n.d.	70.000	Host International Inc.
HMS Host/ Coffee Partners Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Host-Grant Park Chili's Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host/ JV Ventures McCarran Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Airside E Joint Venture	USA	USD	n.d.	50.000	Host International Inc.
Host-CJ & Havana Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Xavier-Host Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Southwest Retail Alliance III	USA	USD	n.d.	70.000	Host International Inc.
Host Whitsett Joint Venture	USA	USD	n.d.	60.000	Host International Inc.
Host/ Howell-Mickens Joint Venture	USA	USD	n.d.	65.000	Host International Inc.
Anton/ JQ RDU Joint Venture	USA	USD	n.d.	100.000	Host International Inc.
MIA Airport Retail Partners Joint Venture	USA	USD	n.d.	30.000	Host International Inc.
Host of Santa Ana Joint Venture Company	USA	USD	n.d.	75.000	Host International Inc.
Host Marriott Services - D/ FW Joint Venture	USA	USD	n.d.	65.000	Host International Inc.
Host Marriott Services - D/ FWorth Joint Venture II	USA	USD	n.d.	75.000	Host International Inc.
Host - Prose Joint Venture III	USA	USD	n.d.	51.000	Host International Inc.
Host Adevco Joint Venture	USA	USD	n.d.	70.000	Host International Inc.
Host/ JQ Raleigh Durham	USA	USD	n.d.	75.000	Anton Airfood Inc.
Carestel Group N.V.	Merelbeke	EUR	10,000,000	99.900 0.100	Autogrill S.p.A. Autogrill International S.r.l.
Carestel Motorway Services N.V.	Merelbeke	EUR	6,000,000	99.900	Carestel Group N.V.
Restair N.V.	Merelbeke	EUR	61,500	99.900	Carestel Group N.V.
Carestel Service Center N.V. (in liquidazione)	Merelbeke	EUR	62,000	99.900	Carestel Group N.V.
Carestel Beteiligungs GmbH & Co. (in liquidazione)	Echterdingen	EUR	25,000	99.900	Restair N.V.
Carestel Commercial Catering France S.A.	Saint Louis	EUR	2,916,480	99.900	Restair N.V.
Carestel Nord S. a r.l.	Saint Louis	EUR	76,225	99.900	Carestel Commercial Catering France S.A.
Autogrill Trois Frontières S.a.s.	Saint Louis	EUR	621,999	99.900	Carestel Commercial Catering France S.A.
Restair UK Ltd.	London	GBP	1	100.000	Restair N.V.
Carestel A.B.	Stockholm	SEK	6,000,000	100.000	Carestel Motorway Services N.V.
Carestel Sud S. a r.l. (in liquidation)	Lesquin	EUR	840,172	99.000	Carestel Commercial Catering France S.A.

Proportionately Consolidated Companies

Company Name	Registered Office	Currency	Share Capital	% held	Through
ALDEASA S.A.	Madrid	EUR	10,772,462	49.95[1]	Autogrill ES.p.A.ña S.A.
Aldeasa Internacional S.A.	Madrid	EUR	5,409,000	100.000	Aldeasa S.A.
Aldeasa Chile Ltda.	Santiago of Chile	USD	1,854,154	99.990	Aldeasa S.A.
Sociedad de Distribución Aeroportuaria de Canarias S.L.	Grand Canary	EUR	667,110	60.000	Aldeasa S.A.
Aldeasa Colombia Ltda.	Cartagena de Indias	COP	966,441	99.990	Aldeasa S.A.
Aldeasa México S.A. de C.V.	Cancun	MXN	7,390,815	99.990	Aldeasa S.A.
Transportes y Suministros Aeroportuarios S.A.	Madrid	EUR	1,202,000	100.000	Aldeasa S.A.
Ciro Holdings S.A.	Geneve	CHF	56,336,347	100.000	Aldeasa S.A.
Aldeasa Cabo Verde S.A.	Sal Island	CVE	54,490	99.990	Aldeasa S.A.
Prestadora de Servicios en Aeropuertos S.A. de C.V.	Crucero	USD	6,462	99.990	Aldeasa S.A.
Panalboa S.A.	Panama	PAB	125,623	80.000	Aldeasa S.A.
Audioguiarte Servicios Culturales S.L.	Madrid	EUR	251,000	100.000	Aldeasa S.A.
Aldeasa Servicios Aeroportuarios Ltda.	Santiago of Chile	USD	8,134,652	99.990	Aldeasa S.A.
Aldeasa Projects Culturels S.a.s.	Versailles	EUR	1,300,000	100.000	Aldeasa S.A.
Cancouver Uno S.L.	Madrid	CAD	3,010	100.000	Aldeasa S.A.
Aldeasa Jordan Airports Duty Free Shops (AJADFS)	Amman	USD	771,377	100.000	Ciro Holdings
Aldeasa Curacao N.V.	Curacao	EUR	389,937	100.000	Ciro Hodlings
Aldeasa Atlanta JV	Vancouver	USD	1,497,923	51.000	Aldeasa S.A.
Aldeasa Canada Inc	Vancouver	CAD	709	100.000	Cancouver Uno S.L.
Aldeasa US Inc.	Wilmington	USD	1,000	100.000	Aldeasa S.A.
Aldeasa Atlanta LLC	Atlanta	USD	100	100.000	Aldeasa US Inc.
Aldeasa Vancouver L.P.	Vancouver	CAD	16,879,337	74.900 0.100	Cancouver Uno S.L. Aldeasa Canada Inc.
Steigenberger Gastronomie GmbH	Frankfurt	EUR	750,000	49.900	HMSHost Europe GmbH
Servair Air Chef S.r.l.	Milan	EUR	2,000,000	50.000	Alpha Overseas Holdings Limited
Servizi di Bordo S.r.l.	Italy	EUR	100,000	80.000	Servair Air Chef S.r.l. (joint venture)
Alpha Future Airport Retail Pvt Ltd.	Mumbai	INR	321,472,800	50.000	Alpha Overseas Holdings Limited
Alpha ASD Limited	Cranford	GBP	20,000	50.000	Alpha Overseas Holdings Limited
Caresquick N.V.	Brussels	EUR	2,500,000	50.000	Carestel Group N.V.

(1) The remaining shares are held by Altadis S.A. (49.95%) and third parties (0.10%).

Equity-accounted Associates

Company Name	Registered Office	Currency	Share Capital	% held	Through
Dewina Host Sdn Bhd	Sepang	MYR	250,000	49.000	Host International, Inc.
HMSC-AIAL Ltd.	Auckland	NZD	111,900	50.000	Host International, Inc.
TGIF National Restaurant JV	Texas	USD	n,d,	25.000	Host International, Inc.
Estación Aduanera Zaragoza Aervicios, S.A.	Zaragoza	EUR	1,670,153	31.260	Aldeasa S.A.
Souk al Mouhajir, S.A.	Tangiers	EUR	521,889	35.850	Aldeasa S.A.
Creuers del Port de Barcelona, S.A.	Barcelona	EUR	3,005,061	23.000	Aldeasa S.A.
Lanzarote de Cultura y Ocio, S.A.	Tias	EUR	180,304	30.000	Aldeasa S.A.
Aldeasa Atlanta JV	Vancouver	USD	1,497,923	25.000	Autogrill Group Inc.
Virgin Express Catering Services N.V.	Brussels	EUR	62,000	49.980	Alpha Airport Holdings B.V.

Attestation of the Managing Director and the Manager Responsible

DECLARATION
concerning the Consolidated Accounts
pursuant to article 81-ter of Consob Regulation no. 11971
dated 14 May 1999 as amended and supplemented

1. The undersigned Gianmario Tondato Da Ruos, as Managing Director (CEO), and Alberto Devecchi, as the Manager responsible for drawing up Autogrill S.p.A.'s financial reports, hereby confirm, after taking into account also the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58/98, that the administrative and accounting procedures for the preparation of the consolidated accounts during 2007 fiscal year :

(a) are adequate with respect to the company structure and
(b) have been duly applied.

2. In this regard no matters of significance emerged.

3. The undersigned also attest that the Consolidated Accounts at 31 December 2007:

- correspond to the books and accounting entries and,
- have been drawn up in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the regulations adopted pursuant to article 9 of Legislative Decree no. 38/05 and, based on their knowledge, are suitable to truthfully and correctly represent the assets and liabilities, profits and losses and financial position of the issuer and the group of companies included in the consolidation area.

Milan, 18 March 2008

Gianmario Tondato Da Ruos
Managing Director
Autogrill S.p.A.

Alberto Devecchi
Manager responsible for drawing up Autogrill S.p.A.'s financial reports
Autogrill S.p.A.

External Auditors Report

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

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Telefax 02 67632445
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 156 of legislative decree no. 58 of 24 February 1998

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 2007, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement and notes thereto. These financial statements are the responsibility of the parent's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

Reference should be made to the report dated 5 April 2007 for our opinion on the prior year consolidated financial statements, which included the prior year figures presented for comparative purposes.

3 In our opinion, the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2007 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38 of 28 February 2005. Therefore, they are clearly stated and give a true and fair view of the financial position of the Autogrill Group as at 31 December 2007, the results of its operations, changes in its equity and its cash flows for the year then ended.

Milan, 7 April 2008

KPMG S.p.A.

Giovanni Rebay
Director of Audit

Separate Financial Statements

05.01 Autogrill S.p.A. - Balance Sheet

(€k)		31.12.2007	31.12.2006	Change
Notes				
I	Cash and cash equivalents	45,734	108,507	(62,773)
II	Other financial assets	247,427	160,894	86,533
III	Tax assets	2,778	1,246	1,532
III	Other current assets	63,651	55,255	8,396
IV	Trade receivables	31,192	16,308	14,884
V	Inventories	48,594	44,340	4,254
	Total current assets	439,376	386,550	52,826
VI	Property, plant and equipment	196,749	165,323	31,426
VII	Goodwill	76,970	76,170	800
VIII	Other intangible assets	43,341	13,039	30,302
IX	Equity investments	892,911	572,132	320,779
X	Other financial assets	293,417	419,420	(126,003)
	Loans	-	23,590	(23,590)
XI	Other non-current assets	7,208	-	7,208
	Total non-current assets	1,510,596	1,269,674	240,922
	TOTAL ASSETS	1,949,972	1,656,224	293,748
XII	Trade payables	281,905	265,747	16,158
	Tax liabilities	-	840	(840)
XIII	Other current liabilities	80,201	98,357	(18,156)
XIV	Due to banks	24,873	152,394	(127,521)
XV	Other financial liabilities	6,936	13,934	(6,998)
	Total current liabilities	393,915	531,272	(137,357)
XVI	Loans (net of current portion)	763,572	370,483	393,089
XVII	Deferred tax liabilities	38,345	24,022	14,323
XVIII	Post-employment and other employee benefits	77,197	91,806	(14,609)
XIX	Provision for risks and charges	21,144	29,304	(8,160)
	Total non-current liabilities	900,258	515,615	384,643
XX	TOTAL LIABILITIES	1,294,173	1,046,887	247,286
	EQUITY	655,799	609,337	46,462
	TOTAL LIABILITIES AND EQUITY	1,949,972	1,656,224	293,748

05.02 Autogrill S.p.A. - Income Statement

(€k)		2007	2006	Change
Notes				
XXI	Revenue	1,307,905	1,209,159	98,746
XXI	Other operating income	62,473	62,141	332
	Total revenue and other operating income	1,370,378	1,271,300	99,078
XXII	Cost of raw materials, consumables and supplies	665,353	588,870	76,483
XXIII	Personnel expense	277,043	272,956	4,087
XXIV	Leases, rents, concessions and royalties	127,714	125,524	2,190
XXV	Other operating costs	141,968	129,672	12,296
XXVI	Depreciation and amortisation	48,297	44,028	4,269
	Operating Profit	110,003	110,250	(247)
XXVII	Financial income	126,537	72,508	54,029
XXVIII	Financial expense	(37,924)	(32,054)	(5,870)
XXIX	Impairment losses on financial assets	(3,256)	-	(3,256)
	Profit before tax	195,360	150,704	44,656
XXX	Tax	(47,027)	(55,446)	8,419
	PROFIT FOR THE YEAR	148,333	95,258	53,075

05.03 Autogrill S.p.A. - Changes in Equity

(€k)	Share Capital	Legal Reserve	Hedging reserve	Reserve for Treasury Shares	Other Reserves and Retained earnings	Profit for the Year	Equity
31.12.2005	132,288	6,245	-	28,000	313,015	95,550	575,096
Allocation of 2005 Profit:							
- Reserves	-	4,500	-	2,000	27,994	(34,494)	-
- Dividend	-	-	-	-	-	(61,056)	(61,056)
Other changes	-	-	-	-	39	-	39
Profit for the year	-	-	-	-	-	95,258	95,258
31.12.2006	132,288	10,745	-	30,000	341,048	95,258	609,337
Allocation of 2006 Profit:							
- Reserves	-	4,763	-	-	-	(4,763)	-
- Dividend	-	-	-	-	(11,264)	(90,496)	(101,760)
Fair value gains (losses) on hedging instruments	-	-	(161)	-	48	-	(113)
Other changes	-	-	-	5,000	(5,000)	-	-
Profit for the year	-	-	-	-	-	148,333	148,333
31.12.2007	132,288	15,508	(161)	35,000	324,831	148,333	655,799

05.04 Autogrill S.p.A. - Cash-Flow Statement

(€m)	2007	2006
Net cash and cash equivalents - opening balance	97.8	8.9
Profit before tax and net financial expense for the year	110.0	110.2
Depreciation, amortisation and impairment losses on non-current assets	48.3	44.0
(Gains)/losses on disposal of non-current assets	(0.8)	-
Change in working capital	4.6	26.5
Net change in non-current non-financial assets and liabilities	(21.4)	10.0
Cash flow from operations	140.6	190.7
Tax paid	(70.2)	(45.2)
Net interest paid	(10.0)	5.4
Net cash flow from operations	60.4	150.9
Expenditure for property, plant and equipment and intangible assets	(113.8)	(61.2)
Proceeds from disposal of non-current assets	3.8	0.5
Acquisition of equity investments	(307.8)	(46.6)
Dividend received from equity investments	39.8	0.2
Cash flow used in investing activities	(377.9)	(107.1)
Increase in non-current loans	393.1	-
Repayments of non-current loans	126.0	(148.2)
Repayments of current loans net of new loans	(160.8)	(77.1)
Payment of dividends	(101.8)	(61.1)
Other changes	-	331.5
Cash-flow from financing activities	256.5	45.1
Cash flow for the year	(60.9)	88.9
Net cash and cash equivalents - closing balance	36.9	97.8

Reconciliation of net cash and cash equivalents

(€m)	2007	2006
Net cash and cash equivalents - opening balance	97.8	8.9
Cash and cash equivalents	108.5	34.0
Current account overdrafts	(10.7)	(25.1)
Net cash and cash equivalents - closing balance	36.9	97.8
Cash and cash equivalents	45.7	108.5
Current account overdrafts	(8.8)	(10.7)

Notes to the Separate Financial Statements

06.01 Accounting policies

The Business of the Autogrill S.p.A.
The Company operates in Italy and through its subsidiaries, associates and joint ventures in other countries in the travel catering and travel retail sectors. In Italy its specialisation is in catering for people on the move and in quick service restaurants in locations where there is high passenger traffic and consumer presence.

Motorway stores, principally, also sell food and non-food products to the public.

General Policies
Autogrill S.p.A.'s Financial Statements were prepared under IFRS as issued by the IASB and endorsed by the EU.

In 2007, but to come into force on 1 January 2008, the following IFRS, revised IAS and interpretations were issued:
IFRS 8 - Operating Segments
IAS 1 revised - Presentation of financial statements
IAS 23 - Borrowing costs
IAS 27 revised - changes to IAS 27: Consolidated and separate financial statements
IFRS 2 revised - changes to IFRS 2: Share-based payments: terms and conditions on settlement and cancellations
IFRS 3 revised - Business Combinations
IFRIC 12 - Service Concession Arrangements
IFRIC 13 - Customer Loyalty Programmes
IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

We believe that the application where necessary of these standards and interpretations would not have significant effects on the Autogrill S.p.A.'s Financial Statements such that they should be described in these Notes.

IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the IFRIC (formerly SIC).

These Financial Statements were prepared on the historical cost principle except for certain financial instruments, which are measured at fair value and finance lease assets, also recognised at fair value on the date of the signing of the lease.

These Financial Statements were prepared on a going-concern basis using the euro as the functional currency and the figures given in the Financial Statements tables and Notes are in thousands of euros (€k) or millions of euros (€m).

Structure, Format and Content of the Financial Statements
Under IAS 1 and IAS 7 the Financial Statements format prescribed and used in the 31 December 2007 Financial Statements are
• Balance Sheet showing assets and liabilities divided between current and non-current items
• Income Statement using cost classification by nature
• Statement of Changes in Equity
• Cash flow Statement using the indirect method to determine cash flow from operations.

Monetary assets and liabilities in currencies other than the euro were translated at exchange rates ruling on the balance-sheet date, the related adjustment being recognised in the Income Statement.

Accounting Policies

Recognition of revenue and Expense
Purchases and sales of goods are recognised on transfer of title at fair value, i.e., the price paid or received net of returns, discounts, sales discounts and year-end bonuses.
Revenue and expense relating to services is recognised on the basis of the stage of completion at the year end.
Interest income and expense is recognised on an accruals basis.
Dividends are recognised when the shareholders' right to receive them is established.
Recoveries of costs borne on behalf of third parties are recognised as a reduction of the related cost.
Borrowing costs are recognised in the Income Statement on an accruals basis and are not capitalised.

Employee Benefits
All employee benefits are recognised and disclosed in the Separate Financial Statements on an accruals basis.
The Company provides for post-employment benefits through defined-contribution and defined-benefit plans. Post-employment benefit plans are based on formal agreements under which the Company provides one or more employees with post-employment benefits.
Defined-contribution plans are post-employment benefit plans under which the Company pays fixed 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 the benefits to employees relating to service rendered in the current or previous years.
Defined-benefit plans are all post-employment benefit plans other than defined-contribution plans.
Defined-benefit plans may be unfunded or entirely or partly funded by contributions paid by the employer and sometimes by the employee to a company or fund which is legally separate from the company that pays them to the employee.
The accrued amount is projected forward to the future to estimate the amount payable on termination of employment and then discounted using the projected unit credit method, to account for the time value of money.
The liability is recognised in the accounts net of the fair value of any plan assets. If this fair value exceeds the value of the liability it is recognised as an asset. Actuarial valuation is entrusted to actuaries outside the Company. Additionally, the Company does not use the corridor approach or the equity change method to recognise actuarial gains and losses determined by the calculation of plan liabilities.

All actuarial gains and losses are taken directly to the income statement under Personnel expense as for the allocation accruing in the period, while the effect of discounting is entered to Financial expense.

Following the changes to the T.F.R. (Italian post-employment benefit) rules introduced by Law 296/06 and later decrees and regulations (together the "Pension Reform") and issued in early 2007, the Company treats T.F.R. as follows:
- T.F.R. vested up to 31 December 2006 is considered a defined-benefit plan under IAS 19. The benefits granted to employees were recognised over the vesting period.
- T.F.R. accrued from 1 January 2007 is considered a defined-contribution plan and therefore the benefits accrued in the year are recognised as costs and shown in the item post-employment and other employee benefits, after deducting any contributions already paid.

The difference resulting from the remeasurement of T.F.R. vested up to 31 December 2006 on the basis of the Pension Reform calculations has been taken to profit or loss under Personnel expense.
The actuarial gains and losses calculated up to 31 December 2006 and included at 31 December 2006 in retained earnings are to be considered as released from this limit as to their use.

Tax
Tax for the year is the sum of current and deferred taxes.

Current tax is calculated on taxable income for the year. Taxable income differs from the profit before taxes figure disclosed in the Income Statement in that it excludes positive and negative items that will be taxable or deductible in later years and items that will never be taxable or deductible. Current tax liability is calculated using prevailing or actual tax rates ruling at the balance sheet date.

Autogrill S.p.A., together with its Italian subsidiaries (Autogrill International S.r.l., Nuova Sidap S.r.l. and Nuova Estral S.r.l.), joined the domestic tax consolidation scheme of the ultimate parent Ragione di Gilberto Benetton & C. S.a.p.A., pursuant to §117 et seq., Unified Income Tax Act, for 2007-2009. The regulation signed by the parties provides for payment in full of the amount corresponding to the multiplication of transferred losses or profits by the IRES (corporate tax) rate, as well as the transfer of any tax credits. The net current tax credit or liability for the year, in respect of IRES only, is therefore recognised as a receivable or payable due from/to Ragione di Gilberto Benetton & C. S.a.p.A. and therefore is not recognised as a Tax asset or liability but as Other assets or Other liabilities.

In the three-year period 2004-2006 Autogrill S.p.A., together with the same subsidiaries, took part in the domestic tax consolidation scheme of the intermediate controlling entity Edizione Holding S.p.A..

Deferred tax liabilities are generally recognised in respect of every taxable temporary difference, while deferred tax assets are recognised to the extent that it is considered probable that there will be future taxable income that will enable use of the deductible temporary differences. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that sufficient taxable income to recover the credit wholly or in part may not exist.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from initial recognition of goodwill (not in business combination transactions) of other assets or liabilities in transactions that have no effects either on accounting profit or on taxable income at the time they occur. Deferred tax liabilities are recognised in respect of taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Company is able to monitor the elimination of the temporary differences and it is probable they will not be eliminated in the foreseeable future.

Deferred tax is calculated on the basis of the tax rate that is expected to rule when the asset is realised or the liability is settled.

Deferred tax assets and liabilities are disclosed as a net balance when it is legally possible to offset current tax assets and liabilities and provided they are payable to the same tax authority and the Company intends to settle current tax assets and liabilities on a net basis.

Non-Current Assets

Other Intangible Assets
Other intangible assets are recognised 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 recognised at purchase price or production cost including additional charges and amortised over their useful life.

The Company reviews their estimated useful life at each year-end and whenever there is evidence of possible impairment.
If impairment losses arise - determined in accordance with the section on Impairment of assets - the asset is written down accordingly.

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

Licences and Similar Rights:	
- licences to use software applications	3 years
- cost of authorisation to sell State monopoly merchandise	the validity of the licence
- brands	20 years
Other:	
- commissioned software applications	3 years
- other costs to be amortised	5 years, or the life of the underlying contract

Property, Plant and Equipment
Property, plant and equipment are recognised 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 recognised at purchase price or production cost including additional charges and direct or indirect costs according to the share that can reasonably be attributed to the asset, and in some cases revalued under monetary revaluation rules.

On transition to IFRS these revaluations were maintained in the Financial Statements in that they were in accordance with IFRS 1.
Property, plant and equipment are systematically depreciated every year on a straight-line basis according to technical and economic rates in relation to each asset's residual useful life. The Company reviews the useful life of each asset at every year-end. The cost of assets that are to be transferred free of charge includes the cost - provided that it is within the provisions of IAS 37 - which is expected to be borne on expiry of the relevant contract to bring the asset into the contractually agreed state of conservation, 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% greater or less than that of the asset to which the component belongs) are considered separately in the depreciation calculation.

Buildings	3%
Plant and machinery	10% - 33%
Industrial and commercial equipment	15% - 33%
Furniture and furnishings	10% - 20%
Motor vehicles	25%
Other	12% - 20%

The following depreciation rates are used:
Land is not depreciated. The depreciation rate used for assets that are to be transferred free of charge are those given in the relevant financial amortisation plan if they are higher than those in the table.
Depreciation rates are reduced by 50% on assets that have been brought into use in the course of the year (this percentage reflects the weighted average period of the year for which new assets are in use).
An asset's useful life is generally reviewed annually and is changed when maintenance includes enhancements or replacements that materially change its useful life.
If there are impairment losses - determined as described in the section on Impairment of assets - regardless of depreciation already recognised 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 capitalised and increase the carrying amount of the asset. Maintenance costs of a routine nature are taken directly to the Income Statement.

Leasehold improvements are included in property, plant and equipment on the basis of the type of cost borne. The depreciation period is the lesser of the residual useful life of the asset and the duration of the contract.
Leases are classified as finance leases when the contract terms substantially transfer all the risks and benefits to the lessee. All other leases are operating leases.

Assets leased under finance leases are recognised by the Company at fair value on the agreement date, adjusted to take account of additional costs and any sub-leasing costs incurred, or, if less, the present value of the minimum lease payments under the contract. The corresponding liability to the lessor is recognised under Other financial liabilities in the balance sheet. Each lease payment is divided between principal and interest so that a constant interest rate is achieved on the remaining liability. Interest is taken to the Income Statement in the year it is incurred.
Operating lease payments are recognised on a straight-line basis over the term of the lease. Benefits received or receivable or paid or payable as an incentive to enter into an operating lease are also recognised on a straight-line basis over the term of the lease.

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

Impairment of Assets
At each balance sheet date, the Company tests whether there is evidence of impairment of its property, plant and equipment and intangible assets. If such evidence exists, the recoverable amount of the asset is estimated, in order to determine the amount of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. With regard to property, plant and equipment used in the sales network, this minimum aggregation unit is the point of sale or points of sale covered by a single concession agreement. The minimum cash-generating unit for intangible assets and goodwill is the sales segment to which the assets belong.
Goodwill is tested for impairment at each year-end and at any time that there is evidence of possible impairment.
The recoverable amount is the greater of fair value less costs to sell and value in use. To determine value in use estimated future cash flows are discounted to their present value using a pre-tax rate (post-tax rate for goodwill) that reflects the current market valuations of the value of money and the specific risks of the business.
If an asset's recoverable amount (or that of a cash-generating unit) is estimated to be lower than carrying amount, it is reduced to the smaller recoverable amount. Impairment losses are recognised immediately in the Income Statement.
If an impairment loss on an asset ceases to be justified, the carrying amount of the asset (or of the cash-generating unit) is increased to its new value - except in the case of goodwill - but not above the net carrying amount that the asset would have had if the impairment loss had not occurred. A reversal of impairment losses is taken immediately to the Income Statement.

Current Assets and Liabilities

Inventories
Inventories are measured at the lower of the purchase price or production cost (which includes directly attributable additional costs, net of discounts, allowances, annual bonuses and similar promotions, calculated using FIFO) and market value.

Trade receivables
Trade receivables are disclosed at amortised cost using the effective interest method or at acquisition cost when there is no payment term, in both cases reduced by an appropriate amount to account for estimated bad debts.

Other Financial Assets
Financial assets are recognised or derecognised on the transaction date and are initially measured at cost, including direct acquisition costs.

On subsequent balance sheet dates, the financial assets that the Company has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortised 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 recognised in that period's Income Statement.
Fair value gains and losses on "Other financial assets" are recognised directly in equity until they are sold or impaired; in this case total gains or losses previously recognised in equity are taken to the Income Statement.

Cash and Cash Equivalents
The item Cash and Cash Equivalents includes cash and current accounts with banks and post offices, as well as demand deposits and other highly liquid short-term financial investments which are immediately convertible to cash and are subject to no significant risk of impairment.

Loans, Bank Loans and Bank Overdrafts
Interest-bearing loans and bank loans and overdrafts are recognised on the basis of the amounts received less transaction costs, and subsequently measured at amortised cost, using the effective interest method.

Trade payables
Trade payables are recognised at face value, since the financial effect of payment deferral is not material and, therefore, the carrying amount is close to the amortised cost.

Derivative Instruments and Hedge Accounting
The Company uses derivatives, mainly in the form of IRSs, FRAs and interest rate options, or combinations of these, to manage interest rate risk. Company policy is to convert part of floating-rate debt into fixed-rate and designate them cash flow hedges. The use of these instruments is governed by policies duly approved by the Board of Directors which established precise written procedures concerning the use of derivatives in accordance with risk management strategy. Derivative contracts were entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. The Company does not use derivatives for purely trading purposes, but rather to hedge identified risks.
In line with the requirements of IAS 39, derivatives qualify for hedge accounting if and only if, (i) at the origination of the hedge, the hedging relationship is formally designated and documented as such, (ii) the hedge is considered effective, (iii) its effectiveness can be reliably measured and (iv) the hedge is effective during all the accounting periods for which it is designated. All financial derivatives entered into by the Company are measured at fair value as required by IAS 39.

When financial instruments are eligible for hedge accounting, the following accounting treatment is applied:
- Fair value hedge - If a financial derivative is designated as a hedge of the exposure to changes in the fair value of an asset or liability attributable to a specific risk which may affect the Income Statement, the gains or losses arising on subsequent measurement at fair value of the hedging instrument are recognised in the Income Statement. Fair value gains or losses on the hedged item attributable to the hedged risk change the carrying amount of the hedged item and are recognised in the Income Statement.
- Cash flow hedge - If a financial derivative is designated as a hedge of the exposure to variability of the future cash flows of an asset or liability or of a forecast highly probable transaction and may affect the Income Statement, the effective portion of fair value gains or losses on the financial derivative is recognised in equity. Cumulative gains and losses are removed from equity and transferred in the Income Statement of the same period in which the hedged transaction is recognised. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognised in the Income Statement immediately. If a hedge or a hedging relationship are closed, but the hedged transaction has not been concluded, the cumulative gains and losses, up to that time recognised in equity, are recognised in the Income Statement when the transaction is carried out. If the hedged transaction is no longer considered probable, the realised gains and losses recognised in equity are immediately taken to the Income Statement.
- Hedge of net investment - If a derivative is designated as a hedge of a net investment in a foreign operation, including a hedge of a monetary amount which is accounted for as being part of the net investment, the effective portion of fair value gains or losses on the hedge is recognised in equity, and the ineffective portion is recognised in the Income Statement. On disposal of the foreign operation, the realised gains and losses on the effective portion of the hedge recognised in equity are taken to the Income Statement.

If hedge accounting cannot be applied, the gains or losses arising from measurement at fair value of the financial derivative are immediately recognised in the Income Statement.
Derivatives are initially recognised at cost and adjusted to fair value at each subsequent reporting date.

Provisions for risks and charges
Provisions for risks and charges are recognised when the Company has a present obligation as the result of a past event and it is probable that it will be required to fulfil the obligation. Provisions are made on the basis of the best estimate on the balance sheet date of the cost of settling the obligation and, when the effect is material, are discounted to present value.

Use of Estimates
Preparing the Financial Statements and related disclosures under IFRS requires the Company's Management to make estimates and assumptions that affect the carrying amount of assets and liabilities and the disclosure about contingent liabilities at the balance sheet date. Actual outturns may differ from these estimates. Estimates are used to determine provisions for bad debts and inventory obsolescence, depreciation, amortisation, impairment losses on assets, employee benefits, tax, and other provisions. Estimates and assumptions are periodically reviewed and the effect of any change is immediately taken to the Income Statement of the current and future years.

06.02. Acquisitions of Companies and Businesses

In 2007 the Company acquired Alpha Group Plc. (formerly Alpha Airports Group Plc., UK), The Bagel Street Company Ltd. (UK), Trentuno S.p.A. (Italy), and Alpha Retail Italia S.r.l..

Additionally, in February 2007 on conclusion of the tender offer launched on 20 October 2006, and payment of € 6.1m, Autogrill S.p.A. was able to acquire 99.9% of Carestel Group N.V..
This equity investment is recognised at € 46.4m

Alpha Group Plc. (formerly Alpha Airports Group Plc.)
In May 2007, Autogrill S.p.A. launched its acquisition of Alpha Airports Group Plc., which later changed its company name to Alpha Group Plc.. Through subsequent share purchases and a tender offer launched on 4 June 2007, at 31 December 2007 Autogrill S.p.A. held 182,482,234 shares being 100% of share capital and voting rights in Alpha Group Plc..
The cost of this acquisition was € 291.9m.
On 17 September 2007, the share was delisted from UKLA's official list and removed from trading on the London Stock Exchange and a squeeze-out was initiated.

Alpha Group Plc. is one of the largest in-flight catering and retail and airport retail concerns. It operates through various subsidiaries and joint ventures as two divisions - Alpha Airport Services and Alpha Airlines Services. The former provides a complete range of food&beverage and retail services in 47 airports in 13 countries. The latter provides in-flight catering and retail services to over 100 airlines in 12 countries. At 31 January 2007 (its reporting date) Alpha Group Plc. reported 2006-2007 consolidated revenue of £ 561.5m (£ 550.9m in 2005-2006) and EBITDA of £ 32.4m (£ 32.5m in 2005-2006), excluding extraordinary items. Year-end net debt was £ 48m.
Profit for 2006-2007 was £ 12.3m (£ 13.8m in 2005-2006).

Trentuno S.p.A.
On 3 May 2007, Autogrill S.p.A. finalised its acquisition of Trentuno S.p.A., by acquiring 100% of the leading food&beverage chain in the region of Trentino Alto Adige, at a price of around € 12m, in line with the revenue of the company in the previous year.

This transaction enabled Autogrill to extend its presence to the shopping centres and towns and cities of the region. Trentuno S.p.A. also provides food&beverage services in shopping centres and towns in the regions of Friuli Venezia Giulia, Veneto, Lombardy and Emilia Romagna.

Alpha Retail Italia S.r.l.
On 20 December 2007, Autogrill S.p.A. acquired direct control of the Italian based company Alpha Retail Italia S.r.l., for a price of € 900k from Alpha Overseas Holding Limited (wholly owned by Alpha Group Plc.). This acquisition was part of the Alpha Group Plc. integration plan and will enable Autogrill S.p.A. to acquire skills in the management of airport retail, since this company manages six duty-free stores in Fiumicino and Ciampino airports in Rome.

The Bagel Street Company Ltd.
In July 2007, Autogrill S.p.A. acquired the English based company The Bagel Street Company Ltd., which is the holder of the brand of the same name and provides food&beverage services in some London areas with large traffic, such as the London Eye and London Bridge, as well as Heathrow Airport. The purchase price was £ 4.6m.

In December 2007, The Bagel Street Company Ltd. was transferred to Alpha Group Plc. at the same purchase price to enable integration of the two units.

06.03 Notes to the Balance Sheet

Current Assets

I. Cash and cash equivalents

This item decreased by € 62,733k over 2006 mainly due to the use of bank deposits to finance the year's investments. Please see the Cash Flow Statement for further details.
A breakdown of the item follows.

(€k)	31.12.2007	31.12.2006	Change
Current account balances	7,673	578	7,095
Short-term bank deposits	-	65,514	(65,514)
Items to be deposited	32,203	36,659	(4,456)
Cash in hand at points of sale and HQ	5,858	5,756	102
Total	45,734	108,507	(62,773)

II. Other financial assets

The item breaks down as follows:

(€k)	31.12.2007	31.12.2006	Change
Loans to subsidiaries	246,362	150,691	95,671
Fair value of exchange-rate hedges	862	10,122	(9,260)
Accrued financial income - interest on loans	203	81	122
Total	247,427	160,894	86,533

Loans to subsidiaries mainly comprise short term loans amounting to € 243,207k including accrued interest, advances for insurance credits amounting to € 859k and accrued interest on medium/long-term loans of € 2,296k.
This item's increase over 2006 was due mainly to an increase in the loan granted to Autogrill Finance S.A. and the greater dividend receivable from Autogrill International S.p.A..
Fair value of exchange-rate hedges refers to currency risk hedging instruments outstanding at the year-end with a total notional amount of ¥ 15,288m (¥ 37,023m in 2006). The reduction was mainly due to early repayment by Autogrill Overseas Inc. of a medium/long-term loan covered by the hedge.

III. Tax assets and other current assets

Tax assets of € 2,778k refer to the excess of IRAP advance payments made in 2007.
Other current assets break down as follows:

(€k)	31.12.2007	31.12.2006	Change
Suppliers	39,204	41,732	(2,528)
Tax authorities, social security bodies and public administration bodies	197	210	(13)
Credit card receipts	2,861	2,576	285
Staff	3,292	2,589	702
Accrued income and pre-payments	3,635	5,577	(1,942)
Other assets	14,462	2,570	11,892
Total	63,651	55,255	8,396

Suppliers refers mainly to amounts of bonuses and contributions and includes both credit notes to be received and invoices to be issued.
Amounts due relating to bonuses were classified under Trade receivables in 2006 and, for comparative purposes, they have been reclassified in that item.

Other assets include a VAT credit, other tax credits and amounts due from Ragione di Gilberto Benetton & C. S.a.p.A. under the domestic tax consolidation scheme for 2007-2009.

In this first year Autogrill S.p.A. set aside for payment of the advanced IRES (corporate tax) to the ultimate parent an amount proportionate to the tax liability that accrued in 2006 ('historical' method).

IV. Trade payables

The item of € 31,192k at the year end breaks down as follows:

(k€)	31.12.2007	31.12.2006	Change
Third parties	29,117	16,044	13,073
Disputed accounts receivable	4,806	4,883	(77)
Accounts receivable due from subsidiaries	3,766	2,541	1,225
Accounts receivable due from associates	570	7	563
Accounts receivable due from the parent	4	3	1
Bad debt provision	(7,071)	(7,170)	99
Total	31,192	16,308	14,884

Trade payables refer mainly to catering service agreements and accounts with affiliated concerns.
Disputed accounts receivable refer to debtors subject to ongoing legal action to recover the amount due. Accounts receivable due from subsidiaries refer to trade transactions with subsidiaries mainly referring to sales of merchandise.
The bad debt provision is considered adequate since receivables overdue by more than 60 days were 24.7% of total receivables.
The item changes were as follows:

(k€)	
Balance at 31.12.2006	7,170
Allocations	63
Uses	(163)
Balance at 31.12.2006	7,071

The Company has received sureties from affiliates securing receivables totalling € 5,095k.

V. Inventories

The item breaks down as follows:

(k€)	31.12.2007	31.12.2006	Change
Products to be served and sold	29,931	28,807	1,124
State monopoly merchandise, lottery tickets and newspapers	15,738	12,831	2,907
Fuel and lubricants	1,466	1,426	40
Merchandise and various items	1,459	1,276	183
Total	48,594	44,340	4,254

State monopoly merchandise, lottery tickets and newspapers increased over 2006 in line with the increase in sales volumes.

Non-Current Assets

VI. Property, Plant and Equipment

	31.12.2007				31.12.2006			
(€k)	Gross carrying amount	Accumulated Depreciation	Impairment losses	Net carrying amount	Gross carrying amount	Accumulated Depreciation	Impairment losses	Net carrying amount
Land and buildings	43,476	(19,596)	(70)	23,810	34,447	(18,616)	(70)	15,761
Plant and machinery	43,798	(32,562)	(364)	10,872	40,208	(30,447)	(379)	9,382
Industrial and commercial equipment	237,871	(182,468)	(3,464)	51,939	217,659	(170,398)	(3,580)	43,681
Assets to be transferred free of charge	179,273	(141,238)	(22)	38,013	167,759	(134,236)	(22)	33,501
Other	26,164	(21,958)	(130)	4,076	24,501	(20,503)	(130)	3,868
Assets under construction and down-payments	16,358	-	-	16,358	16,411	-	-	16,411
Leasehold improvements	180,338	(123,670)	(4,987)	51,681	158,358	(112,400)	(3,238)	42,720
Total	727,278	(521,492)	(9,037)	196,749	659,343	(486,600)	(7,419)	165,324

Land and buildings increased due to the purchase of land around the Villoresi East and West stores to enable complete rebuilding mainly of the former.

The other changes were part of the ongoing programme of development of new stores and renovation of existing ones.

Accumulated impairment losses increased by € 1,748k over 2006 due to tests of the recoverability of the carrying amount of some items in use in stores. A schedule of detailed changes in the above items is given below.

VII. Goodwill

Goodwill was € 76,970k as against the 2006 figure of € 76,170k. The € 800k increase referred to the acquisition of business units in 2007.
There was no impairment of goodwill recognised in 2007, not least on account of the fact that the Company's profitability more than covers total goodwill in the balance sheet.

VIII. Other intangible assets

(€k)	31.12.2007 Gross carrying amount	31.12.2007 Accumulated amortisation	31.12.2007 Impairment losses	31.12.2007 Net carrying amount	31.12.2006 Gross carrying amount	31.12.2006 Accumulated amortisation	31.12.2006 Impairment losses	31.12.2006 Net carrying amount
Concessions, licences, brands and similar rights	37,483	(10,179)	(226)	27,078	11,255	(8,649)	(222)	2,384
Assets under development and down-payments	11,990	-	-	11,990	6,934	-	-	6,934
Other	30,360	(24,695)	(1,392)	4,273	26,481	(21,372)	(1,388)	3,721
Total	79,833	(34,874)	(1,618)	43,341	44,670	(30,021)	(1,610)	13,039

Concessions, licences, brands and similar rights refer mainly to licences for the sale of State monopoly products, the change being due as to € 326k to new licences, € 474k to renewed licences and € 24,243k to brands acquired by two subsidiaries. These brands were purchased close to the year-end and the purchase agreement allows their use starting in 2008.
They were therefore not amortised in 2007.

Assets under development and down-payments refer to expenditure on premises not yet brought into use.
Other refers mainly to software developed as part of the Company's information system development programme.

Other than goodwill, there are no items with an indefinite useful life.

Changes in Other Intangible Assets, Goodwill, Property, Plant and Equipment

Intangible Assets

(€k)	31.12.2006 Gross carrying amount	Amortisation and impairment losses	Net carrying amount	Change in gross carrying amount Increases	Decreases	Other Changes	Total
Concessions, licences, brands and similar rights	11,255	(8,871)	2,384	1,447	(105)	643	1,985
Assets under development and down-payments	6,934	-	6,934	33,299	(20)	(3,980)	29,299
Other	26,481	(22,760)	3,721	3,527	(111)	463	3,879
Total	44,670	(31,631)	13,039	38,273	(236)	(2,874)	35,163

Goodwill

	31.12.2006	Increases	Impairment losses	Other Changes	31.12.2007
Goodwill	76.170	610	-	190	76.970
Total	76.170	610	-	190	76.970

Property, Plant and Equipment

(€k)	31.12.2006 Gross carrying amount	Depreciation and impairment losses	Net carrying amount	Change in gross carrying amount Increases	Decreases	Other Changes	Total
Land	170	-	170	3,053	-	1,205	4,258
Industrial Land and buildings	34,277	(18,686)	15,591	4,022	(3)	752	4,771
Plant and machinery	40,208	(30,826)	9,382	3,436	(311)	465	3,590
Commercial and industrial equipment	217,659	(173,978)	43,681	20,147	(2,111)	2,176	20,212
Assets to be transferred free of charge	167,759	(134,258)	33,501	12,406	(4,998)	4,106	11,514
Other	24,501	(20,633)	3,868	1,611	(80)	132	1,663
Assets under construction and down-payments	16,411	-	16,411	9,994	(528)	(9,519)	(53)
Leasehold improvements	158,358	(115,639)	42,719	20,347	(1,734)	3,367	21,980
Total	659,343	(494,020)	165,323	75,016	(9,765)	2,684	67,935

Amortisation/ Impairment losses				31.12.2007			
Increases	Decreases	Other Changes	Total	Gross carrying amount	Impairment losses	Amortisation	Net carrying amount
(1,632)	106	-	(1,526)	13,240	(8)	(10,397)	2,835
-	-	-	-	36,233	-	-	36,233
(3,341)	18	-	(3,323)	30,360	(4)	(26,083)	4,273
(4,973)	124	-	(4,849)	79,833	(12)	(36,480)	43,341

Depreciation/ Impairment losses				31.12.2007			
Increases	Decreases	Other Changes	Total	Gross carrying amount	Impairment losses	Depreciation	Net carrying amount
-	-	-	-	4,428	-	-	4,428
(980)	-	-	(980)	39,048	-	(19,666)	19,382
(2,586)	486	-	(2,100)	43,798	-	(32,926)	10,872
(13,895)	1,954	(13)	(11,954)	237,871	-	(185,932)	51,939
(10,656)	3,654	-	(7,002)	179,273	-	(141,260)	38,013
(1,512)	57	-	(1,455)	26,164	-	(22,088)	4,076
-	-	-	-	16,358	-	-	16,358
(11,934)	651	13	(11,270)	180,338	(1,748)	(126,909)	51,681
(41,563)	6,802	-	(34,761)	727,278	(1,748)	(528,780)	196,749

IX. Equity Investments

Equity Investments totalled € 892,911k at 31 December 2007 and referred as to € 896,148k to subsidiaries and € 19k to other companies, the increase of € 320,779k being due to the continuing multi-year investment programme in Italy and elsewhere.
Item changes in 2007 were as follows:

Company Name (€k)	Carrying amount at 31.12.2006	Acquisitions	Disposals	Other Changes	Carrying amount at 31.12.2007
Autogrill International S.p.A.	530,556	-	-	-	530,556
Autogrill Finance S.A.	249	-	-	-	249
HMSHost Europe GmbH	10,410	-	-	(3,256)	7,154
The Bagel Street Company Ltd.	-	7,060	(7,060)	-	-
Aviogrill S.r.l.	778	-	-	-	778
Autogrill D.o.o.	1,114	-	-	1,478	2,592
Carestel Group N.V.	28,965	17,410	-	-	46,375
Alpha Retail Italia S.r.l.	-	900	-	-	900
Alpha Group Plc.	-	291,891	-	-	291,891
Trentuno S.p.A.	-	12,240	-	-	12,240
Nuova Estral S.r.l.	13	-	-	-	13
Nuova Sidap S.r.l.	27	-	-	116	143
Others	19	-	-	-	19
Total	572,132	329,500	(7,060)	(1,662)	892,911

The main transactions were:
- acquisition of minority stakes in Carestel Group N.V., following the tender offer launched in 2006 and concluded on 2 February 2007 at a cost of € 17,410k;
- acquisition of 100% of Alpha Group Plc., concluded on 17 September 2007 at a cost of € 291,891k;
- acquisition of 100% of Trentuno S.p.A. finalised on 3 May 2007 at a cost of € 12,240k;
- an increase in the capital of Autogrill D.o.o.;
- impairment loss on the investment in HMSHost Europe GmbH.

At the year-end, to promote synergy between the two subsidiaries, the 100% stake in The Bagel Street Company Ltd. acquired in 2007 was sold to Alpha Group Plc.. Alpha Retail Italia S.r.l. was acquired.

Brief information on subsidiaries as at 31 December 2007 is given below:

Company Name	Registered Office	Currency	Share Capital	No. of Shares (/000)	Equity at 31.12.2007	Profit (Loss) for 2007	% held	Carrying amount (€k)
Autogrill International S.p.A.	Novara	Euro	4,951	4,951	180,928	86,425	100.0	530,556
Autogrill Finance S.A.	Luxembourg	Euro	250	25	2,066	1,410	100.0	249
HMSHost Europe GmbH	Munchen	Euro	205	1	11,017	407	100.0	7,154
Aviogrill S.r.l.	Bologna	Euro	10	5,100	847	802	51.0	778
Autogrill D.o.o.	Lubiana	Euro	308	1	(87)	(1,758)	100.0	2,592
Carestel Group N.V.	Merelbeke	Euro	10,000	8,883	(798)	(226)	99.9	46,375
Alpha Retail Italia S.r.l.	Fiumicino (RM)	Euro	10	1	1,217	(1,555)	100.0	900
Alpha Group Plc.	Cranford (UK)	£	18,258	182,482	165,586	594	100.0	291,891
Trentuno S.p.A.	Trento	Euro	1,418	1,493	3,187	(470)	100.0	12,240
Nuova Estral S.r.l.	Novara	Euro	10	1	(23)	(42)	100.0	13
Nuova Sidap S.r.l.	Novara	Euro	10	1	(218)	(228)	100.0	143
Other small subsidiaries		Euro					100.0	19
Total								892,911

Where the carrying amount is less than pro-rata equity, this is due to the future income expected from the subsidiary in question.

X. Other financial assets

"Other finacial assets" are mainly long-term loans to Group Companies and other amounts due, of wich the following table gives a breakdown:

(k€)	31.12.2007	31.12.2006	Change
Autogrill Overseas Inc.	-	76,142	(76,142)
Autogrill Group Inc.	92,694	159,778	(67,084)
Autogrill International S.p.A.	36,800	-	36,800
Autogrill Espana S.A.	154,050	180,174	(26,124)
Fair value of interest-rate hedges	4,450	3,326	1,124
Other loans	5,423	-	5,423
Total	293,417	419,420	(126,003)

The reduction in the loans to Autogrill Overseas Inc. and Autogrill Group Inc. was mainly due to cash from operations and recourse to local bank credit lines, which are more flexible than intercompany loans.
The new loan to Autogrill International S.p.A. is intended to finance further investment.
All loans are at market rates.

Fair value of interest-rate hedges discloses the fair value of the IRSs with a notional amount of € 50m outstanding at 31 December 2007. These instruments synthetically transform the fixed-rate interest on the 2005 long-term loan to Autogrill España S.A.U. for the same amount, into floating-rate. The change in the fair value of the loan included in Other financial assets therefore corresponds exactly to the change in the fair value of these IRSs.

XI. Other non-current assets

The item refers principally to lease paid in advance or as a one-off payment under concession agreements mainly with motorway partners.

Current Liabilities

XII. Trade payables

The item amount was € 281,905k, broken down as follows:

(k€)	31.12.2007	31.12.2006	Change
Due to suppliers	266,066	265,230	836
Due to subsidiaries	15,780	463	15,317
Due to parent	59	54	5
Total	281,905	265,747	16,158

Due to subsidiaries increased due to an interest-bearing deferred payment for brands acquired from the Swiss subsidiary for € 15.1m. This payable will be settled in April 2008.

XIII. Other current Liabilities

The item amount of € 80,201k (€ 98,357k in 2006) included a liability of € 26,000k being deferred wages and salaries, charges and contributions on salaries of € 19,366k, amounts totalling € 18,144k due to suppliers for the purchase of non-current assets, withholding tax on wages and salaries of € 9,571k , and accrued expenses of € 2,345k mainly relating to leases and fees to be paid to Directors and Statutory Auditors.

XIV. Due to banks

The item amount of € 24,873k refers to overdrafts on current account amounting to € 8,873k and the current portion of non-current loans granted by leading banks. These borrowings all bear variable interest.

XV. Other Financial Liabilities

The item amount of € 6,936k was reduced by € 6,998k from 2006 and included accrued financial expenses of € 5,400k and a liability to Carestel Group N.V. of € 1,1016k.

Non-Current Liabilities

XVI. Loans net of current portion

The item total of € 763,572 comprises a drawdown of € 200,000k under the Mediobanca term loan; € 317,000k under the syndicated revolving line maturing in 2014 and € 248,177k equivalent relating to the syndicated revolving line maturing in 2012, net of € 1,603k prepaid fees.

The main multi-year loans include covenants requiring periodical monitoring of financial ratios relating to debt coverage and interest coverage. At 31 December 2007, as in all previous observation periods, these covenants were fully satisfied and there was no reason to believe that they would not be so in the future.

XVII. Deferred Tax Liabilities

The item amount was € 38,345k, broken down as follows:

	31.12.2007		31.12.2006	
(k€)	Temporary differences	Tax effect	Temporary differences	Tax effect
Trade receivables	6,775	1,863	6,919	2,283
Property, plant and equipment	(87,751)	(27,554)	(71,992)	(25,016)
Equity investments	(57,242)	(15,638)	(47,483)	(15,676)
Total temporary differences on assets	(138,218)	(41,329)	(112,556)	(38,409)
Other liabilities	11,842	3,782	19,214	6,341
Post-employment and other employee benefits	(10,742)	(2,860)	(1,160)	(383)
Provisions for risks and charges	21,232	6,636	27,852	9,191
Retained earnings	(16,739)	(4,574)	(2,308)	(762)
Total temporary differences on liabilities and equity	5,593	2,984	43,598	14,387
Total temporary differences	-	(38,345)	-	(24,022)

XVIII. Post-employment Benefits and Other Employee Benefits

This item refers only to T.F.R. (the post-employment benefits for Italian resident employees), which changed as follows:

Opening balance at 31.12.2006	91,806
Current service cost	(7,636)
Interest cost	3,717
Benefits paid	(11,343)
Other	653
Closing balance at 31.12.2007	77,197

T.F.R. (Trattamento di Fine Rapporto) is a benefit required by Italian legislation which accrues during the individual's service with a company and is paid when the employee leaves the company, or in certain cases is in part advanced to the employee while still employed by the company. It is a defined-benefit plan as defined by IAS 19 and therefore to be measured actuarially.

The legal liability relating to T.F.R. was € 88,154k.

The assumptions used to calculate the benefit plan were as follows:

Discount Rate	4.7%
Salary increase rate	3% - 4.5%
Inflation rate	2.0%
Average resignation frequency	6.0%
Average staff advance frequency	2.0%
Mortality rate	ISTAT 2000
Annual rate of increase in benefit	3.0%

Interest cost is recognised in the Income Statement under financial expense and the service cost includes actuarial gains and losses and is recognised under personnel expense. The 2007 service cost also incorporates the effect on the actuarial valuation of the new measures introduced in Italy by the pension reform: this entailed recognition of a curtailment in the plan of € 6,404k. The amount of benefits transferred to pension funds was € 10,954k at end 2007.

XIX. Provisions for risks and charges

The item amount of € 21,144k was reduced by € 8,160k from 2006:

(€k)	Balance at 31.12.2006	Reclassified Items	Other changes	Allocations	Uses	Balance at 31.12.2007
Other provisions:						
- for charges:						
refurbishment of assets to be transferred free of charge	1,928	-	(183)	245	(22)	1,968
refurbishment of leased assets	3,958	-	-	-	(3,958)	-
motorway and urban business	9,985	-	(710)	199	-	9,474
other	9,687	(565)	-	416	(3,455)	6,083
- for risks:						
litigation	3,746	-	-	865	-	3,619
other	-	565	-	-	(1,556)	-
Total	29,304	-	(893)	1,725	(8,991)	21,144

Provisions for litigation risks amounting to € 3,619k (€ 3,746k at 31 December 2006) refer to disputes with employees and business counterparties.

The Other changes column totalling € 893k refers to the effects of discounting provisions and the related adjustment.

XX Equity

Equity was € 655,799k at 31 December 2007. The Shareholders' Meeting held on 24 April 2007 resolved to allocate the profit for 2006 of € 95,258k and reserves of € 11,264k as follows:

- 5% to the legal reserve, i.e., € 4,763k;
- a dividend of € 0.40 per share to each of the 254,400,000 shares, i.e., € 101,760k.

The following table details permissible uses of reserves.

Disclosure required by §2427, 7-bis, Italian Civil Code

				Summary of uses in preceding 3 years	
Nature / description	Amount	Available for (permitted use)	Amount available	to cover losses	for other purposes
Share Capital	132,288	-	-	-	-
Income-related reserves:					
Legal reserve	15,508	B	-	-	-
Reserve for treasury shares	35,000	-	-	-	-
Hedging reserve	(161)	-	(161)	-	-
Other reserves/ Retained earnings	324,831	A,B,C	324,831	-	-
Total			324,670	-	-
Amount not to be distributed			-	-	-
Remaining amount available for distribution			324,670	-	-

Legend
A: Capital increases.
B: To cover losses.
C: Distribution of dividend.

Share capital, fully subscribed and paid up at 31 December 2007, consisted of 254,400,000 ordinary shares with a par value of € 0.52. The item was unchanged from end-2006.

It is once more noted that the Shareholders' Meeting held on 30 April 1999 resolved to increase share capital by issuing new shares up to a maximum of 33,500,000 shares to service convertible bonds with a face value of € 471,055k issued in June 1999 by the subsidiary Autogrill Finance SA, generating € 350m, net of implicit interest and gross of issuing expense, which were redeemed as to € 432,304k in 2004.

In view of the conditions under which the transaction was carried out, the maximum number of issuable shares under the conversion clause is about 2,478,000. The holder has the option of converting the bond at any time prior to maturity.

Autogrill S.p.A. shares have been traded on the Milan Stock Exchange since 1 August 1997[1].

Legal reserve

This reserve was € 15,508k and increased as a result of the allocation of 5% of 2006 profit as resolved by the Shareholders' Meeting held on 24 April 2007.

Reserve for treasury shares

This reserve amounted to € 35,000k, was set up in 2005, and increased by € 5,000k as resolved by the Shareholders' Meeting held on 24 April 2007.

At 31 December 2007 no treasury shares had been bought or sold.

Hedging reserve

This reserve totalled € 161k and was set up in 2007 to recognise the fair value of IRSs designated cash flow hedges.

Other reserves/Retained earnings

This reserve totalled € 324,831k and included reserves that arose on first-time adoption of IFRS.

(1) Up to April 1997 the share listed since January 1996 was Finanziaria Autogrill S.p.A. which was subsequently merged, together with Autogrill S.p.A., into Schemaventidue S.p.A., subsequently renamed Autogrill S.p.A..

06.04 Notes to the Income Statement

XXI. Revenue and Other Operating Income

Revenue and other operating income grew by 7.5% over 2006 to € 1,370,378k.

Revenue - reflecting the Company's core business - was € 1,307,905k, up by 8.2% over 2006, broken down as follows:

(€k)	2007	2006	Change
Food&beverage and retail sales	1,203,020	1,116,878	86,142
Fuel	50,815	48,766	2,049
Sales to affiliates and third parties	54,070	43,515	10,555
Total	1,307,905	1,209,159	98,746

Sales of tobacco products, newspapers and lottery tickets grew markedly in terms of both direct sales to the public - which rose from € 272m to € 343.7m - and sales to affiliates, which increased from € 9.3m to € 17.5m.
Business segment results, shown below, indicate high growth rates in the other travel segments as well as the motorway segment, while the 'city centre' segment contracted due to closures.

(€m)	2007	2006	Change
Motorways	1,072.0	990.1	8.3%
Airports	61.7	50.5	22.2%
Railway Stations	19.9	15.0	32.2%
Towns and cities	56.6	58.3	(3.0)%
Shopping centres	76.6	70.7	8.3%
Trade fairs	21.1	24.4	(13.4)%
Total	1,307.9	1,209.1	8.2%

Other operating income amounted to € 62,473k (in line with 2006).

(€k)	2007	2006	Change
Royalties and lease payments received from affiliates	13,444	13,661	(217)
Suppliers' contributions	35,974	35,968	6
Other income and recoveries	13,055	12,512	543
Total	62,473	62,141	332

XXII. Cost for raw materials, consumables and supplies

The cost of raw materials, consumables and supplies increased by € 76,483k over 2006, in line with revenue growth, and breaks down as follows:

(€k)	2007	2006	Change
Products and raw materials to be served or sold	617,357	551,599	65,758
- food and beverage products and raw materials for sale	256,253	256,694	(441)
- State monopoly products, newspapers and lottery tickets	312,578	247,779	64,799
- fuel for sale	48,527	47,127	1,400
Products for sale to affiliates, third parties and subsidiaries	46,630	36,156	10,474
Other products	1,366	1,116	250
Total	665,353	588,870	76,483

The change in State monopoly products, newspapers and lottery tickets was due to 26% growth in sales of these products over 2006, especially lottery scratch-cards.

XXIII. Personnel expense

The item amount was € 277,043k, up by 1.5% over 2006, broken down as follows:

(€k)	2007	2006	Change
Wages and salaries	208,202	202,108	6,094
Post-employment benefits	4,502	9,476	(4,974)
Social security contributions	63,718	60,699	3,019
Temporary staff	621	673	(52)
Total	277,043	272,956	4,087

Wages and salaries include additional months, bonuses and rewards to employees paid in the year.

Post-employment benefits comprise the service costs and actuarial gains for the year determined under IAS 19.

The average cost per employee increased by 3.9% in 2007 reflecting the effects of the renewal of the Supplementary Company Labour Contract, ratified in September 2006 and expiring on 31 December 2009, and a greater proportion of variable remuneration.

As shown below, average staff numbers on an FTE basis grew by 184 people over 2006.

	31.12.2007	31.12.2006
Managers	66	56
White-collars	993	1.018
Blue-collars	7,121	6,931
Junior Managers	455	446
Total	8,635	8,451

Below are the numbers and categories of staff at end-2007, showing the number of part-time workers - a typical feature of our business.

	31.12.2007			31.12.2006		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Managers	70	-	70	57	-	57
White-collars	900	167	1,067	894	179	1073
Blue-collars	3,723	6,174	9,897	3,368	6,247	9,615
Junior Managers	462	8	470	451	6	457
Total	5,155	6,349	11,504	4,770	6,432	11,202

The above figures include 35 white-collars and seven managers seconded to subsidiaries.

XXIV. Leases, Rents, Concessions and Royalties

The cost of leases, rents, concessions and royalties grew by € 2,190k over 2007 and broke down as follows:

(€k)	2007	2006	Change
Leases, Rentals and Concessions	125,539	121,110	4,429
Royalties for use of brands	1,158	1,148	10
Other	1,017	3,266	(2,249)
Total	127,714	125,524	2,190

The increase in Leases, rentals and concessions was mainly due to new concessions and renewals in the motorway and airport business segments.

XXV. Other Operating Costs

The item amounted to € 141,968k and broke down as follows:

(€k)	2007	2006	Change
Utilities	30,060	27,801	2,259
Consultancy	13,705	15,763	(2,058)
Cleaning	16,352	13,035	3,317
Maintenance	12,375	11,876	499
Advertising and promotions	8,344	7,024	1,320
Other material	5,596	5,336	260
Employees' expenses	6,011	5,278	733
Hire of labour	5,403	5,110	293
Other operating costs	8,779	7,819	960
Equipment hire and lease	4,006	4,473	(467)
Local taxes	5,211	4,137	1,074
Data communication, telephone and postal charges	3,404	3,128	276
Transport	9,266	8,629	637
Provisions for risks and charges	1,343	3,196	(1,853)
Cleaning materials	4,096	2,390	1,706
Surveillance	1,664	2,067	(403)
Insurance	1,659	1,886	(227)
Other services	4,694	725	3,969
Total	141,968	129,672	12,296

The main changes were:
- Utilities rose by 8.1% mainly due to tariff increases.
- The reduction in Consultancy expense was mainly due to a lower cost for new acquisition projects.
- Cleaning costs rose by 25% due to an increase in the number of outlets managed, the store upgrading programme and extraordinary work on existing stores.
- Advertising costs increased mainly due to activities related to Autogrill's thirtieth anniversary.
- Provisions for risks and changes were reduced due to lower allocations to sundry risks which in 2006 referred to liabilities in respect of compliance with safety and environmental regulations and litigation.

The change in "Other services" was mainly due to lower prior year income and a rise in store staff recruitment costs, higher credit card commissions and costs relating to the management of a ship in the "Grandi Navi Veloci" fleet.

XXVI. Depreciation and Amortisation and Impairment Losses

The item amount of € 48,297k broke down as follows:

(€k)	2007	2006	Change
Amortisation of intangible assets	4,973	4,114	859
Depreciation of property, plant and equipment	41,564	37,313	4,251
Total amortisation and depreciation	46,537	41,427	5,110
Impairment losses	1,760	2,601	(841)
Total	48,297	44,028	4,269

Impairment losses refer solely to plant and equipment in use in insufficiently profitable stores.

XXVII. Financial Income

The item broke down as follows:

(€k)	2007	2006	Change
Dividends from subsidiaries	84,538	40,561	43,977
Interest from subsidiaries	18,522	22,224	(3,702)
Other interest	2,330	1,587	743
Exchange rate gains	20,607	8,093	12,514
Other financial income	540	43	497
Total	126,537	72,508	54,029

This item increase over 2006 was mainly due to a rise in Dividends from subsidiaries and exchange rate gains on the £ 137m Mediobanca loan which financed the acquisition of Alpha Group Plc.

XXVIII. Financial expense

The item broke down as follows:

(€k)	2007	2006	Change
Discounting of post-employment benefits	3,717	3,792	(75)
Discounting of other provisions	(893)	831	(1,723)
Interest from subsidiaries	568	212	356
Bank interest	32,619	25,955	6,664
Exchange rate losses	73	19	54
Other financial expense	1,839	1,245	594
Total	37,924	32,054	5,870

The largest change referred to the interest expense on the syndicated loan.

XXIX. Impairment losses on financial assets

The item amounted to € 3,256k and referred to the investment in HMSHost Europe GmbH.

XXX. Tax

Tax totalled € 47,027k, comprising IRES (corporate tax) of € 20,163k, IRAP (Regional tax on productive activity) of € 13,671k and net deferred expense totalling € 13,193k.

Reconciliation of effective tax for 2007 and theoretical tax:

(€k)	IRES 33%	IRAP 4,25%	Total 37,25%
Profit before tax			195,360
Theoretical tax	64,469	8,303	72,772
Permanent differences:			
- Personnel expense		8,803	8,803
- Dividends other finance income	(25,428)	(3,628)	(29,056)
- Other	1,467	257	1,724
Increase in regional tax rates		675	675
Reversal of previous years' temporary differences	(10,872)	(267)	(11,139)
Taxed temporary differences deductible in future years	(9,472)	(473)	(9,945)
Tax for the year	20,163	13,671	33,834
Net temporary differences	20,344	739	21,083
Effect of changes in tax rates	(7,524)	(366)	(7,890)
Deferred tax changes	12,820	373	13,193
Tax	32,983	14,044	47,027

06.05 Net Financial Position

The net financial position at 31 December 2007, at 31 December 2006 and the year-on-year change are given in the following table:

Notes	(€m)	31.12.2007	31.12.2006	Change
I	A) Cash	45.7	43.0	2.7
I	B) Other cash items	-	65.5	(65.5)
	C) Cash and cash equivalents (A+B)	45.7	108.5	(62.8)
II	D) Current financial assets	247.4	160.9	86.5
XIV	E) Due to banks	8.9	10.7	(1.8)
XIV	F) Current portion of non-current loans	16.0	141.7	(125.7)
XV	G) Other current financial liabilities	6.9	13.9	(7.0)
	H) Total current financial liabilities (E+F+G)	31.8	166.3	(134.5)
	I) Net current financial position (H- D-C)	(261.4)	(103.1)	(158.3)
X	J) Non-current loans	293.4	419.4	(126.0)
XVI	K) Non-current bank loans	763.6	370.5	393.1
	L) Non-current financial liabilities (K)	763.6	370.5	393.1
	M) Net non-current financial debt (L-J)	470.2	(48.9)	519.1
	N) Net financial debt (I+M)	208.8	(152.0)	360.8

For further commentary please see the Notes indicated above for each item.

06.06 Financial Risk Management

Market Risk
Market risk is the risk that the fair value or future cash flow of a financial instrument may fluctuate due to changes in market prices, changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to manage and control the Company exposure to these risks within acceptable levels while optimising return on investments.

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

Hedging instruments are allocated to companies with significant exposure to interest rate risk where there are borrowings paying a variable rate (thus exposing the company 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 finance costs).
Currently, with regard to interest rate risk management, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) must as a matter of policy be in the range 40% to 60%.

When applying the policy and procedures described above, interest rate risk management instruments were accounted for as cash flow hedges and thus recognised as financial liabilities with changes in fair value recognised in the Hedging reserve in Equity. With regard to the instruments that tested effective in 2007 the change of € 161k was recognised in the Equity reserve mentioned above.

The IRS contract details as at 31 December 2007 were as follows:

Counterparty	Notional amount	Date negotiated	Start Date	Expiry	Fixed Rate Paid	Floating Rate Received	Fair value
Goldman Sachs	€ 25,000k	6-09-2005	11-10-2005	24-06-2015	3.08%	3m Euribor	€ 2,321k
Mediobanca	€ 25,000k	6-09-2005	11-10-2005	24-06-2015	3.10%	3m Euribor	€ 2,316k
Banca IMI	€ 35,000k	15-10-2007	17-10-2007	24-06-2015	4.56%	3m Euribor	€ (215)k
BNP Paribas	€ 35,000k	19-10-2007	23-10-2007	24-06-2015	4.44%	3m Euribor	€ 70k

Hedging instruments' fair value was calculated considering market parameters at the balance sheet date and using valuation models used throughout the financial community. IRS fair value was determined by discounting the cash flows using the interest rate curve prevailing on 31 December 2007.

Currency risk
The objective of currency risk management is to neutralise this risk in respect of foreign currency receivables and payables. The hedges used are exclusively forward forex sales or purchases.

The transactions undertaken are recognised at their current amount and any change is charged to the Income Statement, contra changes in the value of the related assets or liabilities. Derivatives' fair value was calculated considering market parameters at the balance sheet date and using valuation models used throughout the financial community.

The fair value of these hedges outstanding at 31 December 2007 is shown in the following table:

Counterparty	Notional amount	Date negotiated	Start Date	Expiry	Spot rate	Forward rate	Fair value
Intesa SanPaolo	$ 10,000k	20-12-2007	24-12-2007	24-01-2008	1.432	1.43274	€ 188k
BNP Paribas	YEN 15,288,000k	15-10-2007	17-10-2007	16-01-2008	167.45	165.968	€ (510)k

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 in relation principally to trade receivables and financial investments.
At 31 December 2007 the amounts, distribution by period and year-on-year comparative exposure was as follows:

(€k)	31.12.2007	31.12.2006	Change
Cash and cash equivalents	45,734	108,507	(62,773)
Other current financial assets	247,427	160,894	86,533
Trade receivables	31,192	16,308	14,884
Other current assets	63,651	55,255	8,396
Other non-current financial assets	293,417	419,420	(126,004)
Total	681,420	760,383	(78,963)

Current and non-current financial assets relate to financial transactions with Group companies under intercompany agreements. These assets are 79% of the total disclosed of € 681m.
The geographical distribution was as follows:

Current financial assets	€k	%
Luxembourg	127,230	51.42%
Italy	95,112	38.44%
France	8,077	3.26%
Spain	7,785	3.15%
Germany	4,923	1.99%
Austria	3,010	1.22%
USA	442	0.18%
UK	273	0.11%
The Netherlands	207	0.08%
Sweden	174	0.07%
Switzerland	108	0.04%
Belgium	43	0.02%
Ireland	19	0.01%
Greece	16	0.01%
Czech Republic	5	0.00%
Total	247,427	100%

Non-current financial assets	€k	%
USA	92,694	31.59%
Spain	158,500	54.02%
Italy	42,223	14.39%
Total	293,417	100%

Trade receivables are mainly governed by contractual relationships with affiliated companies, motorway partners or others under conventions. The Company's business model centred on the relationship with the final consumer means that trade receivables are not materially significant in that sales are generally settled in cash.
Affiliation entails the supply of merchandise and payment of royalties on the management of stores in Italy.

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

The following table shows the maturity of invoiced trade receivables by class of debtor, gross of impairment losses and excluding bad debts.

(€k)		Credits	Past due	0-30	31-60	61-90	over 90
Franchising	38%	10,330,169	3,957,221	461,198	893,296	506,247	2,096,481
Conventions	24%	6,499,931	3,036,067	1,477,659	641,899	147,429	769,080
Motorway partners	15%	4,216,114	3,218,092	838,244	470,656	1,145,126	764,065
Intercompany	11%	3,116,914	62,064	11,491	7,840	1,563	41,170
Other	12%	3,392,433	716,591	401,471	75,851	38,812	200,457
Total		27,555,561	10,990,036	3,190,063	2,089,542	1,839,177	3,871,253

First-demand bank guarantees are required on entering into affiliation agreements to cover exposure.
With regard to accounting policies, overdue trade receivables (net of bad debts) are analysed monthly to gauge the sufficiency of the bad debt provision and determine any steps to be taken. The bad debt provision amounted to €7,7071k on 31 December 2007 and was 18% of total past dues, being considered sufficient in relation to the credit risk.

Liquidity Risk
Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities. The elements that make up the Company's liquidity are the resources generated or absorbed by operations and investing activities, the characteristics of its debt and market conditions.

At 31 December 2007 the exposure and run-off were as follows:

Financial liabilities (excluding derivatives)		Contractual Cash Flows					
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months 1 year	1-5 years	over 5 years
Current account overdrafts	8,873	8,873	8,873	-	-	-	-
Unsecured loans	781,176	781,176	16,000	-	-	248,176	517,000
Lease payables	20	20	20	-	-	-	-
Trade payables	262,979	262,979	262,979	-	-	-	-
Total	1,053,049	1,053,049	287,873	-	-	248,176	517,000

With regard to exposure to trade payables, there is no concentration of suppliers.

06.07 Segment Reporting

The Company segments its business primarily according to the business segment or channel of operation, which for the Group as a whole is the secondary segmentation.
Geographical distribution of business is not significant, since Autogrill S.p.A. operates exclusively in Italy.

Results by business segment were as follows in 2007:

(€k)	Motorways	Airports	Other	Not-attributable	Total
Revenue	1,072,005	61,700	174,200	-	1,307,905
Other operating income	49,122	2,336	10,448	567	62,473
Total revenue	1,121,127	64,036	184,648	567	1,370,378
Depreciation and amortisation	(32,679)	(2,306)	(13,131)	(181)	(48,297)
Operating profit	117,399	2,664	5,689	(15,748)	110,003
Capital expenditure	53,383	5,895	18,458	35,554	113,290

06.08 The Seasonality of the Business

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

06.09 Guarantees given, Commitments and Contingent Liabilities

The Company's guarantees given and commitments outstanding increased by € 110,262k over 2006 to € 589,780k, and are broken down as follows:

(€k)	31.12.2007	31.12.2006	Change
Sureties and personal guarantees issued in favour of third parties	85,719	80,065	5,654
Sureties and personal guarantees issued in favour of subsidiaries	483,630	376,837	106,793
Other commitments and guarantees	20,431	22,615	(2,184)
Total	589,780	479,518	110,262

Sureties and personal guarantees issued in favour of third parties were issued to business counterparties in the normal run of business. The increase was mainly due to new leases or catering or retail concessions won.

Sureties and personal guarantees issued in favour of subsidiaries were issued to financial backers of direct or indirect subsidiaries. The increase was mainly due to the new bond issue of $ 150m privately placed with US institutional investors on 9 May 2007, equivalent to € 101m and issued by Autogrill Group Inc., USA. There was also an increase of € 31m in guarantees of bonds issued by subsidiaries offset by a € 29m reduction due to the effect of the depreciation of the US dollar on the $ 370m bond issued by Autogrill Group Inc.

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

06.10 Operating Leases

For the purposes of these Financial Statements, the various kinds of contract by which the Company carries on its store business are defined as operating leases.

Management and provision of catering services along the motorways or in airports is assigned by the manager of the infrastructure (motorway or airport) to specialised companies under sub-concession. In railway stations - alongside this kind of contract - recourse is also made to commercial leases. In the trade-fair/shopping-centre/city segment the commonest contract is a property lease or business lease.

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

The most common forms of agreement are the following.

Access Concession
Ownership of the land and buildings along the motorway is in the hands of a private firm (e.g., Autogrill) which negotiates access rights with the motorway company with the commitment to sell fuel and lubricants 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 continuity of service.

Area Concession
The motorway company authorises 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 rent based on turnover with certain stipulations regarding the way the services are to be provided and the continuity of service.
On expiry of the contract the buildings and equipment used for provision of services are to be transferred free of charge to the landlord (the motorway company).
Usually the owner of an area concession is a petrol company, which in turn can assign management of restaurant services to a specialised firm, generally through a business lease.

Service Concession
The motorway operator authorises separate contractors by means of separate independent contracts (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 rent based on turnover with certain stipulations regarding the way the services are to be provided and the continuity of service. On expiry of the contract the buildings and equipment used for provision of services are transferred free of charge to the landlord (the motorway company).
Service concessions are also used in airport terminals where the contractor is authorised to sell food and beverages after installing the necessary equipment and furnishings at its own expense, against payment of rent - usually based on turnover - and undertaking to ensure continuity of service within opening hours specified by the landlord. The obligation to transfer to the landlord on expiry of the concession the structures and equipment used for provision of services is not common, but not impossible.

Business rent and commercial lease
Renting a business or parts thereof confers the right to use rights and/or buildings, equipment etc. organised to serve food and beverage products. In some cases the company consists of an authorisation to operate and an administrative licence. In these cases the lessee undertakes the necessary capital expenditure and provides the service. In other cases, a firm leases a company consisting of both the authorisation and the necessary buildings and equipment. Leasing a company in the concession segment entails the obligation to ensure continuity of service and payment of a composite rent, which includes all amounts due to the landlord.
Commercial leases permit use of the buildings for business activity against payment of rent. The premises are equipped and furnished according to the specification and at the expense of the operator, who has the obligation to clear the premises on termination.
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 towns, in railway stations and shopping centres, according to the business objectives of the owner of the property.
Business lease is preferred by shopping centre management companies and sometimes in other business segments, with the aim of precluding fixed duration which, together with other rights (e.g., pre-emption and loss of goodwill), may be stipulated in commercial leases, and to ensure coordinated management of the administrative licences to trade.

Sub-Contract
The firm carries on the business of preparing and serving food and beverages using its own organisation, staff and equipment. It receives payment based on turnover (sales to the consumer). The contractor (owner) owns the property and has title to all the takings. This kind of agreement is used, e.g., by the Milan Trade Fair.

The table below gives details by due date of the Company's future minimum lease payments, as at 31 December 2007, under all the operating leases currently held by the Company as lessee.

Years (€m)	Total lease payments	Sub-lease payments	Net lease payments
2008	58.9	2.9	56.0
2009	56.7	2.6	54.1
2010	53.4	2.4	51.0
2011	47.9	2.2	45.7
2012	44.0	2.1	41.9
> 2012	199.9	7.2	192.7
Total	460.8	19.4	441.4

In 2007, lease payments recognised in the Income Statement amounted to € 53.7m under leases and € 3.2m under sub-leases.

06.11 Further information

Related-Party Transactions
All the related-party transactions were carried out in the interest of the Company and at arm's length.

Transactions with the Parent
In 2006 Edizione Holding S.p.A., controlled by Ragione di Gilberto Benetton & C. S.a.p.A. transferred its controlling stake in Autogrill S.p.A. to Schematrentaquattro S.r.l., which it controls as to 100%.
At 18 March 2008 and at 31 December 2007 the ultimate parent of Autogrill S.p.A. was Ragione di Gilberto Benetton & C. Sa.p.A..
Schematrentaquattro S.r.l., Edizione Holding S.p.A. and Ragione di Gilberto Benetton & C. S.a.p.A. all have their registered office in Treviso and are enrolled in the Treviso Company Register.

The Company made no direct transactions with Schematrentaquattro S.r.l. in 2007.
By resolutions dated 10 and 29 May 2007 the Company joined the domestic tax consolidation scheme of Ragione di Gilberto Benetton & C. S.a.p.A., pursuant to §117 et seq., Single Income Tax Act, for the years 2007-2009.

Transactions with Edizioni Holding S.p.A.

(€k)	2007	2006	Change
Income Statement			
Revenue	4	3	1
Other operating costs	5	65	(60)
Balance Sheet			
Trade receivables	4	3	1
Trade payables	59	55	4
Other liabilities	966	28,848	(27,882)

Other operating costs refer to the prepaid January instalment of premium on the Director and Officer Liability policy taken out by Edizione Holding S.p.A. including in the interest of Autogrill S.p.A..
For the year beginning on 1 February 2007 Autogrill S.p.A. took out a specific policy for itself and its subsidiaries, though this was part of the negotiation conducted for the group by Edizione Holding S.p.A..
Other liabilities reduced due to payments made in the period and refers to the residual liability for 2006 IRES (corporate tax) which Autogrill S.p.A. paid to Edizione Holding S.p.A. in the amount of € 1,788k net of subsidiaries' receivables of € 822k under the 2004-2006 tax consolidation scheme.
Trade payables include € 54k being accrued fee for the period of a Director of Edizione Holding S.p.A. for his Directorship on the Board of Autogrill S.p.A., which is paid to the company.
All the liabilities are current.

Transactions with Ragione di Gilberto Benetton & C. S.a.p.A.

(€k)	31.12.2007	31.12.2006	Change
Balance Sheets			
Other assets	3,632	-	3,632

Other credits refers to the excess funds paid to Ragione di Gilberto Benetton & C. S.a.p.A. by Autogrill S.p.A. in relation to advance IRES (corporate tax) calculated on historic tax net of the liability relating to subsidiaries totalling € 3,286k under the domestic tax consolidation scheme for the years 2007-2009.

Transactions with subsidiaries of Edizione Holding S.p.A.

	Edizione Property		Olimpias S.p.A.		Benetton Group S.p.A.		Verde Sport S.p.A.		Fabrica S.p.A.		Bencom S.r.l.		Gruppo Atlantia S.p.A.	
(€k)	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07	31.12.06	31.12.07
Income Statement:														
Revenue		5					60	64					17	
Other operating income							1	2			255	362	760	977
Other operating costs			187	40			55	61	35	78			2,972	2,774
Leases, rents, concessions and royalties					41	59							41,592	45,646
Balance Sheet:														
Trade payables			225	23	7	4		3	20	60			25,477	31,231
Trade receivables		6					2	17			1,089	987	972	1,048

In detail:

- Olimpias S.p.A.: Costs refer to purchase of sales staff uniforms.
- Benetton Group S.p.A.: Leases, rents, concessions and royalties refers to hire of the hall for the AGM and other meeting-rooms.
- Verde Sport S.p.A.: Revenue and trade payables refer to sales of food and beverage products under the commercial affiliation contract for the conduct of a Spizzico restaurant at La Ghirada - Città dello Sport.
- Fabrica S.p.A.: the transactions referred to graphic design consultancy.
- Bencom S.r.l.: sub-lease of premises in Via Dante in Milan. Other operating income refers to rent and related charges for the quarter. All liabilities are current; the receivable due from Bencom S.r.l. will be paid off in instalments during the residual life of the lease.
- Atlantia S.p.A.: Other operating income refers to commission paid on sales of Viacards (prepaid motorway toll cards) and the promotion contribution made in the period.

Costs refer to rentals and related charges relating to the food&beverage businesses carried on in service areas along the Italian motorway network.

Transactions with associates of Ragione di Gilberto Benetton & C. S.a.p.A.

(€k)	Grandi Stazioni S.p.A.		SAGAT S.p.A.		AdF S.p.A.	
	31.12.2006	31.12.2007	31.12.2006	31.12.2007	31.12.2006	31.12.2007
Income Statement:						
Revenue						66
Leases, Rents, Concessions and Royalties	1,197	1,295		745		435
Balance Sheet:						
Trade payables	363	275		5		149
Trade receivables						41

Grandi Stazioni S.p.A.: lease of premises located in the Rome Termini station. The costs refer to rental and related charges.
SAGAT S.p.A.: The costs refer to rental and related charges relating to premises located in Turin airport.
Aeroporti di Firenze S.p.A.: The costs refer to rental and related charges relating to premises located in Florence airport. Revenue refers to the sale of products and the fee for the management of the VIP lounge in Florence airport.

Transactions with Subsidiaries

(€k)	Aldeasa S.A.	Autogrill Austria A.G.	Carestel Group N.V.	Autogrill Côtè France S.a.s.	Autogrill Chzec Sro	Autogrill D.o.o.	Autogrill España S.A.U.	Autogrill Finance S.A.	Autogrill Group, Inc.	Autogrill Hellas E.P.E.
Income Statement:										
Revenue	2	140			5					125
Other operating income	83	411	16	917	68	2	292	12	196	55
Financial income		127		411		24	8,338	3,944	3,377	
Financial cost									298	
Leases, Rents, Concessions and royalties				120						
Balance Sheet:										
Trade payables				327						
Trade receivables		177	8	459	36	1	225		126	12
Financial assets		3,010	43	8,078	5		166,285	127,260	93,272	16

Transactions with Autogrill S.p.A.'s subsidiaries related to both financial and commercial activity.

In addition to the recurrent transactions with subsidiaries, in December 2007 Autogrill S.p.A. purchased a number of brands from the subsidiaries Autogrill Schweiz AG and Autogrill Côté France S.a.s. for a total price of € 24.1m. The financial liability to Autogrill Schweiz AG is the deferred portion of the price, which will be settled by the end of April 2008.

Autogrill International S.p.A.	Autogrill Nederland B.V.	Autogrill Schweiz A.G.	HMS Host Europe GmbH	HMS Host Sweden AB	Alpha Group Plc.	HMSHost Ireland Ltd.	Aviogrill S.r.l.	Nuova Sidap S.r.l.	Nuova Estral S.r.l.	Bar del Porto di Nuova Estral S.r.l. S.n.c.	Trentuno S.r.l.
		2					3,508	1,222			1,892
1,711	14	340		2	75		373	325	2		51
2,129			55	7	4		22		50		
								47			
										84	
		15,108									326
598	7	169	13		75		378	460	2		930
127,290	89	108	4,918	188	1,196	19	413	2,388	1,174	109	

Significant Non-Recurring Events and Transactions
In 2007, there were no significant non-recurring events or transactions as defined by CONSOB'S resolution 15519 and notice DEM/6064293.

Positions and Transactions arising out of Atypical or Unusual Business
No atypical or unusual transactions, as defined by CONSOB'S notice DEM/6037577 and notice DEM/6064293 dated 28 July 2006, were performed in 2007.

Fees to Key Managers
At 31 December 2007 there were no key managers except for the Managing Director and the Board of Directors collectively. Their fees were as follows.

Name	Office held	Term of office	Fees for the Office held	Non-monetary benefits	Bonuses and other incentives	Other fees
Gilberto Benetton	Chairman	01.01-31.12.07	€ 47,200			
Gianmario Tondato da Ruos	Managing Director	01.01-31.12.07	€ 466,774		€ 450,000	€ 400,000
Alessandro Benetton	Director	01.01-31.12.07	€ 46,000			
Giorgio Brunetti	Director	01.01-31.12.07	€ 58,800			
Antonio Bulgheroni	Director	01.01-31.12.07	€ 53,400			
Marco Desiderato	Director	01.01-31.12.07	€ 57,600			
Sergio De Simoi	Director	01.01-31.12.07	€ 46,000			
Sergio Erede	Director	01.01-31.12.07	€ 52,200			
Gianni Mion	Director	01.01-31.12.07	€ 45,400			
Gaetano Morazzoni	Director	01.01-31.12.07	€ 47,200			
Alfredo Malguzzi	Director	01.01-31.12.07	€ 66,800			
Total Directors			€ 987,374	-	€ 450,000	€ 400,000
Luigi Biscozzi	Chairman of Statutory Auditors	01.01-31.12.07	€ 73,800			€ 19,917
Gianluca Ponzellini	Statutory Auditor	01.01-31.12.07	€ 48,663			€ 13,406
Ettore Maria Tosi	Statutory Auditor	01.01-31.12.07	€ 50,274			€ 13,406
Total Statutory Auditors			€ 172,737	-		€ 46,729
Total			€ 1,160,111	-	€ 450,000	€ 446,729

The Managing Director's fee includes salary relating to his employment by the Company, which is shown under Other fees. The Managing Director's employment contract with the Company provides for payment – as well as of the indemnity for insufficient notice prescribed by the national managers collective contract for the commercial sector - of a further maximum indemnity should the Managing Director leave for just cause or be dismissed by the Company without just cause from any employment however denominated (in particular as senior manager and Managing Director) which the Managing Director has with the Company.

The Statutory Auditors receive fees for performing the same role in Autogrill International S.r.l., also disclosed under Other fees.

External Auditors' Fees for Audits and Other Services

Service	Provider of Service	Recipient of Service	Fees (€k)
Auditing			
	Parent External Auditors	Parent	347
	Parent External Auditors	Subsidiaries	50
	Parent External Auditors network	Subsidiaries	2,115
Attestation			
	Parent External Auditors	Parent	17
	Parent External Auditors network	Subsidiaries	446
Assistance for compliance with L. 262/05			
	Parent External Auditors	Parent	222
	Parent External Auditors	Subsidiaries	321
Other			11

06.12 Subsequent Events and Business Outlook

On 9 March 2008 Autogrill S.p.A. signed an agreement to acquire 100% of World Duty Free Europe, owned by BAA, at a price of € 715m.
On 7 March 2008 Autogrill España S.A.U., a subsidiary of the Company, signed an agreement to acquire the remaining 49.95% di Aldeasa S.A. held by Altadis S.A., at a price of € 275m. As occurred previously when the initial stake in Aldeasa S.A. was acquired, Autogrill S.p.A. acted as guarantor of its subsidiary.

On the date the publication of these Financial Statements was authorised, these transactions had not been finalised since they were under scrutiny by the European Competition Commission.

To finance these acquisitions, on 19 March 2008 Autogrill S.p.A. obtained a new line of credit for € 1bn.

This line of credit was arranged and underwritten by BNP Paribas, Intesa San Paolo, The Royal Bank of Scotland and UniCredit, as mandated lead arrangers and bookrunners, and by ING Bank and Natixis as mandated lead arrangers and sub-underwriters.

This financing consists of two term loans totalling € 875m - with an initial maturity of March 2013, which may be extended for one or two years - and a € 125m revolving line of credit maturing March 2013.

One term loan, for € 275m, provides for bullet repayment. The other has a partial repayment schedule of three annual amounts of € 100m each starting in 2010, plus a final repayment of € 300m.

06.13 Authorisation to publish the Financial Statements

These Financial Statements were approved for publication at the meeting of the Board of Directors held on 18 March 2008.

Annexes

Key Information on Consolidated Companies

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	indirectly	Carrying amount (€)[1]
Subsidiaries									
Autogrill Overseas Inc.	Wilmington	US	USD	33,793,055	191,519,148	(10,417,593)		100.00%	31,991,893
Autogrill Finance S.A.	Luxembourg	Luxembourg	Euro	250,000	2,066,449	1,410,350	100.00%		249,600
Nuova Estral S.r.l.	Novara	Italy	Euro	10,000	(23,306)	(42,197)	100.00%		13,436
Nuova Sidap S.r.l.	Novara	Italy	Euro	10,000	(218,259)	(228,259)	100.00%		143,439
Autogrill Europe Nord-Ouest S.A.	Luxembourg	Luxembourg	Euro	41,300,000	21,391,714	(2,609,579)		100.00%	18,880,781
Aviogrill S.r.l.	Bologna	Italy	Euro	10,000	846,694	801,546	51.00%		778,609
Trentuno S.p.A.	Trento	Italy	Euro	1,417,875	3,187,353	(469,584)	100.00%		12,239,541
Bar del Porto di Nuova Estral S.r.l. S.n.c.	Piombino	Italy	Euro	74,303	106,321	40,147		100.00%	1,400,000
Autogrill International S.p.A.	Novara	Italy	Euro	4,951,213	180,928,215	86,425,600	10.00%		530,555,759
Autogrill Austria A.G.	Gottlesbrunn	Austria	Euro	7,500,000	7,592,000	692,000		100.00%	9,144,317
Autogrill Partecipaciones S.L.	Madrid	Spain	Euro	6,503,006	(3,405,211)	(956,551)		100.00%	-
Restauracion de Centros Comerciales S.A.	Madrid	Spain	Euro	108,182	4,994,693	737,297		85.00%	17,885,616
Autogrill Belgie N.V.	Merelbeke	Belgium	Euro	26,250,000	12,643,993	4,088,896		100.00%	1,204,351
Ac Restaurants & Hotels Beheer N.V.	Merelbeke	Belgium	Euro	7,851,186	7,159,690	(2,242,446)		100.00%	22,443
Ac Restaurants & Hotels S.A.	Grevenmacher	Luxembourg	Euro	500,000	(803,187)	(485,200)		100.00%	496
HMSHost Europe GmbH	Monaco	Germany	Euro	205,000	11,017,000	407,000		100.00%	7,154,000
Steigenberger Gastronomie GmbH	Frankfurt	Germany	Euro	750,000	2,181,940	131,940		49.90%	3,687,980
HMSHost Sweden A.B.	Stockholm	Sweden	SEK	2,500,000	(44,380,673)	(55,609,779)		100.00%	297,446
HMSHost Ireland Ltd.	Cork	Ireland	Euro	800,000	(2,077,131)	(1,680,316)		100.00%	800,000
Autogrill D.o.o.	Lubjana	Slovenia	Euro	308,463	(87,424)	(1,757,993)	100.00%		2,592,742
Autogrill Czech Sro	Prague	Czech Rep.	CZK	2,000,000	(2,568,000)	(11,156,000)		100.00%	357,540
Autogrill España S.A.U.	Madrid	Spain	Euro	1,800,000	(33,124,106)	(4,610,469)		100.00%	10,578,797
Autogrill Hellas E.P.E.	Avlona Attikis	Greece	Euro	1,696,350	2,704,901	764,425	0.01%	99.99%	1,848,138
Autogrill Nederland B.V.	Breukelen	Netherlands	Euro	41,371,074	37,014,320	(166,069)		100.00%	8,217,473
Maison Ledeboer B.V.	Zaandam	Netherlands	Euro	69,882	11,561,296	(643,869)		100.00%	34,905,886
Ac Holding N.V.	Breukelen	Netherlands	Euro	150,000	26,615,650	387,107		100.00%	29,355,547
The American Lunchroom Co B.V.	Zaandam	Netherlands	Euro	18,151	17,473,022	344,424		100.00%	16,711,537
Ac Apeldoorn B.V.	Apeldoorn	Netherlands	Euro	45,378	45,378	-		100.00%	716,501
Ac Bodegraven B.V.	Bodegraven	Netherlands	Euro	18,151	18,151	-		100.00%	18,151
Ac Heerlen B.V.	Heerlen	Netherlands	Euro	22,689	23,142	-		100.00%	(150,147)
Ac Hendrik Ido Ambacht B.V.	HI Ambacht	Netherlands	Euro	2,596,984	2,596,984	-		100.00%	965,333
Ac Holten B.V.	Holten	Netherlands	Euro	34,034	34,034	-		100.00%	2,128,620
Ac Leiderdorp B.V.	Leiderdorp	Netherlands	Euro	18,151	18,151	-		100.00%	18,151
Ac Meerkerk B.V.	Meerkerk	Netherlands	Euro	18,151	18,151	-		100.00%	18,151
Ac Nederweert B.V.	Weert	Netherlands	Euro	34,034	34,034	-		100.00%	34,034
Ac Nieuwegein B.V.	Nieuwegein	Netherlands	Euro	18,151	18,151	-		100.00%	312,304
Ac Oosterhout B.V.	Oosterhout	Netherlands	Euro	18,151	18,151	-		100.00%	18,151
Ac Restaurants & Hotels B.V.	Breukelen	Netherlands	Euro	91,212	12,854,507	2,433,119		100.00%	908,575
Ac Sevenum B.V.	Sevenum	Netherlands	Euro	18,151	18,151	-		100.00%	18,151
Ac Vastgoed B.V.	Zaandam	Netherlands	Euro	18,151	(508,450)	(525,584)		100.00%	202,622
Ac Vastgoed I B.V.	Zaandam	Netherlands	Euro	18,151	(1,400,056)	(47,254)		100.00%	(1,295,772)
Ac Veenendaal B.V.	Woudensberg	Netherlands	Euro	18,151	18,151	-		100.00%	245,437
Ac Zevenaar B.V.	Zevenaar	Netherlands	Euro	56,723	2,701,572	57,406		100.00%	2,547,723

(1). Negative figures refer to allocations to provisions for risks when the value of the equity investment is nil and the loss for the year exceeds opening equity.

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	% held at 31.12.2007 indirectly	Carrying amount (€)[1]
Holding de Participation Autogrill S.a.s.	Marseille	France	Euro	84,581,920	88,630,097	3,409,089	0.01%	99.99%	(5,805,117)
Autogrill Aeroports S.a.s.	Marseille	France	Euro	1,721,096	510,215	(589,633)		99.99%	2,867,936
Autogrill Coté France S.a.s.	Marseille	France	Euro	31,579,526	37,647,647	(796,779)		99.99%	114,760,266
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	France	Euro	288,000	1,446,311	254,434		50.01%	518,418
Société de la Porte de Champagne S.A. (SPC)	Auberives	France	Euro	153,600	1,563,033	75,269		51.90%	350,019
Société de Restauration Autoroutière Dromoise S.a.s. (SRAD)	Marseille	France	Euro	1,136,000	1,986,321	261,421		99.99%	4,885,442
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	France	Euro	144,000	481,464	317,569		50.00%	68,602
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	France	Euro	1,440,000	2,021,884	423,250		70.00%	960,429
Societè Règionale de Saint Rambert d'Albon S.A. (SRSRA)	Saint Rambert d'Albon	France	Euro	515,360	4,435,530	736,122		50.00%	3,053,000
Volcarest S.A.	Champs	France	Euro	1,050,144	4,262,151	562,655		50.00%	1,329,303
Societè de Gestion de Restauration Routieère SGRR S.a.s.	Marseille	France	Euro	879,440	655,644	(142,364)		100.00%	1,816,000
SCI Vert Pre Saint Thiebaut	Nancy	France	Euro	457	(90,477)	271		100.00%	1,474
SNC TJ2D	Chaudeney sur Moselle	France	Euro	1,000	21,686	20,686		100.00%	990
Autogrill Restauration Services S.a.s.	Marseille	France	Euro	15,394,500	2,640,833	(7,915,590)		100.00%	12,084,064
Autogrill Gares Province S. a r.l.	Marseille	France	Euro	274,480	3,034,598	(290,898)		100.00%	4,989,297
Autogrill Gares Metropoles S. a r.l.	Marseille	France	Euro	4,500,000	772,789	(5,330,544)		100.00%	4,411,000
Autogrill Restauration Carrousel S.a.s.	Marseille	France	Euro	2,337,000	1,784,268	(552,744)		100.00%	12,198,528
Patisserie du Louvre S. a r.l.	Marseille	France	Euro	7,622	(162,390)	198,844		100.00%	103,850
La Rambertine S.n.c.	Saint Rambert d'Albon	France	Euro	1,524	9,026	557		50.00%	1,525
Autogrill Schweiz A.G.	Olten	Switzerland	CHF	10,000,000	47,712,789	46,156,804		100.00%	91,000,000
Autogrill Pieterlen A.G.	Pieterlen	Switzerland	CHF	2,000,000	1,349,815	(10,896)		100.00%	1,208,678
Autogirll Pratteln A.G.	Pratteln	Switzerland	CHF	3,000,000	13,509,123	1,036,106		95.00%	7,300,417
Restoroute de Bavois S.A.	Bavois	Switzerland	CHF	2,000,000	2,330,162	122,259		73.00%	886,106
Restoroute de la Gruyère S.A.	Avry devant-Pont	Switzerland	CHF	1,500,000	5,206,366	255,809		54.30%	634,556
Autogrill Basel Airport S.a.s (in liquidazione)	St Louis	Switzerland	CHF	58,680	(4,360,429)	-		100.00%	36,744
Autogrill Group, Inc.	Bethesda	US	USD	225,000,000	490,224,932	(21,010,368)		100.00%	333,010,619
CBR Specialty Retail Inc.	Bethesda	US	USD	-	102,292	102,292		100.00%	69,487
HMS Host Corp.	Bethesda	US	USD	-	597,269,625	-		100.00%	405,726,258
HMSHost Europe Inc.	Wilmington	US	USD	-	-	-		100.00%	n.d.
HMSHost International Inc.	Wilmington	US	USD	-	-	-		100.00%	n.d.
HMSHost Tollroads Inc.	Bethesda	US	USD	-	14,790,560	(1,284,321)		100.00%	10,047,252
HMSHost USA LLC	Bethesda	US	USD	-	(1,131,915)	(1,131,915)		100.00%	(768,912)
Host International Inc.	Bethesda	US	USD	326,831	53,535,122	80,236,391		100.00%	36,366,498
Sunshine Parkway Restaurants Inc.	Bethesda	US	USD	100	(294,757)	-		100.00%	(200,229)
Cincinnati Terminal Services Inc.	Bethesda	US	USD	-	(505,187)	-		100.00%	(343,174)
Cleveland Airport Services Inc.	Bethesda	US	USD	-	(312)	-		100.00%	(212)
HMS Airport Terminal Services Inc.	Bethesda	US	USD	1.000	(304,536)	-		100.00%	(206,872)
HMS B&L Inc.	Bethesda	US	USD	-	(4,256,211)	(232,227)		100.00%	(2,891,251)

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	% held at 31.12.2007 indirectly	Carrying amount (€)[1]
HMS Holdings Inc.	Bethesda	US	USD	1,000	336,931,555	-		100.00%	228,878,171
HMS Host Family Restaurants Inc.	Bethesda	US	USD	2,000	44,702,750	15,167,847		100.00%	30,366,653
HMS Host Family Restaurants LLC	Bethesda	US	USD	-	(8,779,619)	2,936,908		100.00%	(5,964,010)
Gladieux Corporation	Bethesda	US	USD	750	(82,864,587)	14,243		100.00%	(56,290,053)
Host (Malaysia) Sdn.Bhd.	Sepang	Malaysia	MYR	-	(380,318)	197,986		100.00%	(77,583)
Host Gifts Inc.	Bethesda	US	USD	100,000	(880,789)	-		100.00%	(598,322)
Host International of Canada Ltd.	Vancouver	Canada	CAD	73,351,238	62,242,033	(563,743)		100.00%	45,424,007
Host International of Canada (RD) Ltd.	Vancouver	Canada	CAD	-	7,726,978	1,655,098		100.00%	5,349,729
Host Canada L.P.	Vancouver	Canada	CAD	43	99,188,434	6,596,625		100.00%	67,378,869
SMSI Travel Centres Inc.	Toronto	Canada	CAD	-	4,760,983	(1,075,741)		100.00%	3,296,239
Host International of Kansas Inc.	Bethesda	US	USD	1,000	(1,912)	-		100.00%	(1,299)
Host International of Maryland Inc.	Bethesda	US	USD	79,576	76,744	-		100.00%	52,132
HMS Host USA Inc.	Bethesda	US	USD	-	(41,527,818)	3,150,242		100.00%	(28,209,916)
Host International (Poland) Sp zo, in liquidazione	Varsaw	Poland	PLN	-	-	-		100.00%	-
Host of Holland B.V.	Schiphol	Netherlands	Euro	-	3,180,957	13,342,617		100.00%	2,160,830
Horeca Exploitatie Maatschappij Schiphol B.V.	Schiphol	Netherlands	Euro	45,378	286,487	9,977,025		100.00%	282,614
Host Services (France) S.a.s. (in liquidazione)[2]	Paris	France	Euro	38,110	-	-		100.00%	-
Host Services Inc.	Bethesda	US	USD	-	1,101,337	139,769		100.00%	748,140
Host Services of New York Inc.	Bethesda	US	USD	1,000	1,269,146	2,767,132		100.00%	862,133
Host Services Pty Ltd.	North Cairns	Australia	AUD	6,252,872	467,351	64,734		100.00%	277,820
Las Vegas Terminal Restaurants Inc.	Bethesda	US	USD	-	(21,053,308)	379,863		100.00%	(14,301,547)
Marriott Airport Concessions Pty Ltd.	Tullamarine	Australia	AUD	3,910,102	1,624,607	(1,861,465)		100.00%	965,759
Michigan Host Inc.	Bethesda	US	USD	1,000	419,332,066	31,482,400		100.00%	284,852,976
Shenzen Host Catering Company Ltd.	Shenzen	China	CNY	-	-	-		90.00%	-
The Gift Collection Inc.	Bethesda	US	USD	1,000	(711,337)	2,550		100.00%	(483,212)
Turnpike Restaurants Inc.	Bethesda	US	USD	-	(202,298)	-		100.00%	(137,422)
HMSHost Services India Private Ltd.	Bangalore	India	INR	88,606,387	85,599,069	(3,007,318)		99.00%	1,463,984
HMS-Airport Terminal Services Inc.	Christchurch	New Zealand	NZ$	-	558,036	(137,974)		100.00%	291,509
HMSHost Singapore Pte Ltd.	Singapore	Singapore	$ Sing.	821,213	1,101,570	(1,922,783)		100.00%	(515,652)
AAI Investments Inc.	Washington	US	USD	-	153,447,468	726,500		100.00%	104,237,123
Anton Airfood Inc.	Washington	US	USD	1,000	21,279,889	(2,191,607)		100.00%	14,455,464
AAI Terminal 7 Inc.	New York	US	USD	-	1,635,698	689,475		100.00%	1,111,132
AAI Terminal One Inc.	New York	US	USD	-	2,144,320	145,546		100.00%	1,456,640
Airport Architects Inc.	Washington	US	USD	-	(399,031)	(1,997)		100.00%	(271,062)
Anton Airfood JFK Inc.	New York	US	USD	-	(1,369,799)	863,345		100.00%	(930,507)
Anton Airfood of Cincinnati Inc.	Washington	US	USD	-	(1,377,715)	(35,179)		100.00%	(935,884)
Anton Airfood of Minnesota Inc.	Washington	US	USD	-	5,781,358	(124,767)		100.00%	3,927,286
Anton Airfood of New York Inc.	New York	US	USD	-	316,780	19,314		100.00%	215,189
Anton Airfood of North Carolina Inc.	Washington	US	USD	-	6,730,198	1,735,906		100.00%	4,571,835
Anton Airfood of Ohio Inc.	Washington	US	USD	-	7,090,582	457,046		100.00%	4,816,644
Anton Airfood of Road Island Inc.	Washington	US	USD	-	6,793,667	1,013,296		100.00%	4,614,949
Anton Airfood of Texas Inc.	Washington	US	USD	-	1,638,432	849,671		100.00%	1,112,989
Anton Airfood of Virginia Inc.	Washington	US	USD	-	7,052,771	914,866		100.00%	4,790,959
Palm Springs AAI Inc.	Washington	US	USD	-	1,772,522	651,835		100.00%	1,204,077
Anton Airfood of Boise Inc.	Washington	US	USD	n.d.	(889,532)	(145,060)		100.00%	(604,260)
Anton Airfood of Tulsa Inc.	Washington	US	USD	n.d.	31,543	(284,089)		100.00%	21,427

(2) Figures are as at 31 .12.2001 .

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	% held at 31.12.2007 indirectly	Carrying amount (€)[1]
Islip AAI, Inc.	New York	US	USD	n.d.	(1,152,061)	(79,323)		100.00%	(782,597)
Fresno AAI, Inc.	Washington	US	USD	n.d.	(165,826)	(90,828)		100.00%	(112,646)
Anton Airfood of Newark, Inc.	Washington	US	USD	-	308,442	620,855		100.00%	209,525
Anton Airfood of Seattle, Inc.	Washington	US	USD	n.d.	(1,091,113)	(316,362)		100.00%	(741,195)
Lee Airport Concession, Inc.	Washington	US	USD	-	762,091	-		100.00%	517,690
Anton Airfood of Bakersfield, Inc., in liquidazione	Washington	US	USD	1,000	-	-		100.00%	-
Host Bush Lubbock Airport Joint Venture	n.d.	US	USD	n.d.	299,657	(316,962)		90.00%	183,202
Host/Lub-Tech Joint Venture	n.d.	US	USD	n.d.	433,118	(461,849)		90.00%	264,796
Host Keefee Joint Venture	n.d.	US	USD	n.d.	62,061	(14,087)		49.00%	20,658
CS Host Joint Venture	n.d.	US	USD	n.d.	1,917,619	(594,829)		70.00%	911,849
Airside C F & B Joint Venture	n.d.	US	USD	n.d.	1,711,092	(1,344,535)		70.00%	813,643
Host Kahului Joint Venture Company	n.d.	US	USD	n.d.	643,706	(3,952,778)		90.00%	393,544
Host/Coffee Star Joint Venture	n.d.	US	USD	n.d.	1,665,980	63,976		50.00%	565,965
Host-Chelle-Ton Sunglass Joint Venture	n.d.	US	USD	n.d.	3,217	(231,451)		80.00%	1,748
Southwest Florida Airport Joint Venture	n.d.	US	USD	n.d.	7,938,440	(832,776)		68.00%	4,307,642
Host Honolulu Joint Venture Company	n.d.	US	USD	n.d.	2,207,899	(9,518,687)		90.00%	1,349,846
Host/Forum Joint Venture	n.d.	US	USD	n.d.	668,956	(887,567)		70.00%	318,096
HMS/Blue Ginger Joint Venture	n.d.	US	USD	n.d.	1,338,710	(1,642,826)		55.00%	500,163
Savannah Airport Joint Venture	n.d.	US	USD	n.d.	10,193	(295,664)		45.00%	3,116
Host/Star Concessions JV	n.d.	US	USD	n.d.	491,359	(433,731)		65.00%	216,957
Host & Garrett Joint Venture	n.d.	US	USD	n.d.	1,238,413	356,115		75.00%	630,942
Tinsley - Host - Tampa Joint Venture	n.d.	US	USD	n.d.	173,726	(867,353)		49.00%	56,040
Host/NCM Atlanta Joint Venture	n.d.	US	USD	n.d.	(580,977)	158,495		80.00%	(315,727)
Phoenix - Host Joint Venture	n.d.	US	USD	n.d.	473,142	(986,111)		70.00%	224,985
Host Taco Joy Joint Venture	n.d.	US	USD	n.d.	8,179,214	(9,282,411)		80.00%	4,444,923
Host English Joint Venture Company	n.d.	US	USD	n.d.	213,160	(953,680)		69.40%	100,491
Minnesota Retail Partners, LLC.	n.d.	US	USD	n.d.	2,763,637	(543,621)		51.00%	957,445
Host Chelsea Joint Venture	n.d.	US	USD	n.d.	62,866	(235,342)		65.00%	27,758
Providence Airport JV	Rhode Island	US	USD	n.d.	41,643	(103,746)		25.00%	21,217
Host - Tinsley Joint Venture	n.d.	US	USD	n.d.	1,819,387	(4,289,134)		84.00%	1,038,167
Host/Tarra Joint Venture	n.d.	US	USD	n.d.	2,138,650	(1,749,647)		75.00%	1,508,771
Metro-Host Joint Venture	n.d.	US	USD	n.d.	2,556,648	(1,314,145)		70.00%	1,215,714
Ben-Zey/Host Lottery JV	n.d.	US	USD	n.d.	400	(38,783)		40.00%	109
ASG - Host Joint Venture	n.d.	US	USD	n.d.	(3,462)	(1,784,909)		85.00%	64,884
Host D and D St. Louis Airport Joint Venture	n.d.	US	USD	n.d.	4,793,649	(2,275,653)		75.00%	2,442,250
East Terminal Chilis Joint Venture	n.d.	US	USD	n.d.	255,881	-		55.00%	95,601
Host Stellar Joint Venture	n.d.	US	USD	n.d.	(340,327)	(628)		51.00%	(117,904)
Host - Chelsea Joint Venture #2	n.d.	US	USD	n.d.	1,578	(315,496)		75.00%	804
Host/LJA Joint Venture	n.d.	US	USD	n.d.	5,220,554	(3,042,871)		85.00%	3,014,381
Host/NCM Atlanta E Joint Venture	n.d.	US	USD	n.d.	721,286	(256,666)		75.00%	367,478
Houston 8/Host Joint Venture	n.d.	US	USD	n.d.	3,733,962	(960,031)		60.00%	1,521,892
Seattle Restaurant Associates	n.d.	US	USD	n.d.	6,566,917	233,168		70.00%	3,122,642
Bay Area Restaurant Group	n.d.	US	USD	n.d.	2,347,404	(1,587,101)		49.00%	781,352
Islip Airport Joint Venture	n.d.	US	USD	n.d.	83,476	(142,221)		50.00%	28,353
Sarasota Joint Venture	n.d.	US	USD	n.d.	-	1,437		20.00%	-
Host Prose #2 J/V	n.d.	US	USD	n.d.	2,243,009	(107,349)		70.00%	1,078,059
HMS Host/Coffee Partners Joint Venture	n.d.	US	USD	n.d.	1,663,167	(86,458)		50.00%	565,009
Host-Grant Park Chili's Joint Venture	n.d.	US	USD	n.d.	242,643	(777,769)		70.00%	115,379
Host/JV Ventures McCarran Joint Venture	n.d.	US	USD	n.d.	1,797,310	(1,317,521)		60.00%	732,549
Airside E Joint Venture	n.d.	US	USD	n.d.	-	(102,898)		50.00%	-
Host-CJ & Havana Joint Venture	n.d.	US	USD	n.d.	115,209	(211,094)		70.00%	54,784
Xavier-Host Joint Venture	n.d.	US	USD	n.d.	604,190	161,264		60.00%	362,515

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	% held at 31.12.2007 indirectly	Carrying amount (€)[1]
Southwest Retail Alliance III	n.d.	US	USD	n.d.	8,408	129,103		70.00%	3,998
Host Whitsett Joint Venture	n.d.	US	USD	n.d.	1,760,031	309,460		60.00%	717,355
Host/Howell-Mickens Joint Venture	n.d.	US	USD	n.d.	1,436,788	(1,162,736)		65.00%	634,408
Anton-JQ RDU Joint Venture	Releigh, North Caroline	US	USD	n.d.	(12)	(12)		100.00%	(8)
MIA Airport Retail Partners Joint Venture	n.d.	US	USD	n.d.	254,286	239,807		30.00%	120.916
Host of Santa Ana Joint Venture Company	n.d.	US	USD	n.d.	597,869	(1,044,837)		75.00%	304,600
Host Marriott Services - D/FW Joint Venture	n.d.	US	USD	n.d.	39,536	(1,127,174)		65.00%	25,699
Host Marriott Services D/FWorth Joint Venture II	n.d.	US	USD	n.d.	56,749	(106,000)		75.00%	28,912
Host - Prose Joint Venture III	n.d.	US	USD	n.d.	806,996	(122,936)		51.00%	279,579
Host Adevco Joint Venture	n.d.	US	USD	n.d.	828,088	(81,298)		70.00%	393,765
Host/JQ Raleigh Durham	n.d.	US	USD	n.d.	1,939,543	(1,608,057)		75.00%	988,151
Carestel Group N.V.	Merelbeke	Belgium	Euro	10,000,000	(798,198)	(226,314)	99,90%	0.10%	46,375,006
Carestel Motorway Services N.V.	Merelbeke	Belgium	Euro	6,000,000	1,125,767	(154,898)		99.90%	4,501,280
Restair N.V.	Merelbeke	Belgium	Euro	61,500	2,190,933	3,129,748		99.90%	61,500
Caresquick N.V.	Brussels	Belgium	Euro	2,500,000	395,779	(353,140)		50.00%	937,500
Carestel Service Center N.V. (in liquidazione)	Merelbeke	Belgium	Euro	62,000	(10,833)	(52,630)		99.90%	62,000
Carestel Beteiligungs GmbH & Co. (in liquidation)	Echterdingen	Germany	Euro	25,000	15,866	(4,865)		90.90%	30,000
Carestel Commercial Catering France S.A.	Saint Louis	France	Euro	2,916,480	1,784,006	219,452		99.90%	2,417,000
Carestel Nord S. a r.l.	Saint Louis	France	Euro	76,225	422,470	126,022		99.90%	294,336
Autogrill Trois Frontières S.a.s.	Saint Louis	France	Euro	621,999	1,282,913	531,690		99.90%	858,000
Restair UK Ltd.	London	UK	GBP	1	445,335	477,536		100.00%	1
Carestel A.B.	Stockholm	Sweden	SEK	6,000,000	6,115,043	211,645		100.00%	56,407
Carestel Sud S.a r.l. (in liquidation)	Lesquin	France	Euro	840,172	31,845	6,127		99.90%	-
Alpha Group Plc.	Cranford	UK	GBP	18,258,499	165,586,000	594,000	100.00%		291,890,703
Alpha Retail UK Limited	Cranford	UK	GBP	180,000	27,160,000	(12,739,000)		100.00%	188,190,872
Alpha Overseas Holdings Limited	Cranford	UK	GBP	2	4,899,002	2,895,000		100.00%	3
Alpha Flight UK Limited	Cranford	UK	GBP	190,000	48,049,000	5,083,000		100.00%	69,720,892
The Bagel Street Company Limited	Cranford	UK	GBP	116,358	-	-		100.00%	6,327,129
Alpha Flight Services Overseas Limited	Jersey	Jersey	GBP	5,100	8,902,100	-		80.40%	12,139,374
Alpha Airports Group (Jersey) Limited	Jersey	Jersey	GBP	4,100	(1,481,900)	(414,000)		100.00%	11,933,552
Alpha Airport Catering (Ireland) Limited	Dublin	Ireland	EUR	1	295,001	337,000		100.00%	1
Alpha Flight Services Ireland Limited	Dublin	Ireland	EUR	3	(607,997)	(659,000)		100.00%	3
Alpha Airport Holdings B.V.	Boesingheliede	Netherlands	EUR	74,874	17,660,874	1,405,000		100.00%	17,760,909
Alpha Flight Services B.V.	Boesingheliede	Netherlands	EUR	1,623,172	38,883,172	719,000		100.00%	29,726,480
Alpha Retail Catering Sweden A.B.	Nykoping	Sweden	SEK	100,000	6,331,000	2,293,000		100.00%	9,990
Alpha Retail Italia S.r.l.	Rome	Italy	EUR	10,000	(1,217,060)	(1,555,244)		100.00%	900,000
Alpha Rocas S.A.	Otopeni	Romania	LEU	33,500,000	48,827,338	10,258,993		64.20%	5,263,842
Alpha Airport Services EOOD	Sofia	Bulgaria	LEV	7,633,200	2,471,407	1,265,107		100.00%	29,353
Alpha Keys Orlando Retail Associates Limited	Wilmington	US	USD	100	54,190,100	2,512,000		85.00%	-
Alpha Airport Services Inc.	Wilmington	US	USD	1	3,790,001	140,000		100.00%	4,049,465
Alpha Flight Services Pty. Limited	Broadbeach	Australia	AUD	52,002	(7,143,998)	609,000		51.00%	21,549,088
Orient Lanka Limited	Fort Colombo	Sri Lanka	LKR	30,000,000	270,708,915	(160,472,610)		99.00%	25,637,437

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	% held at 31.12.2007 indirectly	Carrying amount (€)[1]
Jordan Flight Catering Company Limited	Amman	Jordan	JOD	800.000	5.888.000	4.670.000		51.00%	12.033.718
Alpha MVKB Maldives Pvt Limited	Male	Maldive	MVR	20.000	20.454.179	6.260.255		60.00%	1.061
Alpha-Kreol (India) Pvt Ltd. (Retail Cochin)	n.d.	India	INR	20	4.237.020	1.603.000		50.00%	0
Alpha In-Flight Retail Ltd.	n.d.	UK	GBP	150.000	9.979.000	3.800.000		100.00%	4.549
Alpha Flight Services UAE	Sharjah	United Arab Emirates	AED	100.000	7.193.000	7.093.000		49.00%	370.500
Alpha Airport Retail Holdings Pvt Ltd.	Mumbai	India	INR	9.741.600	(4.337.000)	1.603.000		100.00%	682.666
Servair Air Chef S.r.l.	Milan	Italy	Euro	2.000.000	(3.467.000)	431.000		50.00%	8.105.238
Servizi di Bordo S.r.l.	n.d.	Italy	Euro	100.000	(440.000)	94.000		80.00%	545.440
Alpha Future Airport Retail Pvt Ltd.	Mumbai	India	INR	321.472.800	705.907.626	(892.051.557)		50.00%	682.666
Alpha ASD Limited	Cranford	UK	GBP	20.000	349.000	(245.000)		50.00%	163.633
Alpha Airport Pension Trustees Ltd.	UK	UK	GBP	100	100	-		100.00%	-
Pratt & Leslie Jones Ltd.	Singapore	Singapore	Sing$	9	(742)	-		100.00%	-
Alpha SUTL Pte Ltd.	UK	UK	GBP	2	(12.625)	-		50.00%	-
Alpha ESOP Trustee Ltd.	UK	UK	GBP	100	100	-		100.00%	-
Alpha Airports Group Ltd. (formerly Teddys Ltd.)	USA	USA	USD	2	2	-		100.00%	-
Alpha Euroservices Ltd.	UK	UK	GBP	170	(1.204.087)	-		100.00%	-
Alpha Airport Services Ltd.	UK	UK	GBP	25.000	25.000	-		100.00%	-
Alpha Catering Services (Scotland) Ltd.	UK	UK	GBP	2	2	-		100.00%	-
Alpha Services Group Ltd.	UK	UK	GBP	3	3	-		100.00%	-
Alpha Airports Group (Channel Islands) Ltd.	UK	UK	GBP	21	1.311.473	-		100.00%	-
Alpha Catering Services (Northern Ireland) Ltd.	UK	UK	GBP	2	2	-		100.00%	-
Alpha Airports (FURBS) Trustees Ltd.	UK	UK	GBP	26.000	26.000	-		100.00%	-
Airport Duty Free Shops Ltd.	UK	UK	Euro	2	2	-		100.00%	-
Alpha Airports Group S.L.	UK	UK	Euro	3.006	3.006	-		100.00%	-
Dynair B.V.	UK	UK	GBP	18.151	18.151	-		100.00%	-
Aldeasa S.A.	Madrid	Spain	Euro	10.772.462	278.272.452	9.325.117		49,95%	152.389.297
Aldeasa Internacional S.A.	Madrid	Spain	Euro	5.409.000	6.013.994	55.057		100.00%	5.912.090
Aldeasa Chile Ltda.	Santiago del Chile	Chile	USD	1.854.154	4.923.459	1.563.942		99,99%	7.933.278
Sociedad de Distribución Aeroportuaria de Canarias S.L.	Las Palmas	Grand Canaria	Euro	667.110	7.464.274	3.049.422		60.00%	6.790.474
Aldeasa Colombia Ltda.	Cartagena de Indias	Colombia	COP	966.441	641.712	(38.462)		99,99%	216
Aldeasa México S.A. de C.V.	Cancun	Messico	MXN	7.390.815	7.656.860	2.226.029		99,99%	868.464
Transportes y Suministros Aeroportuarios S.A.	Madrid	Spain	Euro	1.202.000	1.243.372	40.828		100.00%	1.202.024
Ciro Holdings S.A.	Geneve	Switzerland	CHF	56.336.347	54.877.228	15.764.976		100.00%	49.592.585
Aldeasa Cabo Verde S.A.	Isola di Sal	Cape Verde	CVE	54.490	578.153	322.266		99,99%	3.064
Prestadora de Servicios en Aeropuertos S.A. de C.V.	Crucero	Mexico	USD	6.462	103.564	56.673		99,99%	10.536
Panalboa S.A.	Panama	Rep. of Panama	PAB	125.623	230.490	138.128		80.00%	158.301
Audioguiarte Servicios Culturales S.L.	Madrid	Spain	Euro	251.000	479.242	89.232		100.00%	350.013
Aldeasa Servicios Aeroportuarios Ltda.	Santiago del Chile	Chile	USD	8.134.652	7.084.896	(30.103)		99,99%	4.894.224
Aldeasa Projects Culturels S.a.s.	Versailles	Francia	Euro	1.300.000	509.179	(485.777)		100.00%	509.179
Cancouver Uno S.L.	Madrid	Spagna	CAD	3.010	(1.750.071)	(1.752.400)		100.00%	-
Aldeasa Atlanta JV	Bethesda	USA	USD	1.497.923	838.619	(659.256)		51.00%	427.695

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	% held at 31.12.2007 indirectly	Carrying amount (€)[1]
Aldeasa Jordan Airports Duty Free Shops (AJADFS)	Amman	Jordan	USD	771,377	24,799,065	14,879,789		100.00%	63,438,030
Aldeasa Curacao N.V.	Curacao	Dutch Antilles	Euro	389,937	405,590	215,111		100.00%	389,937
Aldeasa Canada Inc.	Vancouver	Canada	CAD	709	(1,195)	(2,447)		100.00%	(1,195)
Aldeasa US Inc.	Wilmington	USA	USD	1,000	-	-		100.00%	-
Aldeasa Atlanta LLC	Bethesda	USA	USD	100	-	-		100.00%	-

Key Information on Associates[3]

Company Name	Reg. Office	Country	Curr.	Share Capital	Equity	Profit/(loss) for the year	% held at 31.12.2007 direct	% held at 31.12.2007 indirectly	Carrying amount (€)[1]
Dewina Host Sdn Bhd	Sepang	Malaysia	MYR	250,000	3,571,371	2,422,163		49.00%	356,984
HMSC-AIAL Ltd.	Auckland	New Zealand	NZD	111,900	8,887,663	2,009,674		50.00%	2,323,994
TGIF National Restaurant JV	Texas	US	USD	n.d.	293,709	142,906		25.00%	336,974
Aldeasa Vancouver L.P.	Vancouver	Canada	CAD	16,879,337	21,515,871	(4,285,129)		75.00%	3,568,147
Aldeasa Atlanta JV	Vancouver	US	USD	1,497,923	838,619	(659,256)		25.00%	345,153
Estación Aduanera Zaragoza S.A.	Zaragoza	Spain	Euro	1,670,153	1,077,624	(21,318)		31.26%	748,408
Souk al Mouhajir S.A.	Tangiers	Morocco	Euro	521,889	1,415,439	216,577		35.85%	429,792
Creuers del Port de Barcelona S.A.	Barcelona	Spain	Euro	3,005,061	14,785,592	4,134,678		23.00%	3,131,133
Lanzarote de Cultura y Ocio S.A.	Tias	Spain	Euro	180,304	172,778	-		30.00%	24,789
Virgin Express Catering Services N.V.	Brussels	Belgium	Euro	62,000	3,080	-		48.98%	593

(3) §2429, ¶3, Italian Civil Code.

Attestation of the Managing Director and the Manager Responsible

DECLARATION
concerning the Company Accounts pursuant to article 81-ter of Consob Regulation no. 11971 dated 14 May 1999 as amended and supplemented

1 The undersigned Gianmario Tondato Da Ruos, as Managing Director (CEO), and Alberto Devecchi, as the Manager responsible for drawing up Autogrill S.p.A.'s financial reports, hereby confirm, after taking into account also the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58/98, that the administrative and accounting procedures for the preparation of the company accounts during 2007 fiscal year :

(a) are adequate with respect to the company structure and
(b) have been duly applied.

2 In this regard no matters of significance emerged.

3. The undersigned also attest that the Company Accounts at 31 December 2007:

- correspond to the books and accounting entries and,
- have been drawn up in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the regulations adopted pursuant to article 9 of Legislative Decree no. 38/05 and, based on their knowledge, are suitable to truthfully and correctly represent the assets and liabilities, profits and losses and financial position of the issuer.

Milan, 18 March 2008

Gianmario Tondato Da Ruos

Managing Director
Autogrill S.p.A.

Alberto Devecchi

Manager responsible for drawing up
Autogrill S.p.A.'s financial reports
Autogrill S.p.A.

External Auditors' Report

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

Telefono 02 6763.1
Telefax 02 67632445
e-mail it-fmauditaly@kpmg.it

(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 156 of legislative decree no. 58 of 24 February 1998

To the shareholders of
Autogrill S.p.A.

1 We have audited the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2007, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement and notes thereto. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Reference should be made to the report dated 5 April 2007 for our opinion on the prior year separate financial statements, which included the prior year figures presented for comparative purposes.

3 In our opinion, the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2007 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38 of 28 February 2005. Therefore, they are clearly stated and give a true and fair view of the financial position of Autogrill S.p.A. as at 31 December 2007, the results of its operations, changes in its equity and its cash flows for the year then ended.

Milan, 7 April 2008

KPMG S.p.A.

Giovanni Rebay
Director of Audit

Resolutions to be put to the Shareholders' Meeting

AGENDA ITEM NO. 1

1. Approval of the Accounts and Appropriation of Net Profit for the Year.

Shareholders,

Net profit for the year ended 31 December 2007 was € 148,332,768.
Your Board of Directors proposes distribution of a dividend, before any withholdings required by law, of € 0.30 per share.

Proposed Resolution

Shareholders,

if you are in agreement with our proposal, we ask you to pass the following resolution:
"The Ordinary Meeting of the Shareholders:
- having taken note of the Board of Statutory Auditors' Report and the External Auditors' Report by KPMG S.p.A.;
- having examined the Accounts at 31 December 2007 which show a net profit for the year of € 148,332,768;

resolves

a) to approve:
   i) the Directors' Report on Operations;
   ii) the Balance Sheet, the Income Statement and the Notes to the Accounts of the financial year ended 31 December 2006 which show a net profit for the year of € 148,332,768;

b) to appropriate the net profit for the year of € 148,332,768 as follows:
   i) 5% to legal reserves, i.e., the amount of € 7,416,639;
   ii) € 76,320,000 for payment of dividend;
   iii) € 64,596,129 profits carried forward;
c) to pay a dividend of € 0.30 per share amounting to € 76,320,000;
d) to fix the dividend payment date as from 24 July 2006, the share to go ex-dividend on 21 July 2006."

AGENDA ITEM NO. 2

2. Election of Directors pursuant to §10 of the By-Laws after determining their number and the duration of the office. Determination of their compensation.

Shareholders,

you are reminded that on approval of the accounts for fiscal 2007 our term of office, conferred by the Shareholders' Meeting held on 27 April 2005, expires. You are therefore called on to elect a new Board of Directors.

The Meeting is required to determine the number of Directors - from three to fifteen - and to establish their term of office - up to a maximum of three financial years - to elect them by means of a list vote and to fix their compensation.

The Board of Directors therefore asks the Shareholders to put forward proposals on these matters and to present a list of candidates, as per the procedure outlined in §10 of the By-Laws. The Board thanks you for your trust.

The Board of Directors

AGENDA ITEM NO. 3

3. Statement by the Board of Directors of Autogrill S.p.A. to the Shareholders in Ordinary Meeting on the proposed authorisation to purchase and sell treasury shares under §§2357 et seq., Civil Code, §132, Law 58/98, and §144-bis of the Consob Regulation per resolution 11971/99 as amended, set out as prescribed by §73 and annex 3A of the above Regulation, subject to full or part revocation of the authorisation granted by Shareholders' resolution on 24 April 2007.

Shareholders,

we inform you that under the resolution taken by the Ordinary Meeting of the Shareholders on 24April 2007 no purchases or sales of treasury shares were made.

We submit for your approval (i) the revocation of that resolution and (ii) authorisation to purchase and sell treasury shares under §§2357 et seq., Civil Code, §132, Law 58/98, and §144-bis of the Consob Issuers Regulations per resolution 11971/99 as amended (the "Consob Regulation") and give the following description of the method and terms of the transaction pursuant to §73 and annex 3A of the Consob Regulation

1) **Reasons for which your authorisation to purchase and sell treasury shares is sought.**
   The authorisation proposed today is of greater content and scope than those of the previous authorisation of 24 April 2007 and is necessary in order to enable your Company, subject to procurement of sufficient financial resources:
   (a) to trade on the market - subject to prevailing regulations and either directly or through intermediaries - with a view to stabilising the Autogrill share price should the share price fluctuate in such a way as to indicate anomalies in its performance;
   (b) to use treasury shares for share incentive plans for the Directors and/or permanent and temporary staff of the Company or its subsidiaries, whether by means of stock options or through stock grants.

2) **Maximum quantity, type and par value of the shares for which your authorisation to trade is sought.**
   The maximum quantity of the shares it is proposed to purchase and subsequently sell, on one or more occasions, is not to exceed a total of 12,720,000 (twelve million seven hundred twenty thousand), or in any case the legal limit, of ordinary shares in the Company with a par value of € 0,52 (fifty-two euro cents) each.

3) **Relevant information to enable you to determine fully whether the transaction would be compliant with §2357 ¶3, Civil Code.**
   The maximum quantity of the shares for which authorisation to trade is sought is equal to 5% of the 254,400,000 ordinary shares that make up Company capital, and is therefore well within the limit laid down by §2357, Civil Code. As of today neither the Company nor any subsidiary owns ordinary shares in the Company.
   For the purposes of the proposed transaction(s) the latest approved Company Accounts show that there are free reserves of € 467,239,695 (four hundred sixty-seven million two hundred thirty-nine thousand six hundred ninety-five euros). A Reserve for the purchase of Treasury Shares is proposed to be set aside in the Accounts in the maximum amount of € 220,000,000 (two hundred twenty million euros) from Other reserves and retained profit at the time of the first purchase and to be increased as and when further purchases are made.

4) **Period for which your authorisation is sought.**
   The period for which your authorisation is sought is 18 (eighteen) months from the date on which the Shareholders' Meeting passes the relevant resolution. During this time we will undertake the transactions described herein on one or more occasions.

5) **Minimum and maximum prices and the market valuation on which these will be based.**
Subject to procurement of the necessary financial resources compatible with your Company's future plans, investments and contractual obligations, and if undertaken per 1(a) above, the minimum price including purchase costs at which the purchases are made shall be no lower than 20% below the reference price of the share recorded by Borsa Italiana S.p.A. during the session of the day prior to each transaction and the maximum price shall be no higher than 20% over the said reference price; or, if purchased under 1(b) above, the price shall include trading costs and the minimum price shall be no lower than 20% below and the maximum price shall be no higher than 20% over the weighted average price of the Autogrill ordinary share recorded by Borsa Italiana S.p.A. in the ten days preceding the purchase date or price-fixing date.
We also propose that treasury shares bought under the terms of this resolution may be sold under §2357-ter, Civil Code at any time in whole or in part by one or more trades for the purposes outlined in 1(a) and (b) above, which shall be considered to all intents and purposes repeated here, and to authorise the use of all the purchased treasury shares for stock swaps or grants, in all cases on terms and conditions set by the board of directors, it being understood that the proceeds of any sale or use may be used for further purchases up to the expiry of the shareholder's authorisation, within the limits of number and price set by the Shareholders' Meeting by means of this authorisation.
The Board shall on each occasion set the criteria for the fixing of the price and/or procedure, terms and conditions at which treasury shares held in the portfolio may be sold or used, having reviewed the actual manner of realisation to be used, the share price performance in the period prior to the sale or use and the best interests of the Company.

6) **Procedure for purchase and sale of the shares.**
Purchases will be carried out in the market including trades of options or derivatives with the Autogrill share as underlying in compliance with applicable legislation and in accordance with the procedures laid down in the regulations of markets organised and managed by Borsa Italiana S.p.A. and pursuant to §144-bis of Consob Issuers Regulations as per Law 58/98.

7) **Information regarding the purchase of treasury shares in order to reduce Company capital.**
No purchase shall be used to reduce Company capital by cancelling the treasury shares purchased.

Proposed Resolution

Shareholders,

if you are in agreement with our proposal, we ask you to pass the following resolution:
“The Ordinary Meeting of the Shareholders of Autogrill S.p.A.:
- having examined the explanatory statement of the Board of Directors;
- considering the Accounts at 31 December 2007 approved by today’s Ordinary Meeting of the Shareholders;
- having taken note of the favourable opinion of the Board of Statutory Auditors;

resolves

- to revoke, with effect from the date of the resolution of the Meeting, the resolution authorising the purchase and sale of treasury shares taken by the Ordinary Meeting of the Shareholders on 24 April 2007;
- to authorise, pursuant to §§2357 et seq, Civil Code and §132, Law 58/98, for a period of 18 (eighteen) months from the date of this resolution in General Meeting, the purchase and possible subsequent sale, in one or more trades and at any time, of Autogrill S.p.A. ordinary shares with a par value of € 0,52 (fifty-two euro cents) in the maximum quantity of 12,720,000 (twelve million seven hundred twenty thousand).
- to authorise, subject to procurement of the necessary financial resources compatible with the Company’s future plans, investments and contractual obligations, and if undertaken per 1(a) of the above explanatory statement, the mentioned purchases at a minimum price including trading costs no lower than 20% below and no higher than 20% over the reference price of the share recorded by Borsa Italiana S.p.A. during the session of the day prior to each transaction or, if purchased under 1(b) of the above explanatory statement, at a minimum and maximum price including trading costs respectively no lower than 20% below and no higher than 20% over the weighted average official price of the Autogrill ordinary share recorded by Borsa Italiana S.p.A. in the ten days preceding the purchase date or price-fixing date. As required by §2357-ter, Civil Code, the Company will set aside, or replenish if already in place under the earlier authorisation, an undistributable Reserve for the purchase of treasury shares in the Accounts transferring the amount of treasury shares purchased under this authorisation from Other reserves and retained profit as disclosed in the accounts at 31 December 2007, submitted to today’s Meeting for approval.
- to establish that the amount of the Reserve for the purchase of treasury shares shall not exceed € 220,000,000 (two hundred twenty million euros) or in any case the legal limit and the available reserves as disclosed in the latest approved accounts;
- to establish that purchases shall be carried out in the market including trades of options or derivatives with the Autogrill share as underlying in compliance with applicable legislation and in accordance with the procedures laid down in the regulations of markets organised and managed by Borsa Italiana S.p.A. and pursuant to §144-bis of Consob Issuers Regulations as per Law 58/98;
- to authorise the disposal or use of all treasury shares held in the portfolio under §2357-ter, Civil Code, whether or not the maximum amount of shares hereby authorised has been purchased, at any time by one or more trades for the purposes outlined in 1(a) and (b) of the above explanatory statement which shall be considered to all intents and purposes repeated here, and then, as an example without limitations, for share incentive plans for the Directors and/or permanent and temporary staff of the Company or its subsidiaries, whether by means of stock options or through stock grants, or for stock swaps or grants.
- to establish that, in the event of disposal of treasury shares, the reserve set up under §2357-ter, final para., Civil Code should be reduced proportionately so that the reserves thus made available may be used again for further purchases within the limits and at the conditions specified in this resolution;

- to authorise the board of directors to set the criteria on each occasion for the fixing of the price and/or procedure, terms and conditions at which all the treasury shares held in the portfolio may be used, having reviewed the actual manner of realisation to be used, the share price performance in the period prior to the sale or use and the best interests of the Company;
- to give the Board of Directors and on its behalf the Chairman and the Managing Director all necessary powers , to be exercised singly or jointly, to purchase, sell use or invest all treasury share in the portfolio and to carry out the above resolutions, if desired through empowered persons appointed by them, and to comply with any requests made by the competent authorities."

The Board of Directors
The Chairman

Milan, 18 March 2008

Board of Statutory Auditors' Report

Shareholders,

during the financial year ended 31 December 2007, we carried out our audit activity as required by law in accordance with the principles of conduct of Boards of Statutory Auditors, as recommended by the Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri [national councils of qualified accountants] and by CONSOB in its communications, specifically No. 1025564 dated 6 April 2001 as subsequently amended.

Accordingly we carried out the following tasks:

- we took part in the Shareholders' Meeting and all the meetings of the Board of Directors held in 2006 and at regular intervals obtained information from the Directors on the conduct of business and the most significant transactions carried out by the Company and its subsidiaries;
- we took cognizance of and monitored the business of the Group, as provided by §151, TUF [Consolidated Finance Act] and within the limits of our role. The information we gathered was obtained by means of direct checks, by assuming information from the Managing Director and the managers of the various corporate functions, by taking part in the meetings of the Internal Control and Corporate Governance Committee and by exchanging data and information with the audit firm KPMG S.p.A.;
- we set up meetings with the principals within the various corporate functions to ascertain whether the initiatives undertaken by the Company were planned in such a way as to attain the main corporate objectives and at the same time strengthen the internal control system.
- we monitored the adequacy of the administrative and accounting system and its reliability in terms of providing a true and fair picture of the business, not least by examining the results of the work carried out by the External Auditors, who referred to us during the year on the findings of their quarterly audits of the correctness of the Company's accounting and bookkeeping procedures. No untoward fact or event emerged;
- we verified compliance with legal requirements concerning the drawing up of the Company's Accounts and the Consolidated Accounts, and the reports on operations, by making direct checks and obtaining specific information from the External Auditors.

Additionally, in compliance with the above-specified CONSOB communications, we inform you of the following:

1. The most significant economic, financial and capital transactions carried out by the Company and its subsidiaries were performed in accordance with the law and the Company's by-laws. On the basis of the information we gathered, we were able to verify that these transactions were not manifestly imprudent, risky or such as to prejudice the integrity of the Company's assets.
2. We did not discover any atypical and/or unusual transactions carried out during the year with outside entities, related parties or intercompany counterparties which would require to be reported. The Directors, in their Report on Operations and in the Notes to the Accounts, indicate and illustrate the main transactions entered into with outside entities, related parties and intercompany counterparties and describe their main features and effect on profits. We also verified that the Group's everyday operating procedures are ordered in such a way as to ensure that all transactions with related parties are concluded at arm's length.
3. We find that the information provided by the Directors in their Report on Operations in relation to the transactions specified in point 2 above is adequate.
4. The Report of the auditing firm KPMG S.p.A. on the Consolidated Accounts of the Autogrill S.p.A. group as at 31.12.2007, issued on 7 April last, does not contain any significant findings. Equally, the report by KPMG S.p.A. on Autogrill S.p.A.'s Accounts as at 31.12.2007 does not contain any significant findings.
5. No reports were made to this Board of Statutory Auditors pursuant to §2408, Civil Code, during 2007.

6. No representations were made to this Board of Statutory Auditors during 2007.
7. No significant matters needing to be reported emerged from our contacts with the corresponding bodies of the subsidiaries.
8. During 2007 the External Auditors KPMG S.p.A. assisted the Company with the project of compliance with Law 262/2006 "Measures to safeguard savers and order financial markets" for which they received a fee of one hundred and thirty-five thousand euros, and with the certification of the Sustainability Report, for which they received a fee of eighty thousand euros, as well as an audit of the amounts due to landlords for a total of sixteen thousand eight hundred euros.
   Under the audit agreement and following the enlargement of the perimeter, KPMG received an additional fee of forty thousand euros.
   We also note that Autogrill S.p.A.'s subsidiaries mandated persons "connected to KPMG S.p.A. by permanent contracts" to carry out certain tasks other than that of auditing the financial statements, summarised as follows:

Subsidiary	Mandate description of service	Fee accrued in 2007 (€/000)
Autogrill Côté France	Autogrill Internal Control Financial Reporting Project 262	146.5
Autogrill Schweiz AG	Audit of the amounts due to landlords	1.8
	Assistance with adoption of IAS 19	2.3
Autogrill Group Inc.	Audit of the amounts due to landlords	414.0
	Autogrill Internal Control Financial Reporting Project 262	163.0
	Special projects	8.08

   We report that no information or situations emerged that could compromise the independence of the auditing firm.

9. In 2006 there were 11 meetings of the Board of Directors and six meetings of the Internal Control and Corporate Governance Committee.
   There were also nine meetings of this Board of Statutory Auditors.
10. We have no particular observations to make in respect of compliance with correct administration principles, which appear to have been constantly complied with and to be in the interests of the company.
11. In 2007 work continued to systematically adapt the entire organisational structure, both with regard to the positions of greatest responsibility, and in light of the new operational requirements that emerged; specifically, with the favourable opinion of the Board of Statutory Auditors and the Internal Control and Corporate Governance Committee, the Nominated Official in charge of drawing up the Company's financial statements was appointed as required by §154-bis, TUF, as the Head of Group Administration, Finance, Control and Information Systems, in the person of Alberto Devecchi; the Administration and Control area for Italy was redesigned; and the area organisational units in Spain and Belgium were modified. This Board of Statutory Auditors believes that the overall organisational structure is adequate for the size of the Group and the complexity of its business.
12. As more fully described in the Corporate Governance Report, risk management and control activity continued, through the up-dating of procedures and of the Organisational and Management Model pursuant to Law 231/01, with the insertion of offences relating to health, hygiene and safety regulations among those covered. Risk management and control activity is also carried on through the operation of the Group Internal Auditing Department.

13. We ascertained that the operating procedures of the Company and its subsidiaries ensure regular provision of the information needed to comply with the requirements of the law.
14. Systematic meetings between this Board of Statutory Auditors and the External Auditors, pursuant to §150 ¶2, Law 58/98 did not bring to notice any matters that would need to be reported.
15. The activity of adapting and bringing into force the rules of corporate governance continued in accordance with the Corporate Governance Code issued by Borsa Italiana in March 2006, which the Company adopted by a resolution of the Board of Directors dated 19 December 2006.
16. In 2007 the Company verified the independence of the Directors qualified as such by carrying out suitable checks as provided by the Corporate Governance Code.
17. In conclusion we assure you that no omissions, untoward facts or irregularities such as to require to be reported to the Shareholders, emerged from our controlling activity.

Furthermore, we express our agreement, within the limits of our role, to the approval of the Accounts for 2007 together with the Report on Operations as presented by the Board of Directors, and the consequent proposed appropriation of net profit as put forward by the Board.

Milan, 7 April 2007
The Board of Statutory Auditors

Notes

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28100 Novara NO, Italia
Via Luigi Giulietti, 9

Company Capital:
Euro 132.288.000
fully paid in

Tax Number:
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Registry:
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CCIAA No. Novara:
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VAT No.:
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