Autogrill Group

Annual Report

2015

Autogrill Group

2015 Annual Report

(Translated from the original version issued in Italian)

Chairman's letter

Dear Shareholders,

Last year saw significant results in terms of growth and the strengthening of our international reach through Autogrill's strong strategic focus over the last three years, which has enabled our Group to consolidate and to capitalise on new development opportunities.

In 2016, the Group grew strongly in the airport channel by further strengthening its leadership in the United States, by entering new markets with promising growth prospects, such as China, and by expanding its operations in important countries like Germany, the UK and Scandinavia.

In the motorway channel we continued to adopt a policy of selective investments in certain key markets.

Strongly positive results were also obtained on the innovation front, where Autogrill introduced new products and formats addressing customers' changing tastes and needs.

The strengthening of the Group's position is clearly reflected in its portfolio of concessions, which grew significantly in size and with an excellent average contract length. In line with the Group's strategic goals, we grew strongly in the airport and railway station channels, while stability was maintained in the motorway channel.

Such progress confirms Autogrill's global leadership, which we intend to continue consolidating in countries where we are well established and build in those countries that we are now entering with determination, at the same time as evaluating external growth opportunities that may arise, that meet our criteria.

Gilberto Benetton

Letter from the CEO

Dear Stakeholders,

Autogrill posted excellent financial results for 2015. While North America produced impressive figures that were key to the Group's overall performance, we should also remember the return to profitability in Europe and double-digit growth in the International area, where we won several new contracts and opened over a hundred new points of sale. Solid growth in sales and margins enabled the Group to double its profits and cash flow generation.

Over the year the Group continued to strengthen its medium-term competitive position both by increasing its contracts portfolio and by making significant investments, of which over 50% in North America. Almost 80% of total investments went into development.

We continue to take opportunities that will benefit us in the short and medium term by leveraging our know-how: our ability to partner with the world's biggest food & beverage brands at the same time as developing strong and innovative in-house brands, that are increasingly valued and competitive in Italy and abroad.

Take Bistrot, for instance, which caters for travellers in channels and countries with different culinary traditions, from Dutch railway stations to North American and European airports and onto Italian motorways. And other award winning formats that we've created, such as Gorgeous Kitchen at Heathrow and Whiskey River at Charlotte Airport, to mention just a couple.

Geographical and channel diversification, the capacity to constantly innovate our offering and the passion and commitment of all our people are, in my opinion, the most effective means to successfully negotiate an environment that is still characterized by uncertainty and continue to grow in the future.

Gianmario Tondato Da Ruos

Boards and officers

Board of Directors[1]

Chairman [2, 3]	Gilberto Benetton
CEO [2, 3, 4]	Gianmario Tondato Da Ruos [E]
Directors	Ernesto Albanese [I] Tommaso Barracco [5, I] Alessandro Benetton Francesco Umile Chiappetta [6, I] Carolyn Dittmeier [6, 7, I] Massimo Fasanella d'Amore di Ruffano [5, 8, I] Giorgina Gallo [5, 7, I] Gianni Mion [5] Stefano Orlando [7, 8, I, L] Paolo Roverato [6, 8] Neriman Ülsever [I]
Secretary	Paola Bottero

Board of Statutory Auditors[9]

Chairman	Marco Rigotti [10]
Standing auditor	Antonella Carù [10]
Standing auditor	Eugenio Colucci [10]
Alternate auditor	Giuseppe Angiolini [10]
Alternate auditor	Pierumberto Spanò [10]
Independent auditors [11]	Deloitte & Touche S.p.A.

1. Elected by the Annual General Meeting of 28 May 2014; in office until approval of the 2016 financial statements
2. Appointed at the Board of Directors meeting of 28 May 2014
3. Powers assigned by law and the company's by-laws, particularly legal representation with individual signing authority
4. Powers of ordinary administration, with individual signing authority, per Board resolution of 28 May 2014
5. Member of the Strategies and Investments Committee
6. Member of the Internal Control, Risks and Corporate Governance Committee
7. Member of the Related Party Transactions Committee
8. Member of the Human Resources Committee
9. Elected by the Annual General Meeting of 28 May 2015; in office until approval of the 2017 financial statements
10. Chartered accountant/auditor
11. Assignment granted by the Annual General Meeting of 28 May 2015, to expire on approval of the 2023 financial statements

E Executive director

I Independent director as defined by the Corporate Governance Code for Listed Companies (version approved in July 2014 by the Corporate Governance Committee and endorsed by Borsa Italyna, ABI, Ania, Assogestioni, Assonime and Confindustria) and pursuant to Articles 147-*ter* (4) and 148 (3) of Legislative Decree 58/1998

L Lead Independent Director

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1. Directors' Report

Definitions and symbols

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

Revenue: in the directors' report this refers to operating revenue, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis. Fuel sales are classified net of the corresponding cost under "Other operating income".

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

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

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

Symbols: Unless otherwise specified, amounts in the directors' report are expressed in millions of Euros (€m) or millions of US dollars ($m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k and $k).

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

1.1 The Autogrill Group

Operations

Autogrill is the world's largest provider of food & beverage services for travelers and is the recognized leader of the US and Italyn markets.
Present in 30 countries with a workforce of 57,000, it manages about 4,200 points of sale in approximately 1,000 locations. It operates mainly through concessions and subconcessions: at airports, along motorways and in railway stations, as well as on high streets and at shopping centers, trade fairs and cultural attractions.
The Group offers to its clients a highly varied selection, including proprietary brands and concepts (such as Ciao, Bistrot, Puro Gusto, Motta, Bubbles, Beaudevin and La Tapenade) and others owned by third parties. The latter include local brands (Tim Hortons, Leon, Class Croute) as well as international household names (Starbucks Coffee, Burger King, Brioche Dorée, etc.). The Group manages a portfolio of more than 250 brands, directly or under license.

Strategy

The Group's strategy is to ensure steady growth in value through expansion and diversification into different geographical areas and channels, constant product and concept innovation, and the improvement of service with a view to increasing the satisfaction of customers and concession grantors.
In the airport and railway station channel, the Group plans to expand in countries where it is already active, as well as in new ones with good potential for an increase in traffic. In the motorway channel, efforts are more selective, given the limited growth potential in developed countries and the extensive investments needed to penetrate new markets.
Menus are kept up-to-date through the development of new concepts and the ongoing review of brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio.
The Group evaluates how well it is achieving its objectives by monitoring customer satisfaction and the growth of sales and cash generation, earned through the acquisition and management of a broad, diversified portfolio of concessions and subconcessions with strategically balanced durations.
The Group is committed to simplify organizational charts and business processes and to enhance operating efficiency and investments, efforts that are constantly monitored so as to free up financial and managerial resources that can better be devoted to growth.
Maintaining a well-balanced financial structure is crucial to the Group's objectives. Opportunities for growth by accretion are individually assessed for consistency with strategic objectives (in terms of areas and channels served) and financial sustainability.

Autogrill around the world

The Autogrill Group is active in 30 countries around the globe

Countries

Australia
Austria
Belgium
Canada
China
Czech Republic
Denmark
Finland
France
Germany
Greece
India
Indonesia
Ireland
Italy
Malaysia
New Zealand
Norway
Poland
Russia
Slovenia
Spain
Sweden
Switzerland
The Netherlands
Turkey
United Arab Emirates
United Kingdom
USA
Vietnam

Proprietary brands

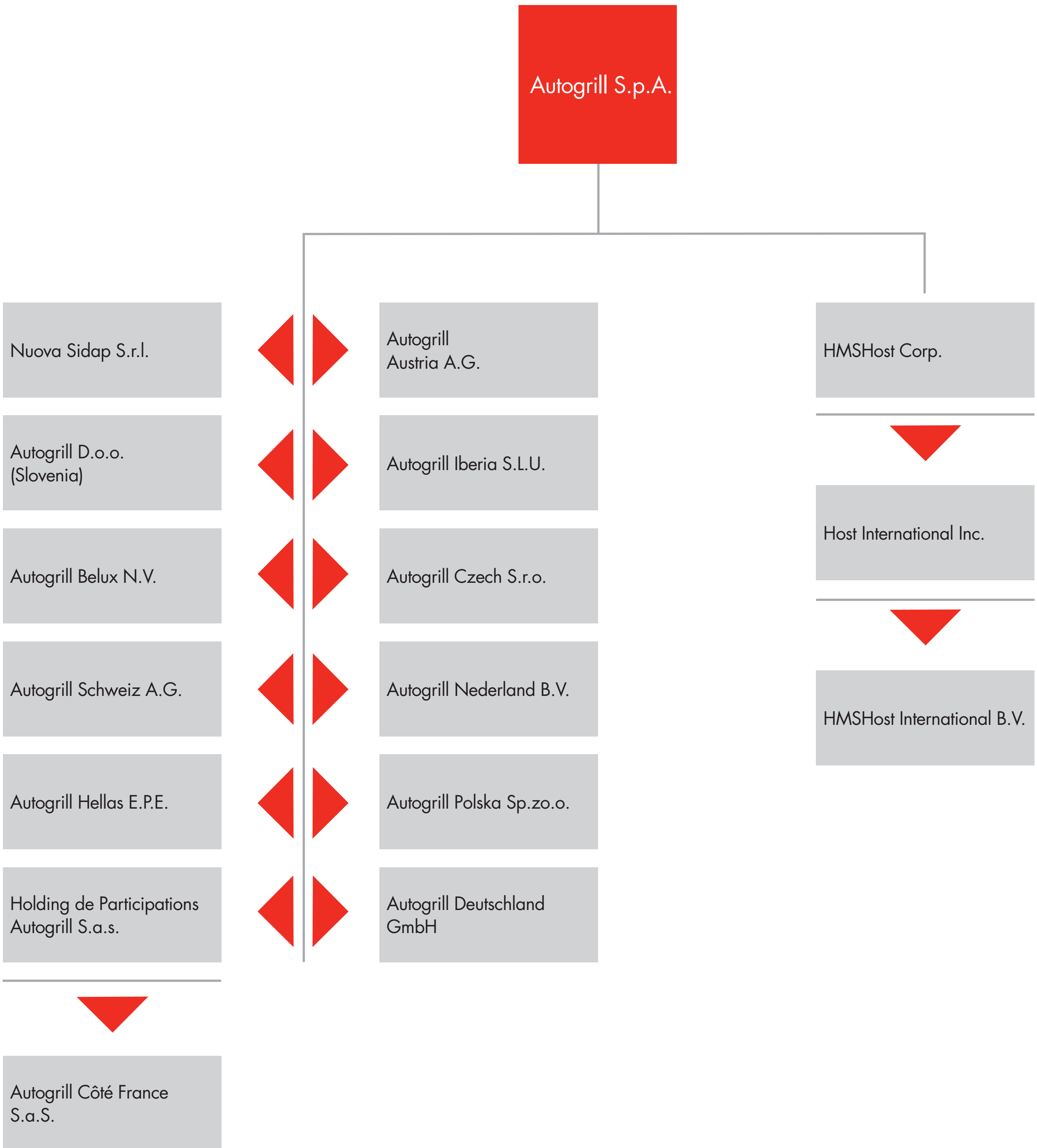
Location by channel

Channel of activity	North America	International	Italy	Other European countries	Total
Airports	85	41	10	12	**148**
Motorways	100	-	398	202	**700**
Railway stations	-	4	14	34	**52**
Malls	3	-	35	7	**45**
Others	7	-	18	-	**25**
Total	195	45	475	255	970

Licensed brands

Starbucks
EATALY alti cibi
Brioche Dorée
Burger King
Pizza Hut
California Pizza Kitchen
McDonald's
Tim Hortons Cafe & Bake Shop
Bonefish Grill
Wolfgang Puck
Fast-Fire'd Blaze Pizza
Dunkin' Donuts
Smashburger Smashed fresh. Served delicious.
Bruegger's Baked Fresh

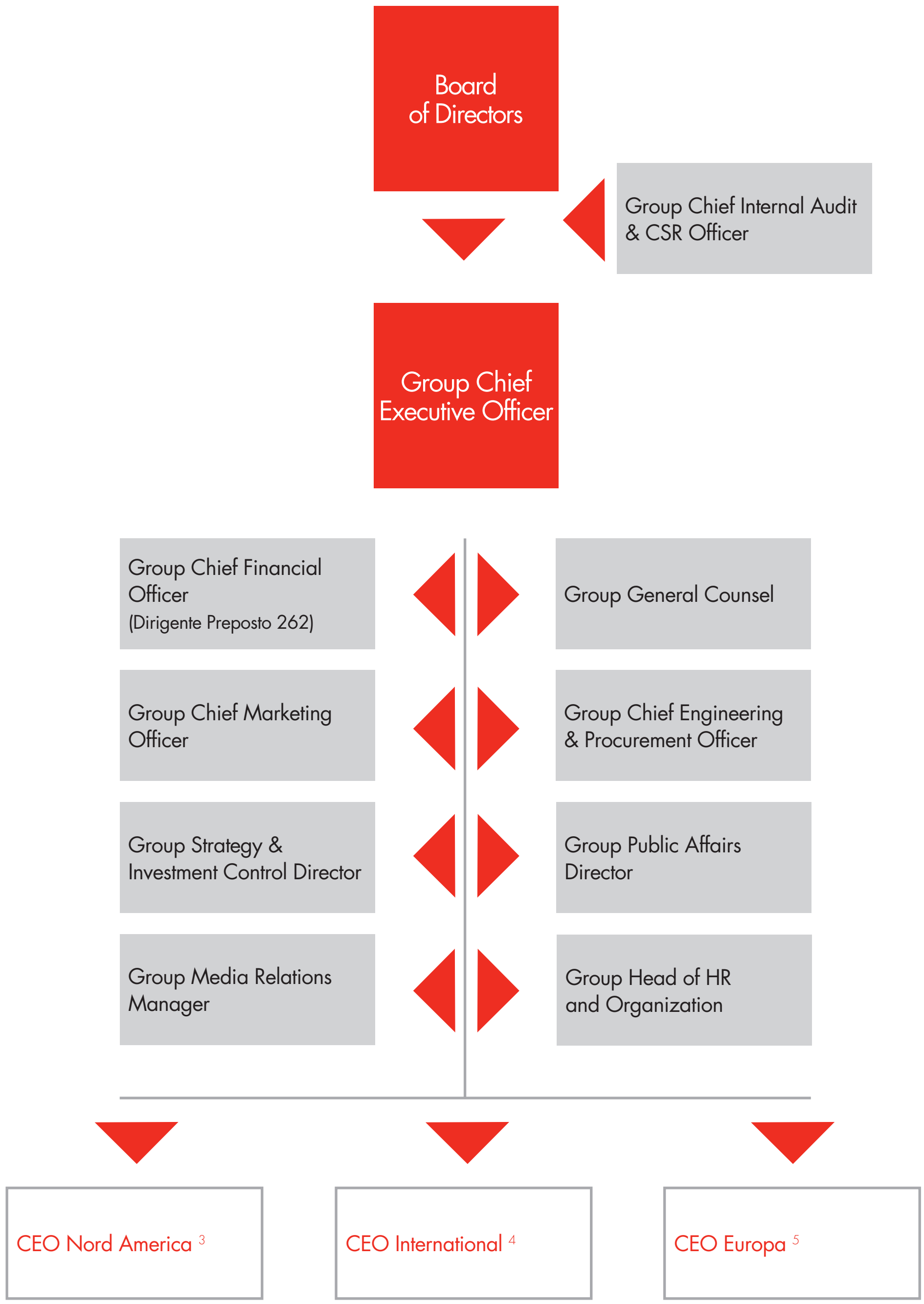
Simplified Group structure[1-2]



1. Where not otherwise specified, all companies are wholly owned. See the annexes to the consolidated financial statements for a complete list of equity investments. In early January 2015 the investments in Autogrill Catering UK Ltd., HMSHost Ireland Ltd., and HMSHost Sweden AB were sold by Autogrill S.p.A. to HMSHost International B.V., a subsidiary of HMSHost Corp.
2. Company names are up-to-date as of March 2016

Organizational structure

The Group is structured in business units, which manage operational levers according to objectives and guidelines defined by the corporate executives of Autogrill S.p.A.



Respect the structure in force for the year 2014, it has formed the new Group Strategy & Investment Control unit and appointed the CEO for Europe.

3. United States of America, Canada
4. It includes North Europe: The Netherlands (Schiphol airport, Utrecht railway station), Finland, Ireland, United Kingdom, Sweden, Denmark, Norway; and Rest of the world (Australia, United Arab Emirates, India, Indonesia, Malaysia, New Zealand, Russia, Turkey, Vietnam, China)
5. Italy and Other European countries: Austria, Belgium, France, Germany, Greece, The Netherlands (motorways), Poland, Czech Republic, Slovenia, Spain, Switzerland

1.2 Group performance

1.2.1 General business context

1.2.1.1 The air transport industry and the trend in airport traffic [6]

In 2015, passenger traffic at airports worldwide increased by 6.1%, the highest growth rate since 2010. Passengers in North America numbered approximately 1.7 billion, showing an increase of 5.6% compared to the previous year. Specifically, domestic traffic within the United States was increased by 5.5%, and international traffic by 6.1%.
In Europe, the number of passengers has been nearly 1.9 billion, showing an increase of 5% compared to the previous year with 4.8% increase in international traffic and +5.2% for domestic flights respectively.
Asia, with nearly 2.5 billion passengers, enjoyed traffic growth of 8%, while in Africa the numbers were in line with 2014 (-0.1%).
In South America, traffic (with nearly 600 million passengers) was increased by 5.5% and the Middle East (with nearly 300 million passengers) showed a 11.3% growth.

1.2.1.2 The trend in motorway traffic

In Italy, motorway traffic increased by 3.2% [7] thanks to the first signs of an economic recovery and the lower cost of fuel. The growth was driven by both light traffic (+3.2%) and heavy vehicles (+3.3%).
In the United States, traffic showed an increase of 4.3% with respect to 2014 [8],

6. Source: ACI - Airports Council International – Flash December 2015
7. Source: AISCAT, January–September 2015
8. Source: Group estimates on official data, January–December 2015

1.2.2 Highlights

To better represent the performance of the various business segments, starting from the fourth quarter of 2014, the results of HMSHost are split into its two components: North America (United States and Canada) and International (Northern Europe, Middle East, Asia, Australia and New Zealand).

			Change	
(€m)	Full Year 2015	Full Year 2014	2014	At constant exchange rates
Revenue	4,369.2	3,930.2	11.2%	2.0%
Ebitda	376.2	316.2	19.0%	6.0%
Ebitda margin	*8.6%*	*8.0%*		
EBIT	151.9	118.6	28.1%	9.4%
Ebit margin	*3.5%*	*3.0%*		
Profit attributable to the owners of the parent	64.2	25.1	155.5%	99.1%
Earnings per share (€ cents)				
– basic	25.3	9.9		
– diluted	25.3	9.9		
Net cash flows from operating activities	297.2	209.1		
Free operating cash flows	101.5	51.8		
Net investment	211.6	196.4	7.7%	-0.8%
% of net sales	*4.8%*	*5.0%*		

			Change	
(€m)	31.12.2015	31.12.2014	2014	At constant exchange rates
Net invested capital	1,244.4	1,184.0	60.4	(21.6)
Net financial position	644.4	693.3	(48.9)	(94.1)

Condensed consolidated income statement [9]

(€m)	Full Year 2015	% of revenue	Full Year 2014	% of revenue	Change 2014	Change At constant exchange rates
Revenue	4,369.2	100.0%	3,930.2	100.0%	11.2%	2.0%
Other operating income	124.8	2.9%	130.5	3.3%	-4.4%	-5.7%
Total revenue and other operating income	**4,494.0**	**102.9%**	**4,060.8**	**103.3%**	**10.7%**	**1.8%**
Raw materials, supplies and goods	(1,384.9)	31.7%	(1,304.1)	33.2%	6.2%	-0.9%
Personnel expense	(1,436.4)	32.9%	(1,296.6)	33.0%	10.8%	1.4%
Leases, rentals, concessions and royalties	(755.0)	17.3%	(668.5)	17.0%	12.9%	3.3%
Other operating expense	(541.5)	12.4%	(475.4)	12.1%	13.9%	5.4%
EBITDA	**376.2**	**8.6%**	**316.2**	**8.0%**	**19.0%**	**6.0%**
Depreciation, amortisation and impairment losses	(224.3)	5.1%	(197.6)	5.0%	13.5%	3.8%
EBIT	**151.9**	**3.5%**	**118.6**	**3.0%**	**28.1%**	**9.4%**
Net financial expense	(37.9)	0.9%	(44.4)	1.1%	-14.6%	-22.8%
Income (expenses) from investments	(1.0)	0.0%	3.0	0.1%	n,s,	n,s,
Pre-tax Profit	**113.0**	**2.6%**	**77.2**	**2.0%**	**46.3%**	**21.2%**
Income tax	(34.4)	0.8%	(40.2)	1.0%	-14.4%	-26.7%
Profit attributable to:	**78.5**	**1.8%**	**37.0**	**0.9%**	**112.4%**	**69.9%**
– owners of the parent	64.2	1.5%	25.1	0.6%	155.5%	99.1%
– non-controlling interests	14.4	0.3%	11.9	0.3%	21.2%	2.8%

9. "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue and costs from fuel sales, the net amount of which is classified as "Other operating income" in accordance with management's protocol for the analysis of Group figures. This revenue amounted to € 469.6m in 2015 (absolute value € 531.2m in 2014) and the cost to € 447.9m (absolute value € 509.6m the previous year)

Revenue

The Group closed 2015 with consolidated revenue of € 4,369.2m, an increase of 11.2% (+2.0% At constant exchange rates) compared with the previous year's revenue of € 3,930.2m.

Sales by channel are detailed below:

(€m)	Full Year 2015	Full Year 2014	Change 2014	Change At constant exchange rates
Airports	2,347.2	1,952.9	20.2%	5.3%
Motorways	1,678.0	1,622.4	3.4%	-0.4%
Railway stations	174.2	175.7	-0.8%	-2.9%
Other	169.7	179.2	-5.3%	-10.1%
Total Revenue	**4,369.2**	**3,930.2**	**11.2%**	**2.0%**

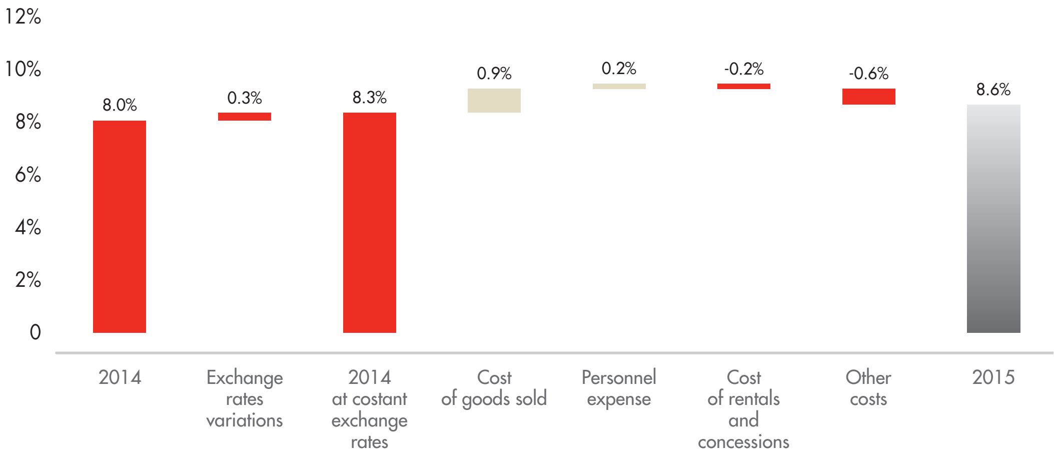
In the **Airport** channel, sales increased by 20.2% (+5.3% At constant exchange rates), fuelled mainly by revenue at U.S. airports, new openings, and expansion in Northern Europe and Asia. In February the Group sold to World Duty Free Group the last four contracts from the US Retail division, which in 2015 generated residual sales of $ 7.4m ($ 59m in 2014). On a like-for-like basis, consolidated revenue in the airport channel increased by 22.6% (+7.6% At constant exchange rates).
In the **Motorway** channel, revenue increased by 3.4% (-0.4% At constant exchange rates) year-on-year, thanks to excellent performance in the United States which offset a decline in Italy due to the selective renewal of contracts during the 2013-2014 bidding season. On a like-for-like basis, revenue in the motorway channel increased by 5.3% (1.4% At constant exchange rates).
Sales in the **Railway station** channel decreased by 0.8% (-2.9% At constant exchange rates) with respect to the previous year: the openings in Spain in 2014 and the good performance of Milano Centrale railway station partially offset the impact of some temporary closures and the termination of various contracts at stations in France.
Performance in **Other channels** (-5.3%; -10.1% At constant exchange rates) reflects the closure of shopping center and high street locations in Italy and of outlets in North American malls.

EBITDA

Consolidated EBITDA in 2015 amounted to € 376.2m, showing an increase of 19% (+6% at current exchange rates) compared with the previous year's amount of € 316.2m, and went from 8.0% of revenue in 2014 to 8.6% this year. The US Retail division (now sold) produced EBITDA of $ 5.7m in 2014.
The improvement concerns all geographical areas served by the Group and stems in large part from the proportionally lower cost of goods sold, thanks to a more favorable sales mix and a reduction in purchase prices in various food categories.
The trend in revenue and the efficiency gains were also good for personnel expense, which decreased as a percentage of sales. The figure for 2015 includes reorganization costs of € 11.7m (€ 11.8m the previous year).

The improvements in cost of goods sold and personnel expense as a percentage of revenue more than offset the proportional increase in other operating costs.

Change in EBITDA margin



Depreciation, amortization and impairment losses

In 2015 depreciation, amortization and impairment losses, amounted to € 224.3m, and increased by +13.5% (+3.8% At constant exchange rates), as a compared to the amount of € 197.6m in 2014. As a percentage of revenue they were essentially stable. The change is mainly attributed to the appreciation of the US dollar, since most capital expenditure takes place in the United States. In 2015, net impairment losses on intangible assets and property, plant and equipment, amounted to € 12.7m as compared to € 10.1m in 2014.

Net financial expense

Net financial expense in 2015 amounted to € 37.9m, with a decrease as compared to € 44.4m of the previous year, as the favorable trend in interest rates which compensated for the impact of the stronger US dollar, the currency in which the Group's bond issues are denominated. Financial expense for the year also includes € 1.3m in banking fees not yet fully amortized on the € 500m loan that was paid back in advance in March 2015.

Income tax

Tax decreased from € 40.2m in 2014 to € 34.4m. The change mainly comes from the provision for deferred tax assets on fiscal losses in Italy (€ 5m), within the limit of deferred tax liabilities recognized in previous years, as well as the decrease in IRAP (regional business tax).
This item includes taxes charged on operating profit in Italy (IRAP) and France (CVAE). In 2015, under the new Italian law which allows the cost of permanently hired employees to be deducted for the purposes of IRAP, the tax amounted to € 1.1m (decreased as compared to € 6.8m in 2014). In France, CVAE of € 1.8m was in line with the previous year.
The average tax rate, excluding IRAP and CVAE for both years, went from 41.6% in 2014 to 28.5%.

Profit for the year

The 2015 profit attributable to the owners of the parent amounted to € 64.2m, showing an increase compared to € 25.1m in 2014.
Non-controlling interests amounted to € 14.4m (€ 11.9m in 2014).

1.2.3 Financial position

Reclassified consolidated statement of financial position [10]

(€m)	31.12.2015	31.12.2014	Change 2014	Change At constant exchange rates
Intangible assets	921.3	868.3	53.1	(10.1)
Property, plant and equipment	876.0	834.9	41.1	(7.1)
Financial assets	17.3	22.8	(5.6)	(5.8)
A) Non–current assets	**1,814.6**	**1,726.0**	**88.6**	**(23.0)**
Inventories	136.4	123.5	12.9	9.7
Trade receivables	48.3	42.5	5.8	5.7
Other receivables	148.8	151.3	(2.5)	(7.5)
Trade payables	(398.8)	(377.1)	(21.7)	(11.4)
Other payables	(352.2)	(335.0)	(17.2)	0.9
B) Working capital	**(417.4)**	**(394.7)**	**(22.7)**	**(2.6)**
Invested capital (A + B)	**1,397.2**	**1,331.3**	**65.8**	**(25.6)**
C) Other non–current non-financial assets and liabilities	**(152.7)**	**(147.3)**	**(5.4)**	**3.9**
D) Net invested capital (A + B + C)	**1,244.4**	**1,184.0**	**60.4**	**(21.6)**
Equity attributable to owners of the parent	559.6	458.5	101.0	64.3
Equity attributable to non–controlling interests	40.4	32.1	8.3	8.2
E) Equity	**600.0**	**490.7**	**109.3**	**72.5**
Non-current financial liabilities	743.4	752.7	(9.3)	(60.0)
Non-current financial assets	(4.7)	(4.9)	0.2	0.7
F) Non-current financial indebtedness	**738.6**	**747.8**	**(9.2)**	**(59.3)**
Current financial liabilities	97.3	150.0	(52.7)	(61.0)
Cash and cash equivalents and current financial assets	(191.5)	(204.5)	13.0	26.1
G) Current net financial indebtedness	**(94.2)**	**(54.5)**	**(39.7)**	**(34.8)**
Net financial position (F + G)	**644.4**	**693.3**	**(48.9)**	**(94.1)**
H) Total (E + F + G), as in D)	**1,244.4**	**1,184.0**	**60.4**	**(21.6)**

Net invested capital as at 31 December 2015 amounted to € 1,244.4m, showing an increase of € 60.4m, compared to € 1,184.0m as at 31 December 2014, mainly due to the appreciation of the US dollar against the Euro.

10. The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and notes, with the exception of "Financial assets," which does not include "Financial receivables from third parties" (€ 4.7m) classified as non-current financial receivables in the net financial position and included in other financial assets (non-current) in the consolidated statement of financial position

Cash flow

(€m)	Full Year 2015	Full Year 2014
EBITDA	376.2	316.2
Change in net working capital	13.1	(35.3)
Other non cash items	(4.9)	(4.5)
Cash flows from operating activities	**384.4**	**276.5**
Tax paid	(51.6)	(36.5)
Net interest paid	(35.7)	(30.8)
Net cash flows from operating activities	**297.2**	**209.1**
Net CAPEX	(219.0)	(175.9)
Transfer of Retail US business	23.4	18.6
Free operating cash flows	**101.5**	**51.8**

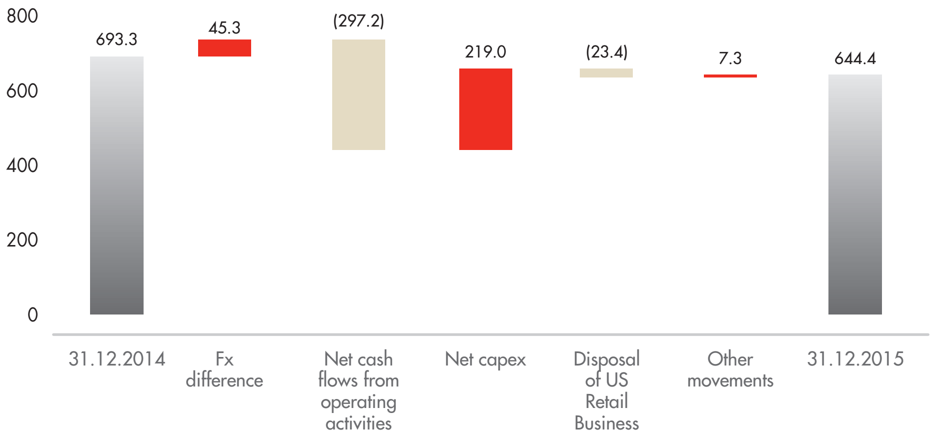
In 2015 the Group generated free operating cash flow of € 101.5m, showing an increase compared to € 51.8m from the previous year. The increase in net capital expenditure was more than offset by operating activities, with the increase in EBITDA and the contribution of net working capital, which benefited from the growth in revenue.
The change in net interest paid was negative due to non-recurring receipts of $ 7.6m in 2014, for the early termination of interest rate hedging derivatives on US bond loans.
The increase in tax paid reflects charges for 2015 only concerning the sale of the US Retail division ($ 7.1m) as well as higher advance payments made in the United States during the year.
Net cash flow received a boost in both years from the sale of the travel retail operations at US airports to the World Duty Free group; in 2015 this included the receipt of $ 25.5m (€ 23.4m) for the sale of the last four contracts in the month of February [11]. In 2014, proceeds from the sale of travel retail operations to World Duty Free amounted to $ 24.4m (€ 18.6m).

Net financial position

Net debt as at 31 December 2015 was € 644.4m, as compared with € 693.3m the previous year. Cash generation was sufficient to fund all capital expenditure for the year and to off-set the negative impact of converting USD-denominated debt into Euros.

11. The sale of net assets under these contracts, with respect to the proceeds received, did not affect the income statement of the year because the transaction took place with a related party and the capital gain of $ 8.6m was therefore recognized in net equity

Change in net financial position (€m)



The fair value of interest rate hedging derivatives as at 31 December 2015 was € 1.7m, as compared with € -3.5m at the close as at 31 December 2014.

At 31 December 2015, 70% of net financial indebtedness was denominated in US dollars and the rest in Euros, while 54.8% was fixed-rate, including by way of Interest Rate Swaps. Debt consists mainly of committed non-current credit lines from banks and of long-term bonds (private placements). Loans have an average remaining life of four years and six months; in March 2015 the subsidiary HMSHost Corporation obtained an extension on its $ 250m credit line from March 2016 to March 2020. Also in the month of March 2015 Autogrill S.p.A. took out a new loan maturing in March 2020 in the amount of € 600m.

In 2015 the weighted average cost of debt was 4.1%, decreased from 5.1% the previous year.

The Group's loan contracts and bond loans require it to uphold certain financial ratios. At 31 December 2015 all of these were amply satisfied.

1.3 Business segments

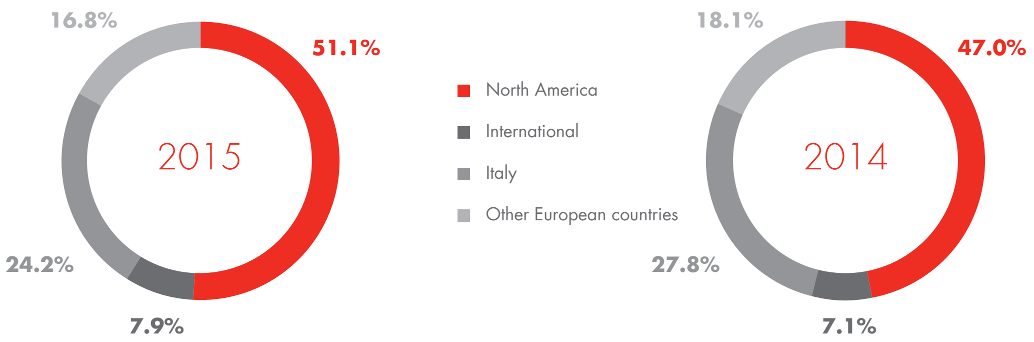
To better represent the performance of the various business segments, since the fourth quarter of 2014 the results of HMSHost have been split into its two components: North America (United States and Canada) and International (Northern Europe, Middle East, Asia, Australia and New Zealand). In the "Europe" segment, Italy is shown separately from the other countries due to its significance for the Group.
For a more immediate grasp of operating performance, changes are discussed in terms of constant exchange rates.

Revenue by geographical area

Revenue is broken down below by geographical area:

(€m)	Full Year 2015	Full Year 2014	Change 2014	Change At constant exchange rates
North America	2,232.4	1,847.9	20.8%	2.7%
International	347.0	278.2	24.7%	21.9%
Italy	1,057.4	1,091.7	-3.1%	-3.1%
Other European countries	732.4	712.3	2.8%	0.3%
Total Europe	1,789.8	1,804.1	-0.8%	-1.8%
Total Revenue	**4,369.2**	**3,930.2**	**11.2%**	**2.0%**

and here as a percentage of total revenue:



EBITDA by geographical area

Below are the details of EBITDA by geographical area [12]:

(€m)	Full Year 2015	% of revenue	Full Year 2014	% of revenue	Change 2014	Change At constant exchange rates
North America	254.1	11.4%	202.4	11.0%	25.6%	6.5%
International	42.4	12.2%	35.2	12.6%	20.6%	18.1%
Italy	65.1	6.2%	61.9	5.7%	5.3%	5.3%
Other European Countries	49.2	6.7%	46.7	6.6%	5.3%	1.4%
European central structure	(8.9)	-	(9.0)	-	0.7%	0.7%
Total Europe	105.4	5.9%	99.6	5.5%	5.8%	3.9%
Corporate costs	(25.7)	-	(20.9)	-	-22.9%	-22.9%
Total EBITDA	**376.2**	**8.6%**	**316.2**	**8.0%**	**19.0%**	**6.0%**

12. For the purpose of a better understanding, centralized costs pertaining to European operations only (termed "European central structure") are shown separately from functions serving the Group as a whole ("Corporate costs")

HMSHost - North America [13]

The sale of the last four US Retail contracts to the World Duty Free group was finalized on 28 February 2015. This business generated revenue of $ 7.4m in 2015 ($ 59m 2014) and is not included in the following discussion of performance.

			Change	
(m$)	Full Year 2015	Full Year 2014	2014	At constant exchange rates
Airports	1,978.9	1,904.6	3.9%	5.5%
Motorways	455.6	445.5	2.3%	5.5%
Other	34.9	45.9	-23.9%	-23.9%
Total (excl. transferred US Retail business)	**2,469.4**	**2,396.0**	**3.1%**	**4.9%**
Transferred US Retail business	7.4	59.0	-87.4%	-87.4%
Total	**2,476.8**	**2,454.9**	**0.9%**	**2.7%**
EBITDA	**281.9**	**268.9**	**4.9%**	**6.5%**
% on revenue	*11.4%*	*11.0%*		

In 2015, North America produced **revenue** of $ 2,469.4m, showing an increase compared to $ 2,396m of the previous year (+4.9% [14] or +3.1% at current exchange rates).
Sales in the **Airport** channel rose by 5.5% (+3.9% at current exchange rates). The growth reflects strong performance at US airports [15], where sales on a comparable basis [16] increased by 6.7%, versus traffic growth of 5.1% [17]. There was an increase in both the average purchase per customer, thanks to attractive new concepts, and in the number of transactions. Sales at Canadian airports decreased by 2.3% At constant exchange rates and 15.3% at current exchange rates, due to the unfavorable economy and (during the first half of the year) the remodeling of various locations.
Revenue from **Motorways** increased by 5.5% (+2.3% at current exchange rates), thanks to the United States (+5.1% on a comparable basis, versus traffic growth of 4.3%) [18] and new openings on the Ontario Highway in Canada.
EBITDA in North America came to $ 281.9m, up from $ 268.9m the previous year (+6.5% or +4.9% at current exchange rates). It rose from 11% to 11.4% of revenue, due largely to the reduced cost of goods sold, which owes to a more favorable sales mix and better purchase prices in various food categories. The result for the year includes restructuring expenses of $ 5.4m ($ 7.5m in 2014).

13. This division includes operations in the United States and Canada
14. The change is provided at both constant and current exchange rates to reflect the impact of the appreciation of the US dollar against the Canadian dollar, quantified as around $ 42m in sales
15. Accounting for around 90% of the channel's revenue
16. Same locations and menus
17. Source: United States Dept. of Transportation, January–November 2015
18. Source: Group estimates on official data, January-December 2015

HMSHost - International [19]

(€m)	Full Year 2015	Full Year 2014	Change 2014	Change At constant exchange rates
North Europe	244.6	205.7	18.9%	17.1%
Rest of the world	102.4	72.6	41.1%	35.0%
Total revenue	**347.0**	**278.2**	**24.7%**	**21.9%**
EBITDA	**42.4**	**35.2**	**20.6%**	**18.1%**
% on revenue	*12.2%*	*12.6%*		

Revenue in the International area increased by 21.9% in 2015 (+24.7% at current exchange rates), rising from € 278.2m the previous year to € 347m in 2015.

In **Northern Europe**, an increase of 17.1% (+18.9% at current exchange rates) reflects the outstanding performance of Schiphol airport in the Netherlands, additional locations in United Kingdom and the Group's debut in Finland, at Helsinki airport, where it grossed € 10.6m in its first year of business.

In **Rest of world**, growth was caused by expansion in Vietnam, Turkey and the United Arab Emirates (which together produced € 17.4m more than in 2014) and by the Group's fine performance at its airport locations in India (Bangalore and Hyderabad).

EBITDA for this area came to € 42.4m (€ 35.2m in 2014), increasing by 18.1% or 20.6% at current exchange rates. Due to the start-up of new operations in Indonesia, in China and at Dutch railway stations, EBITDA as a percentage of revenue was reduced from 12.6% to 12.2%.

19. This area covers locations in Northern Europe (Schiphol Airport in Amsterdam, railway stations in the Netherlands, the United Kingdom, Ireland, Sweden, Denmark and Finland) and other countries (United Arab Emirates, Turkey, Russia, India, Indonesia, Malaysia, Vietnam, Australia and New Zealand)

Italy

(€m)	Full Year 2015	Full Year 2014	Change
Motorways	824.6	852.9	-3.3%
Airports	77.6	79.1	-1.8%
Railway stations	36.7	35.1	4.7%
Other	118.4	124.7	-5.1%
Total revenue	**1,057.4**	**1,091.7**	**-3.1%**
EBITDA	**65.1**	**61.9**	**5.3%**
% on revenue	*6.2%*	*5.7%*	

Revenue in Italy amounted to € 1,057.4m, showing a decrease compared to € 1,091.7m of the previous year (-3.1%).

Motorways revenue amounted to € 824.6m, with a decrease of 3.3% with respect to the previous year's € 852.9m, due solely to the reduced perimeter resulting from selective participation in the 2013-14 bidding season (the Group's exit from various rest areas led to a decrease of € 29m in revenue compared with 2014). With traffic up by 3.2%, [20] sales on a like-for-like basis increased by 0.9% with respect to the previous year. In detail, food & beverage and market revenue showed growth of 1.9% and 2.6%, respectively, while sales of complementary goods (tobacco products and lottery tickets) decreased by 1.4%.

Sales at **airports**, totalling € 77.6m (€ 79.1m in 2014), fell by 1.8% mainly due to the Group's departure from Capodichino airport in Naples. Excluding closures during the period, revenue increased by 2.8%.

Sales at **railway stations** progressed by 4.7%, thanks to the excellent performance of Milano Centrale railway station, where Bistrot took the lead.

The 5.1% decrease in **other channels** (high streets, shopping centers and trade fairs) reflects the closure of unprofitable locations.

EBITDA in Italy came to € 65.1m, increased by 5.3% as compared with the previous year, and rose from 5.7% of revenue to 6.2%. The improved profitability reflects the overhaul of the production system and logistical chain and the closure of unprofitable locations, which offset the higher rent charged under renewed motorway contracts. Reorganization costs for the year came to € 4.7m (€ 4.2m in 2014).

20. Source: AISCAT, January-September 2015

Other European countries

(€m)	Full Year 2015	Full Year 2014	Change 2014	Change At constant exchange rates
Motorways	425.0	416.4	2.1%	0.1%
Airports	147.7	131.6	12.3%	8.1%
Railway stations	122.1	126.3	-3.3%	-5.0%
Other *	37.6	38.1	-1.4%	-7.9%
Total revenue	**732.4**	**712.3**	**2.8%**	**0.3%**
EBITDA	**49.2**	**46.7**	**5.3%**	**1.4%**
% on revenue	*6.7%*	*6.6%*		

* Towns and shopping malls

Other European countries produced revenue of € 732.4m, up from € 712.3m the previous year, increasing by 0.3% (+2.8% at current exchange rates).
Sales in the **motorway** channel amounted € 425m, in line with the previous year's € 416.4m (+2.1% at current exchange rates); good performance in Germany and Spain offset a decline in Switzerland at motorway locations near the German border, which suffered from the appreciation of the franc against the Euro.
In the **airport** channel, sales were increased by 8.1% (+12.3% at current exchange rates) due to the solid performance of airport locations in Athens and Brussels and the opening of new locations at Düsseldorf airport in Germany, which generated additional revenue of € 2.5m with respect to 2014.
The performance of **railway stations** (-5%; -3.3% at current exchange rates) reflects the closure of various outlets in France, partially offset by new openings at Atocha and Chamartin in Madrid.
EBITDA in other European countries amounted to € 49.2m, an increase of 1.4% with respect to the previous year (+5.3% at current exchange rates). As a percentage of revenue it stood at 6.7%, up from 6.6% in 2014. The figure includes reorganization costs of € 1.9m (€ 1.2m the previous year).

European central structure costs

Costs for European central structure amounted to € 8.9m in 2015 (€ 9.0m the previous year, including reorganization costs of € 0.7m).

Corporate costs

At € 25.7m (€ 20.9m 2014), Corporate costs increased mainly as a result of an extra € 3.5m in provisions for management incentive plans, due to the appreciation of Autogrill stock at the end of the year.

Capital expenditure by geographical area

Details of net capital expenditure [21] by geographical area are shown below:

(€m)	Full Year 2015	Full Year 2014	Change 2014	Change At constant exchange rates
North America	112.3	78.8	42.4%	21.2%
International	31.5	36.8	-14.4%	-19.2%
Italy	35.4	38.0	-7.0%	-7.0%
Other European Countries	30.7	36.0	-14.5%	-16.5%
European central structure	1.7	6.8	-74.6%	-74.6%
Total Europe	67.8	80.8	-16.0%	-16.9%
Total	**211.6**	**196.4**	**7.7%**	**-0.8%**

Net capital expenditure in 2015, mostly concerning the airport channel, amounted to € 211.6m (€ 196.4m the previous year).
In **North America** investments concerned the airports Houston George Bush, Dallas/Ft. Worth, Chicago, Montreal, Honolulu, Charlotte, Atlanta, Los Angeles and Toronto and rest stops along the Ontario Highway, the Pennsylvania Turnpike, the Garden State Parkway and the New Jersey Turnpike.
In the **International** area most capital expenditure took place in the Netherlands (Schiphol airport and railway stations), Turkey, the United Kingdom and Finland.
The larger investments in **Italy** concerned Milan (most notably "Il Mercato del Duomo"), the Fiorenzuola d'Arda rest stop, and railway stations in general.
In **Other European countries** most of the expenditure occurred in France (rest stops at Chien Blanc-Lochères and Nemours-Darvault and the railway station in Roissy), Switzerland (Geneva airport and Müensingen rest stop), Germany (Frankfurt airport) and Belgium (Brussels airport).

21. Net capital expenditure equals gross investments recognized for the year (€ 219.9m) net of proceeds from the sale of assets (€ 8.3m)

1.4 Outlook

Sales in the first eight weeks [22] of 2016 increased by 4.9% At constant exchange rates with respect to the same period in 2015 (+6.5% at current exchange rates).
In **North America**, revenue shows an overall increase of 3.8%.
The **International** area has done extremely well, with sales noting an increase of 23%, thanks in part to the many new openings.
The recovery continues in Europe, with sales rising in **Italy** (+2.4%) and the **Other European countries** (+3.9%).

In 2016 the Group will focus on sales and profitability in **North America**, on the strength of a healthy trend in traffic, specific commercial initiatives and plans for the efficient management of resources. In the **International** area management will concentrate on bringing up to speed the many contracts won in 2014 and 2015, and on pursuing further growth opportunities in the countries served.
In **Italy**, Autogrill expects to increase sales and margins by taking advantage of a recovery in traffic and consumption that began to emerge in 2015.

In **Other European countries**, the strategy is likewise focused on exploiting a potential upturn in consumption, while maintaining a selective approach to evaluating investment opportunities.

Subsequent events

Since 31 December 2015, no events have occurred that would have entailed an adjustment to the figures reported or required additional disclosures.

22. Average exchange rates used to translate figures in the main non-Euro currency: 2016: €/$ 1.0981; 2015: €/$ 1.1514

1.5 Other information

1.5.1 Corporate Social Responsibility

The Group's commitment to sustainability began in 2005 with the publication of its first Sustainability Report, which laid the foundations for the development of projects based on a sense of corporate responsibility. The Afuture project, established in 2007, aimed to build innovative Autogrill locations that would be both environmentally friendly and economically efficient. Over the years, the project has evolved from an international breeding ground for ideas, design concepts and best practices to be shared throughout the Group into an actual philosophy of sustainable business. The Afuture experience has allowed Autogrill to grow and its people to achieve a greater awareness of sustainability issues by better comprehending the value of this process.

In 2011 Autogrill decided to build on this concept by laying out Group-wide sustainability goals, in the form of the Afuture Roadmap (2012-2015) and guidelines for the constant improvement of performance, paving the way for a concrete sustainability strategy. In 2012 it reinforced monitoring efforts, and over the last two years has moved forward with activities designed to improve sustainability on an ongoing basis.

In 2014 the Group developed an internal method for the materiality analysis of sustainability issues, aimed at determining aspects significant for the sustainability of the business and for its stakeholders. This entailed the active participation of management in assigning significance to the various issues, considering the stakeholders' point of view and sharing conclusions. The output consists of a matrix whose horizontal axis maps the importance of each aspect in terms of business success, while the vertical axis represents the point of view of the stakeholders. Some issues determined to be most important — quality of worker relations, human resource development and skills appraisal for APeople; product quality and safety, accessibility and quality of services, product information and communication, and supply chain management for AProduct; waste managment for APlanet — will be the focus of the Group's attention in the coming years.

For details of the materiality analysis, see the "2015 Sustainability Report", published online at www.autogrill.com (Sustainability section).

Autogrill's policy for employees

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

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

To make the most of the Group's size by leveraging the skills and expertise found in different countries, over the last few years a European organizational model has been developed, leading to the creation and integration of regional and international teams.

Dialogue and engagement

"*Do You Feel Good?*" is an online survey to measure employee engagement that Autogrill has conducted annually since 2012. The survey involves countries in the European area, identifying issues in need of improvement and the most effective ways of getting employees more engaged in their work. After the results are read and discussed, management is involved first-hand in developing a plan of action to be implemented at headquarters and locally, for each issue requiring attention. Feedback is the norm in all countries where the Group operates, in the form of an open door policy where the relationship between parties at every level—locally and at headquarters—is open and encouraging.
Other feedback systems vary from country to country. In Italy, all staff members have two email accounts, one for *Social Accountability 8000* where they can address concerns relating to professional ethics, and one for reporting any stressful work situations. In North America, the subsidiary HMSHost provides a free H24-*7/7* hotline that employees can call to discuss any topic of concern, as well as a web-based line where they can access policy and training activities.

Work-life balance

A healthy relationship between company and staff is rooted in care for the individual and his or her wellbeing, both on and off the job. For Autogrill, this means working on two different planes: professional and individual growth, by way of work-life balance initiatives.
On the professional plane, the Autogrill Group focuses on selection processes based on aptitudes and skills, as well as international job rotation. To work on these aspects effectively and uniformly, Autogrill uses a single process and a single platform for appraising performance and skills throughout Europe. To support employee development at European locations, in 2014 Autogrill launched "Academy": a common training and development program with the course of study designed ad hoc on the basis of professional experience. For store employees, some countries have their own Academy Operations program, with course material differentiated by role.
As for the "life" part of the work-life balance, Autogrill provides its employees with a broad range of initiatives designed to increase leisure time and spending power, including discounts on products and services that differ from country to country (from insurance to online shopping).

Health and safety

Autogrill's commitment to the health and safety of all employees and consumers translates into prevention, technology, training, and day-to-day monitoring. Autogrill performs preventive assessments of workplace hazards so it can take the most suitable measures, such as new operating procedures or the purchase of individual protection devices that will eliminate or minimize risks. To make sure these measures are effective, the types of accidents that occur are constantly monitored, along with the steps taken to mitigate the hazards.

Autogrill and the environment

Environmental issues—climate change, access to clean water, waste disposal, etc.—concern people, organizations and institutions all over the world. Autogrill believes it is the personal contribution of each individual that makes the difference. Simple, everyday habits can help reduce energy consumption without sacrificing quality of life. Although Autogrill Group is a service provider and not a manufacturer, we feel a responsibility to reduce our consumption of energy and natural resources in favor of clean energies and recycled materials that are friendly to our Earth. We do this by designing green facilities, properly managing resources and processes, monitoring performance and, most importantly, enlisting the help of our employees.

Protecting the environment and the Earth's resources means, above all, consuming less. And consuming less energy and water while properly handling waste takes commitment from everyone, from those who design our buildings and their plants & systems to those who run our operations day to day. Given the different contexts in which it works, Autogrill conducts a wide variety of projects on various levels.

Waste management

The Group's three business segments have a country-by-country program for monitoring the volume of waste produced, based on local laws and the characteristics of each location, including the collection and recycling system. Autogrill is working to reduce non-recycled waste by implementing collection and recycling systems at the rear of stores, and is also installing compactors and glass crushers in order to decrease overall volumes so that fewer pickups are required.

In France, 20 locations have set up bins where clients are actively involved in recycling PET bottles and aluminum cans, and the plastic parts of take-away packaging have been eliminated. In Italy Autogrill has launched a project to recycle the organic waste of the rest stops at Villoresi Est, Brianza Nord and Brianza Sud, just outside Milan, to fertilize a vegetable garden at the Bosco di Vanzago WWF nature reserve. In 2015 HMSHost International began to collect plastic bottles to be recycled as chairs and T-shirts (80% recycled PET and 20% cotton). Initially tested at Schiphol airport in Amsterdam, the project will be extended to the other airports in Northern Europe.

Energy and water management

Autogrill is working hard to decrease its energy and water consumption by using new technologies and equipment, collaborating with partners, and getting employees involved. Systems to monitor consumption and prevent waste are in constant operation at the Group's major locations.

Environmental certification

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

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

In 2015 the Villoresi Est location obtained ISO 50001 certification for its energy management system. Elsewhere in Italy, ISO 14001 certification has been maintained at headquarters, Villoresi Est and Brianza Sud and at Caselle airport in Turin, and EMAS certification at headquarters, Villoresi Est and Brianza Sud. ISO 14001 certification has also been extended to the Italian subsidiary Nuova Sidap. Autogrill S.p.A. was the first company in Italy to have its certification updated to the new ISO 14001:2015 revision. In addition, Autogrill S.p.A. has earned ISO 9001:2015 certification for its project engineering and quality management system.

Group locations in other countries have fine-tuned their management systems to meet environmental standards: in France, the Canaver location has obtained HQE certification [23] and the Ambrussum outlet, near Montpellier, has earned both HQE [24] and BBC; in Spain, the Ciao restaurant inside Telefonica headquarters in Madrid is certified to ISO 14001. In the Netherlands, five of the seven hotels operated by the Dutch subsidiary have Green Key certification, the international eco-label for tourist accommodation requiring internal

23. High Quality Environmental
24. Low Consumption Building

sustainability procedures. In the United States, the headquarters building in Bethesda (Maryland) is Energy Star and LEED® Gold certified.

Keeping tabs through the Sustainability Report

The Autogrill Group's Sustainability Report is based on the latest edition of the international guidelines set by the Global Reporting Initiative (G4 Core), and reviewed independently by Deloitte & Touche S.p.A.
The Sustainability Report is public and is made available each year to the stakeholders. Since 2008 it has been submitted annually to the Board of Directors. The information provided in the Corporate Social Responsibility section is further detailed in that report, which can be downloaded from the Sustainability section at www.autogrill.com.

1.5.2 Main risks and uncertainties faced by the Autogrill Group

Autogrill Group is exposed to external risks and uncertainties arising from general economic conditions or those specific to the industry in which it works, from the financial markets and from frequent changes in legislation, as well as to risks generated by strategic decisions and operating procedures.
The Group Risk Management department ensures the uniform handling of risks across the different organizational units. Autogrill has developed a model based on the systematic identification, analysis and assessment of the risk areas that may hinder the achievement of strategic goals. The model helps evaluate the company's overall exposure to risks, guide the necessary mitigation efforts, and reduce the volatility of business objectives.
The main risk areas — strategic, operational and financial — are presented below.

Strategic risks	Mitigating factors
Business sector The Group's business sector is influenced by exogenous (hence uncontrollable) factors that may affect traffic flows and travelers' propensity to consume. These include: • the general economic situation and its contributing trends — consumer confidence, unemployment, and inflation that cannot be transferred to prices; • rising oil prices and, in general, the increasing cost of transport • changes in consumers' habits in terms of tastes, consumption style and means of travel; • weather events affecting mobility; • legislative or regulatory changes affecting the channels served by the Group or the concession system; • the introduction of more restrictive procedures, regulations and controls that can influence consumers' propensity to buy, most typically in the airport channel; • airline strategies, policies and performance and any extraordinary operations involving airlines.	This risk is mitigated by the diversification of the Group's activities in terms of channels (airports, motorways and railway stations) and geographical areas served. The Group also has a system for the constant monitoring of performance, the market, and consumer behavior so that it can react quickly to signs of changes in exogenous factors by updating its menus or service propositions.
Concessions Most of the Group's operations are conducted under long-term contracts, awarded through competitive bidding, that grant it the right to operate in designated areas of airports, motorways and railway stations. Concessions are therefore the Group's fundamental asset and its ability to renew them or win new ones is what allows it to achieve its goals. Concessions usually have a duration exceeding one year and charge an annual fee for rent, which usually includes a guaranteed minimum regardless of the revenue earned. Should the revenue earned through the concession fall short of the amount forecast when the contract was awarded, perhaps due to a reduction in traffic or propensity to consume, the contract could become less profitable or even a liability given the ongoing obligation to pay minimum rent.	The Group mitigates these risks by following an approach aimed at building and maintaining a collaborative partnership with the concession grantor, based in part on the constant development of innovative concepts and commercial solutions that help both parties achieve maximum gain from the infrastructure.
Brands and concepts The Group operates through proprietary brands and concepts as well as many owned by third parties, which range from local favorites to international household names. The loss of significant partnerships or the inability to strike up new ones that will draw clientele, or the decreased attractiveness of concepts or brands in the portfolio, could interfere with Autogrill's ability to compete for contracts and reach its strategic goals.	Autogrill has teams dedicated to keeping menus up-to-date through the development of new concepts and the ongoing review of partner brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio. This risk is also mitigated by the Group's emphasis on building and maintaining collaborative relationships its partners and with licensors of the most popular brands.

Strategic risks	Mitigating factors
Competition In recent years, the competitive landscape has changed as more businesses of every size organize to bid for contracts. In part, this is because concession grantors — especially at airports — are demanding changes such as the presence of local brands (which were previously unable to compete) and direct partnerships with international brands. These are factors that could make competition more difficult and limit the Group's prospects for growth.	Autogrill has a system for analyzing industry and channel trends and for monitoring the Group's position. A structured process of evaluating bidding opportunities ensures that its tenders are competitive, yet consistent with its internal investment criteria.
Innovation The Group's ability to maintain a constant process of innovation for its products, concepts and services allows it to react promptly to changes in the tastes, consumption habits and needs of its clientele and is therefore key to satisfying customers and concession grantors. The potential loss of such an ability would have a direct impact on sales performance and reputation and thus on the achievement of strategic goals.	The Group mitigates this risk by: • monitoring performance (quality of service, positioning, attractiveness of products and of the brand and concept portfolio); constantly revising menus by coming up with flexible new concepts; upgrading to the latest technology; and reviewing the portfolio of partner brands to offer the most attractive, innovative names available on the market; • developing customer retention initiatives and client satisfaction analyses; • training workers to ensure high standards of service.
Reputation The key stakeholders from this point of view are customers, concession grantors and licensors. Reputation is a significant factor when grantors decide to award or renew concessions, so any damage could threaten relations with grantors and licensors and the prospect of extending contracts. Damage to or loss of reputation is caused primarily by the perceived deterioration of service, which can drive dissatisfied customers away, and by an inability to satisfy contractual commitments with grantors and licensors. The growing use of online information and communication channels (websites, social media, etc.) means that news spreads ever faster and to greater numbers of people. Loss of reputation can also have indirect causes beyond Autogrill's control. In Italy, for example, the fact that many travelers use the Group's name to refer to highway rest stops in general ("let's stop at the autogrill") exposes operations in the motorway channel to reputation risk caused by any shortcomings on the part of competitors. Likewise, for operations involving the sale of third-party brands under license or commercial partnerships (a model used widely in emerging markets), any reputation damage suffered by the licensor or partner may expose Autogrill to a potential loss of business due to factors beyond its control.	The Group constantly monitors its quality of service with respect to customers (perceived satisfaction and product safety), concession grantors (quantitative and qualitative parameters set out in the contract) and licensors (observance of operating and development standards); for the largest and most sensitive brands, this includes brand champions hired by headquarters for local support. Suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill. Autogrill has also implemented crisis prevention and management policies to protect its web reputation.

Strategic risks

Development in emerging markets

The Group operates in various emerging markets through partnerships with local operators that in some cases require their active participation in store management; it hopes to expand into others. In addition to risks such as political or social instability and the establishment/enforcement of trade restrictions, it is possible that local partners will fail to meet their contractual obligations, including in terms of the operating standards needed to ensure a good level of quality and service — which could affect profitability and/or reputation.

Mitigating factors

The Group pursues and favors contracts that leave it in control of operations and commercial aspects. In any case, Autogrill is entitled by contract to perform audits ensuring compliance with service and quality standards.

Human resource retention

Any lessening of the Group's ability to attract, motivate and retain key employees would make it vulnerable to losing personnel with crucial expertise.

Mitigating factors

To mitigate that risk, Autogrill's salary policies ensure constant comparison with multinational and Italian companies in the consumer goods industry whose complexity, distribution intensity and capital expenditure are comparable to those of the Group. It also adopts policies and initiatives designed to motivate and retain talent.

Operational risks

Business interruption

Uncontrollable events like natural disasters, weather emergencies, pandemics, hostilities or wars, strikes, political instability, or acts or threats of terrorism may halt or drastically reduce passenger traffic in the areas concerned, and in some cases cause extended store closures, to the serious detriment of profits.
If these or similar events were to strike critical points of the supply chain (suppliers or partners interdependent with Autogrill), it could have an impact on core operations. Also, because pervasive technology has made processes more efficient but also more vulnerable to IT risks, anything affecting the proper and continuous functioning of the computer systems and network infrastructures could cause an interruption in business.
In particular, the growing enjoyment and distribution of goods and services over increasingly vast global networks, and the use of technologies allowing real-time communication and data transfer with parties all over the world, raise the Group's exposure to cyber attacks whose impact can range from reputational damage (theft of customer data) to supply chain management problems or fines for the violation of international data protection laws.

Mitigating factors

To mitigate business interruption risks, the Group has security and prevention systems and emergency management plans specific to each type of event.
It can also depend on Group-wide and local plans with major insurers, including coverage for material damage and interruption of business and for third-party liability.
In addition, concession agreements generally protect the Group against infrastructure closures caused by force majeure, at least as far as minimum rents are concerned.
As for cyber risks, which are perceived to be on the rise, Autogrill has launched employee information and awareness campaigns about the risks of using the Internet, social media and e-mail, as well as a program to be implemented across the Group's various systems to evaluate threats and resilience to cyber attacks.

Labor

Labor is a significant factor for the Group, whose business has a strong customer service component.
Major increases in the cost per employee or more stringent regulations can have a significant impact on the Group's profitability; for example, the "Living Wage Law" is designed to raise minimum wages in certain

Mitigating factors

These risks are mitigated through the constant review of operating procedures in order to make the most efficient use of labor and increase flexibility.

Operational risks

parts of the U.S. For the moment it has only taken effect in certain states, but it could be extended to others, and is therefore a source of uncertainty with regard to labor costs in these regions.
The need to keep service quality up to customers' and concession grantors' standards and the complexity of regulations in the many countries served give the Group less flexibility to manage its workforce, with an impact on the cost of labor.

Quality, health and safety

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

Supply chain

Events interfering with the procurement chain and logistics could prevent Autogrill from maintaining a complete assortment. It is also exposed to the risk of rising raw material prices.

Mitigating factors

The Group has set up region-wide quality assurance systems based on preventing risks through the assessment of raw materials, products and their suppliers; on systematic monitoring and control using specific KPIs; and on verifying the effectiveness of these measures through specialized audits.
The internal units, with assistance from specialized experts, stay constantly abreast of legal developments and adapt their procedures and control systems accordingly while bringing personnel up to date.
There is also a monitoring system that constantly audits the quality of service with respect to customers' expectations and contractual/legal requirements, as well as the controls in place to reduce accidents in the workplace.

To counter procurement risks, the Group has continuity plans as mentioned in the "business interruption" section.
As for raw material prices, specialized internal units set efficiency targets and strive to meet them by negotiating agreements with key suppliers; for strategic materials, prices may be indexed to protect the Group from temporary spikes.

Financial risks

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

Mitigating factors

Autogrill manages its financial risks by defining Group-wide guidelines that necessarily inform the financial management of its operating units, as part of an overall policy of financial independence.
The Finance department ensures that the financial risk management policies are harmonized, indicating the most suitable financial instruments and monitoring the results achieved.
The Autogrill Group does not allow the use of speculative derivative instruments.
The Group also strives for a certain financial flexibility, maintaining enough cash and committed credit lines to cover its refinancing needs for at least 12 to 18 months.

1.5.3 Corporate Governance

All information on this subject is included in the Corporate Governance Report, prepared in accordance with Art. 123-*bis* of Legislative Decree 58 of 24 February 1998 and approved by the Board of Directors along with the annual report. It is available at Autogrill's headquarters and secondary office and online at www.autogrill.com (Governance section).

1.5.4 Art. 2497 Civil Code - Management and coordination

At its meeting of 18 January 2007, the Board of Directors decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the parent, Schematrentaquattro S.r.l. (which became Schematrentaquattro S.p.A. on 18 November 2013), pursuant to Art. 2497-*bis* of the Italian Civil Code.
Specifically, at that meeting the Board verified that there were no indicators of effective dominant influence by the controlling shareholder, given Autogrill's extensive managerial, organizational and administrative autonomy and the lack of instructions or directives from Schematrentaquattro that might be evidence of direction or coordination.

1.5.5 Related party transactions

Transactions with the Group's related parties do not qualify as atypical or unusual and fall within the normal sphere of operations. They are conducted in the interests of Autogrill S.p.A. and the Group on an arm's length basis.

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

1.5.6 Statement pursuant to Art. 2.6.2(8) of the Regulations for Markets Organized and Managed by Borsa Italyna S.p.A.

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

1.5.7 Research and development

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

1.5.8 Treasury shares

The Annual General Meeting of 28 May 2015, after revoking the authorization granted on 28 May 2014 and pursuant to Arts. 2357 *et seq.* of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.
At 31 December 2015 Autogrill S.p.A. owned 365,212 treasury shares (870,798 at the end of 2014), with a carrying amount of € 1,446k and an average carrying amount of € 3.96 per share. The reduction in the number of treasury shares over the year is due to the exercise of options by various beneficiaries under Autogrill's 2010 Stock Option Plan.
Autogrill S.p.A. does not own equities or other securities representing the share capital of the ultimate parents, and did not at any time during the year, either directly or through subsidiaries, trust companies or other intermediaries.

1.5.9 Significant non-recurring events and transactions

In 2015, there were no significant non-recurring events or transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

1.5.10 Atypical or unusual transactions

In 2015 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

1.5.11 Information pursuant to Arts. 70 and 71 of Consob Regulation no. 11971/1999

On 24 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by Consob Resolution 18079 of 20 January 2012 that removes the obligation to make available to the public the disclosure documents required by Arts. 70 and 71 of the Listing Rules (Consob Regulation 11971/1999) in the case of significant mergers, demergers, increases in share capital through contributions in kind, acquisitions and transfers.

1.5.12 Reconciliation between parent and consolidated equity

(€k)	Equity at 31.12.2014	Changes in equity	Profit (loss) for 2015	Equity at 31.12.2015
Autogrill S.p.A. separate financial statements	391,890	24,422	59,347	475,659
Effect of the consolidation of subsidiaries' financial statements and related deferred taxation *	41,115	(18,287)	4,806	27,635
Translation reserve	25,528	30,750	-	56,278
Group consolidated financial statements	**458,534**	**36,884**	**64,153**	**559,572**
Equity attributable to non-controlling interests	32,125	(6,119)	14,394	40,400
Total consolidated equity	**490,659**	**30,765**	**78,547**	**599,972**

* The amount includes the combined effect of the subsidiaries contribution to consolidated profit (€ 103,224k) and the elimination of dividends paid by subsidiaries to the parent (€ 98,418k)

2. Consolidated financial statements

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	31.12.2015	Of which related parties	31.12.2014	Of which related parties
	ASSETS				
	Current assets	525,048		521,885	
I	Cash and cash equivalents	161,834		183,241	
II	Other financial assets	29,618		21,244	
III	Tax assets	11,234		3,364	
IV	Other receivables	137,615	15,738	147,987	18,322
V	Trade receivables	48,314	1,473	42,509	1,367
VI	Inventories	136,433		123,540	
	Non current assets	1,876,539		1,779,489	
VII	Property, plant and equipment	875,984		834,903	
VIII	Goodwill	864,469		804,544	
IX	Other intangible assets	56,877		63,752	
X	Investments	6,836		5,775	
XI	Other financial assets	15,169		21,981	
XII	Deferred tax assets	45,511		35,883	
XIII	Other receivables	11,693		12,651	
	TOTAL ASSETS	2,401,587		2,301,374	
	LIABILITIES AND EQUITY				
	LIABILITIES	1,801,615		1,810,715	
	Current liabilities	848,310		862,144	
XIV	Trade payables	398,802	32,648	377,115	34,283
XV	Tax liabilities	6,320		7,779	
XVI	Other payables	326,655	1,970	315,361	1,564
XIX	Bank loans and borrowings	87,989		136,609	
XVII	Other financial liabilities	9,288		13,405	
XXIII	Provision for risks and charges	19,256		11,875	
	Non-current liabilities	953,305		948,571	
XVIII	Other payables	31,392		22,997	
XIX	Loans, net of current portion	276,291		330,553	
XX	Other financial liabilities	5,357		6,353	
XXI	Bonds	461,713		415,800	
XII	Deferred tax liabilities	41,456		37,418	
XXII	Defined benefit plans	100,195		101,836	
XXIII	Provision for risks and charges	36,901		33,614	
XXIV	EQUITY	599,972		490,659	
	– attributable to owners of the parent	559,572		458,534	
	– attributable to non-controlling interests	40,400		32,125	
	TOTAL LIABILITIES AND EQUITY	2,401,587		2,301,374	

2.1.2 Income statement

Note	(€k)	2015	Of which related parties	2014	Of which related parties
XXV	Revenue	4,838,777	40	4,461,466	50
XXVI	Other operating income	103,064	3,429	108,853	6,319
	Total revenue and other operating income	**4,941,841**		**4,570,319**	
XXVII	Raw materials, supplies and goods	1,832,729		1,813,633	
XXVIII	Personnel expense	1,436,352	5,530	1,296,618	6,868
XXIX	Leases, rentals, concessions and royalties	755,012	75,318	668,466	78,412
XXX	Other operating expense	541,502	3,719	475,363	3,475
XXXI	Depreciation and amortization	211,601		187,465	
XXXI	Impairment losses on property, plant and equipment and intangible assets	12,721		10,134	
	Operating profit	**151,924**		**118,639**	
XXXII	Financial income	1,858	23	2,103	90
XXXII	Financial expense	(39,784)	(851)	(46,496)	(1,384)
	Income (expense) from investments	(1,003)		2,977	
	Pre-tax profit	**112,995**		**77,222**	
XXXIII	Income tax	(34,448)		(40,244)	
XXXIV	**Profit for the year**	**78,547**		**36,978**	
	Profit for the year attributable to:				
	– owners of the parent	64,153		25,107	
	– non-controlling interests	14,394		11,871	
XXXIV	**Earnings per share (in € cents)**				
	– basic	25.3		9.9	
	– diluted	25.3		9.9	

2.1.3 Statement of comprehensive income

Note	(€k)	2015	2014
	Profit for the year	**78,547**	**36,978**
	Items that will never be reclassified to profit or loss		
XXIV	Remeasurements of the defined benefit (liabilities)/asset	(136)	(21,776)
XXIV	Tax on items that will never be reclassified to profit or loss	(580)	5,239
		(716)	**(16,537)**
	Items that may be subsequently reclassified to profit or loss		
XXIV	Effective portion of fair value change in cash flow hedges	2,649	5,048
XXIV	Equity-accounted investee - share of other comprehensive income	(603)	(172)
XXIV	Gain/(loss) on fair value of available-for-sale financial assets	581	(842)
XXIV	Foreign currency translation differences for foreign operations	34,825	33,819
XXIV	Gain/(loss) on net investment hedge	(5,476)	(1,024)
XXIV	Tax on items that may be subsequently reclassified to profit or loss	(221)	(947)
		31,755	**35,882**
	Total comprehensive income for the year	**109,586**	**56,323**
	– attributable to owners of the parent	96,521	41,838
	– attributable to non-controlling interests	13,065	14,485

2.1.4 Statement of changes in equity (Note XXIV)

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Available-for-sale financial assets reserve	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2014	68,688	13,738	(1,921)	25,529	331,264	(3,450)	(421)	25,107	458,534	32,125
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	64,153	64,153	14,394
Effective portion of fair value change in cash flow hedges, net of tax effect	-	-	1,921	-	-	-	-	-	1,921	-
Foreign currency translation differences for foreign operations	-	-	-	36,161	-	-	-	-	36,161	(1,336)
Gain/(loss) on net investment hedge, net of the tax effect	-	-	-	(4,809)	-	-	-	-	(4,809)	-
Equity – accounted investee – share of other comprehensive income	-	-	-	(603)	-	-	-	-	(603)	-
Gain/(loss) on fair value of available-for-sale financial assets, net of the tax effect	-	-	-	-	-	-	421	-	421	-
Remeasurements of the defined benefit (liabilities)/asset, net of the tax effect	-	-	-	-	(723)	-	-	-	(723)	7
Total comprehensive income for the year	-	-	1,921	30,749	(723)	-	421	64,153	96,521	13,065
Transaction with owners of the parent, recognised directly in equity										
Contributions by and distributions to owners of the parent										
Allocation of 2014 profit to reserves	-	-	-	-	25,107	-	-	(25,107)	-	-
Capital increase	-	-	-	-	-	-	-	-	-	18,379
Dividend distribution	-	-	-	-	-	-	-	-	-	(21,448)
Effect due to stock option exercise	-	-	-	-	102	2,003	-	-	2,105	-
Other movements (disposal of US Retail division under common control, net of tax effect)	-	-	-	-	2,412	-	-	-	2,412	(1,721)
Total contributions by and distributions to owners of the parent	-	-	-	-	27,621	2,003	-	(25,107)	4,517	(4,790)
Total transactions with owners of the parent	-	-	-	-	27,621	2,003	-	(25,107)	4,517	(4,790)
31.12.2015	68,688	13,738	-	56,278	358,162	(1,447)	-	64,153	559,572	40,400

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Available-for-sale financial assets reserve	Profit/(loss) for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2013	**68,688**	**13,738**	**(5,581)**	**(4,749)**	**346,689**	**(3,982)**	**262**	**(1,482)**	**413,583**	**31,175**
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	25,107	25,107	11,871
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	3,660	-	-	-	-	-	3,660	-
Foreign currency translation differences for foreign operations and other changes	-	-	-	31,192	-	-	-	-	31,192	2,627
Gains (losses) on net investment hedges, net of the tax effect	-	-	-	(742)	-	-	-	-	(742)	-
Share of other comprehensive income on entities accounted for using the equity method	-	-	-	(172)	-	-	-	-	(172)	-
Fair value gain on available-for-sale financial assets	-	-	-	-	-	-	(683)	-	(683)	-
Gain/(loss) on fair value of available-for-sale financial assets, net of the tax effect	-	-	-	-	(16,524)	-	-	-	(16,524)	(13)
Total comprehensive income for the year	**-**	**-**	**3,660**	**30,278**	**(16,524)**	**-**	**(683)**	**25,107**	**41,838**	**14,485**
Transaction with owners of the parent, recognised directly in equity										
Contributions by and distributions to owners of the parent										
Allocation of 2013 profit to reserves	-	-	-	-	(1,482)	-	-	1,482	-	-
Stock option	-	-	-	-	124	-	-	-	124	-
Effect due to stock option exercise	-	-	-	-	(25)	532	-	-	507	-
Capital increase	-	-	-	-	-	-	-		-	7,537
Dividend distribution	-	-	-	-	-	-	-	-	-	(21,294)
Other movements (disposal of US retail division)	-	-	-	-	2,482	-	-	-	2,482	-
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**-**	**1,099**	**532**	**-**	**1,482**	**3,113**	**(13,757)**
Changes in ownership interests in subsidiaries										
Sale of non-controlling interests	-	-	-	-	-	-	-	-	-	222
Total transactions with owners of the parent	**-**	**-**	**-**	**-**	**1,099**	**532**	**-**	**1,482**	**3,113**	**(13,535)**
31.12.2014	**68,688**	**13,738**	**(1,921)**	**25,529**	**331,264**	**(3,450)**	**(421)**	**25,107**	**458,534**	**32,125**

2.1.5 Statement of cash flows

(€k)	2015	2014
Opening net cash and cash equivalents	**142,814**	**129,579**
Pre-tax profit and net financial expense for the year	150,921	121,616
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	224,322	197,599
Adjustment and (gains)/losses on disposal of financial assets	1,003	(2,977)
(Gain)/losses on disposal of non-current assets	(4,788)	(3,373)
Other non-cash items	(103)	(1,142)
Change in working capital	11,200	(4,410)
Net change in non-current non-financial assets and liabilities	1,868	(30,840)
Cash flow from operating activities	**384,423**	**276,473**
Taxes paid	(51,559)	(36,525)
Interest paid	(35,707)	(30,836)
Net cash flow from operating activities	**297,157**	**209,112**
Acquisition of property, plant and equipment and intangible assets	(227,339)	(179,529)
Proceeds from sale of non-current assets	8,347	3,585
Acquisition of consolidated equity investments	(850)	(1,335)
Disposal of US Retail division	23,357	18,608
Net change in non-current financial assets	3,195	11
Net cash flow used in investing activities	**(193,290)**	**(158,661)**
Issue of new non-current loans	274,992	-
Repayments of non-current loans	(336,136)	(42,432)
Repayments of current loans, net of new loans	(68,669)	12,227
Excercise of stock options	2,105	523
Other cash flows *	(11,476)	(14,029)
Net cash flow used in financing activities	**(139,184)**	**(43,711)**
Cash flow for the period	**(35,317)**	**6,741**
Effect of exchange on net cash and cash equivalents	1,348	6,494
Closing net cash and cash equivalents	**108,845**	**142,814**

* Includes dividend paid to minority shareholders in subsidiaries

Reconciliation of net cash and cash equivalents

(€k)		
Opening – net cash and cash equivalents - balance as of 1st January 2015 and as of 1st January 2014	**142,814**	**129,579**
Cash and cash equivalents	183,241	171,516
Current account overdrafts	(40,426)	(41,937)
Closing – net cash and cash equivalents - balance as of 30 June 2015 and as of 30 June 2014	**108,845**	**142,814**
Cash and cash equivalents	161,834	183,241
Current account overdrafts	(52,989)	(40,426)

2.2 Notes to the consolidated financial statements

Group operations

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

2.2.1 Accounting policies and basis of consolidation

General standards

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

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

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

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2015:

- Annual improvements to IFRS (2011-2013 cycle);
- Interpretation of IFRIC 21 – Levies.

The application of the standards and interpretations listed above did not affect the consolidated financial statements to an extent requiring mention in these notes.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in later years that the Group did not choose to apply early in the 2015 financial statements:

- Amendments to IAS 19 Employee benefits: Employee contributions;
- Annual improvements to IFRS (2010-2012 cycle);
- Amendments to IAS 1: Disclosure initiative;
- Annual improvements to IFRS (2012-2014 cycle);
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization;
- Amendments to IFRS 11: Accounting for acquisitions of interests in joint operations.

The application of the standards and interpretations listed above is not expected to influence the consolidated financial statements to an extent requiring mention in these notes.

Regarding the accounting standard for leases (IFRS 16) approved in February 2016, which will not affect the presentation of leases until 1 January 2019, the Group will set up a timely program to analyze its contracts and determine the impact of the new standard.

Structure, format and content of the consolidated financial statements

The financial statements are clearly presented and give a true and fair view of the Group's financial position, results and cash flows. Formats and standards are constant over time.

Pursuant to IAS 1(24) and IAS 1(25), the consolidated financial statements have been prepared on a going concern basis.

In accordance with IAS 1 and IAS 7, the formats used in the 2015 consolidated financial statements are as follows:

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

The financial statements of each company in the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with a functional currency other than the Euro, including goodwill and fair value adjustments generated by the acquisition of a foreign business, are translated at the rates prevailing at year end. Income and expense are converted at average exchange rates for the year, which approximate those in force when the corresponding transactions took place. Exchange differences are recognized in the statement of comprehensive income and shown under "translation reserve" in the statement of changes in equity. Exchange gains and losses arising from receivables or payables with foreign operations, the collection or payment of which is neither planned nor likely in the foreseeable future, are treated as part of the net investment in foreign operations and are recognized in other comprehensive income and shown under "translation reserve" in the statement of changes in equity.

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

	2015		2014	
	Rate on 31 December	Average rate for the period	Rate on 31 December	Average rate for the period
US Dollar	1.0887	1.1095	1.2141	1.3285
Canadian Dollar	1.5116	1.4180	1.4063	1.4661
Swiss Franc	1.0835	1.0679	1.2024	1.2146
British Sterling	0.7340	0.7258	0.7789	0.8061

Basis of consolidation

The scope of consolidation includes subsidiaries for which the Group, pursuant to IFRS 10, is exposed to or has rights to variable returns and is able to affect those returns through power over these investees. The list of consolidated companies is annexed to these notes.

Specifically, the consolidated financial statements include the financial statements at 31 December 2015 of Autogrill S.p.A. and all companies it directly or indirectly controls or controlled during the year. The scope of consolidation also includes the French companies Sorebo S.A., Soberest S.a.s., Volcarest S.A., and some joint ventures belonging to the American group (see the annex "List of consolidated companies and other investments"), which are controlled on the basis of a 50% or lower stake and an agreement that puts their business under the management of Autogrill Group.

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

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

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

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

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

HMSHost Corporation and its subsidiaries, following common practice in English-speaking countries, close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last which is a 16-week quarter. As a result, the accounts included in the 2015 consolidated financial statements cover the period 3 January 2015 to 1 January 2016, while the previous year's accounts covered the period 4 January 2014 to 2 January 2015. This has had no significant impact on the statement of financial position at 31 December 2015 or on results for the year.

Accounting policies

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

Business combinations

Business combinations carried out since 1 January 2008

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

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

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

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

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

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

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

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

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

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

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

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

Non-controlling interests in the acquiree are initially measured according to their percentage interest in the fair value of the assets, liabilities and contingent liabilities recognized on acquisition.

Business combinations carried out before 1 January 2004

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

Business combinations under common control

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

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

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

Acquisitions of non-controlling interests

The Group applies IFRS 10 to all acquisitions carried out after control is assumed. On that basis, such acquisitions are treated as transactions carried out with shareholders in their capacity as owners, and do not give rise to goodwill. Adjustments to non-controlling investments are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non-controlling interest in a subsidiary represented the excess cost of the additional investment with respect to the book value of the interest in the net assets acquired on the transaction date.

Investments in associates and joint ventures

An associate is a company over which the Group has a significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies; a joint venture is an agreement through which the Group has rights to net assets, rather than rights to assets and obligations for liabilities.

The income, expenses, assets and liabilities of associates and joint ventures are recognized in the consolidated financial statements using the equity method, except where the investment is classified as held for sale.

Accordingly, investments in associates and joint ventures are initially recognized at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the investees' profits or losses, recognized using the equity method, up to the date it no longer has significant influence or joint control.

Recognition of revenue and costs

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

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

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

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

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

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

Recognition of financial income and expense

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

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

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

Employee benefits

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

Group companies provide defined benefit and defined contribution plans.

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

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

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

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

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Group, the amount of the asset recognized is limited to the sum of any unrecognized cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. To establish the present value of these economic benefits, the minimum funding requirements applicable to any Group plan are considered. An economic benefit is available to the Group when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities.

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

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

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

Share-based payments

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

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

Income tax

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

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

For three-year period 2013-2015, Autogrill S.p.A. and its Italian subsidiary Nuova Sidap S.r.l. have joined the domestic tax consolidation scheme of the indirect parent Edizione S.r.l. as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for: payment in full of the amount corresponding to the transferred profit times the IRES (corporate tax) rate; payment in full of the amount corresponding to the transferred loss times the IRES (corporate tax) rate, when utilized by Edizione S.r.l.; the transfer of any tax assets. The net current tax asset or liability for the year, in respect of IRES only, is therefore recognized as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "Other receivables" or "Other payables".

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets, arising from deductible temporary differences and losses carried forward, are recognized and maintained in the financial statements to the extent that future taxable income is likely to be earned allowing use of those assets. Specifically, the carrying amount of deferred tax assets is reviewed at each reporting date based on the latest forecasts as to future taxable income.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or, for transactions other than business combinations, of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income. Deferred tax liabilities are recognized on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Group is able to monitor the reversal of the temporary differences and they are unlikely to be reversed in the foreseeable future.

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

Current and deferred tax assets and liabilities are offset when there is a legal right to do so and when they pertain to the same tax authorities.

Non-current assets

Goodwill

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

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

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

Other intangible assets

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

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

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

Concessions, licenses, brands and similar rights:	
Software licenses	3-10 years or term of license
License to sell state monopoly goods	Term of license
Contractual rights	Term of the rights
Other:	
Software on commission	3-6 years
Other costs to be amortized	3-10 years or term of underlying contract

Property, plant and equipment

Property, plant and equipment are recognized when it is probable that use of the asset will generate future benefits and when the cost of the asset can be reliably determined. They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs according to the share that can reasonably be attributed to the asset.

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

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

The following are the depreciation periods used for property, plant and equipment:

Property, plant and machinery	Useful life (years)
Industrial buildings	5–50
Plant and machinery	3–14
Industrial and commercial equipment	3–23
Other	3–33

Land is not depreciated.

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

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

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

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

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

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

Leased assets

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

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

Operating lease payments are recognized over the term of the lease. Benefits received or to be received, and those given or to be given, as incentives for taking out operating leases are recognized on a straight-line basis for the entire duration of the lease (see section 2.2.11 - Operating leases).

Impairment losses or reversal on non-financial assets

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

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

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

The recoverable amount is the higher of fair value less costs of disposal and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, it is reduced to the recoverable amount. Impairment losses are recognized in the income statement.

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

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

Assets/liabilities held for sale and discontinued operations

A discontinued operation is part of a group whose activities and financial flows are clearly distinguishable from the rest of the group, and which:

- constitutes a major independent branch or geographical area of business,
- is part of a single coordinated plan to dispose of a major independent branch or geographical area of business, or
- is a subsidiary acquired for the sole purpose of reselling it.

An operation is listed as discontinued when it is sold or when it meets the conditions for being classified as "held for sale," whichever comes first.

When an operation is listed as discontinued, the comparative statement of comprehensive income is redetermined as if the operation had been discontinued as of the beginning of the year of comparison.

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

In the financial statements:

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

Current assets and current & non-current liabilities

Inventories

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

Trade and other receivables

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

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

With respect to the 2014 financial statements, for the sake of clarity, receivables and payables relating to promotional contributions and premiums from suppliers have been offset under "Other receivables" (current assets), "Trade receivables" and "Trade payables" in the amount of € 29,583k.

Other financial assets

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

Subsequently, the financial assets that the Group has the intention and capacity to hold to maturity (held to maturity investments) are measured at 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 recognized in that year's income statement under financial income and expense.

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

Cash and cash equivalents

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

Loans, bank loans, bonds and overdrafts

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

Trade payables

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

Derivative financial instruments and hedge accounting

The Group's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates. To manage these risks the Group uses financial derivatives, mainly in the form of Interest Rate Swaps, forward rate agreements, interest rate options, and combinations of these. Some Group companies have a policy of converting part of floating-rate debt into fixed-rate. The use of derivatives is governed by the "Financial Management and Financial Risks Policy" and the "Annual Financial Strategy" approved by Autogrill S.p.A.'s Board of Directors, which set standards and guidelines for the Group's financial risk hedging strategy. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.

For further information see the policy described in section 2.2.6.2 “Financial risk management”.

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

All derivative financial instruments are initially measured at fair value in accordance with IFRS 13 and IAS 39, with the related transaction costs recognized in profit or loss when incurred. They are subsequently carried at fair value. More specifically, the fair value of forward exchange contracts is based on the listed market price, where available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current spot rate for the residual maturity of the contract using a risk-free interest rate (based on government securities) of the country/currency of the instrument’s user.

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

Fair value changes are measured as described below.

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

- Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a recognized asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts its carrying amount and is recognized in profit or loss;
- Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognized asset or liability or a forecast transaction that is highly probable and could affect profit or loss, the effective portion of the gain or loss on the financial instrument is recognized in comprehensive income and presented in the “hedging reserve” under equity. The cumulative gain or loss is reclassified from comprehensive income and recognized in profit or loss in the same year in which the economic effect of the hedged transaction is recognized. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognized in the income statement immediately. If a hedge or a hedging relationship is terminated, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the gains or losses not yet realized that have been included in comprehensive income are reclassified immediately to profit or loss;
- Hedge of net investment: if a derivative is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediary holding company, the effective portion of the gain or loss on the hedge is recognized in comprehensive income and presented in the “translation reserve” under equity, while the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the gain or loss on the effective portion of the hedge that has been cumulatively recognized in the translation reserve is also taken to profit or loss.

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

Provisions for risks and charges

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

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

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

Share capital and purchase of treasury shares

The share capital is comprised wholly of ordinary shares, which form part of equity. Incremental costs directly attributable to the issue of ordinary shares are deducted from net equity, net of the tax effects.

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

Earnings per share

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

Foreign currency transactions

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

Use of estimates

The preparation of the consolidated financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at the year-end date. Actual results may differ. Estimates are used to determine the effects of business combinations, asset impairment or reversal of an impairment loss, the fair value of derivatives, provisions for impaired receivables and inventory obsolescence, amortization and depreciation, employee benefits, tax and the allocations to provision for risks and charges. Estimates and assumptions are periodically reviewed and the effect of any change is taken to the income statement of the future years. The estimation criteria used for these financial statements are the same as those followed the previous year.

2.2.2 Disposals

In order to transfer all of the Group's Travel Retail & Duty-Free operations to World Duty Free S.p.A. (beneficiary of Autogrill S.p.A.'s proportional partial demerger, which took effect on 1 October 2013), on 7 September 2013 HMSHost Corporation and its subsidiary Host International Inc. began to implement an agreement reached with World Duty Free Group US Inc. (an indirect subsidiary of World Duty Free S.p.A.) for the sale of the North American travel retail business (also called the US Retail division) for the sum of \$ 120m. At 31 December 2014, contracts making up about 90% of the total called for in the agreement had been effectively transferred (with a combined value of about \$ 105m), as the necessary authorizations from the concession grantors had not yet been obtained for some of the US Retail division contracts.

On 28 February 2015, after the Board of Directors approved the transaction on 24 February, Autogrill S.p.A. (through its subsidiaries HMSHost Corporation and Host International Inc.) transferred to World Duty Free Group the four remaining Travel Retail contracts operated at the Atlanta and Oakland airports and at the Empire State Building in New York, worth a total of \$ 19m. In accordance with the terms agreed, from the total sale price WDF withheld 5% to guarantee compliance with the penalty obligations. That amount was received in full in January 2016. At the same time the contracts were transferred, net working capital was also transferred in the amount of \$ 8m. The four contracts, which had produced revenue of \$ 59m in 2014, contributed \$ 7.4m this year. The cash flow from the transaction, consisting of the sale price and the transfer of working capital, came to € 23.4m as reflected in the statement of cash flows.

The sale of the US Retail business, which does not represent an independent operating segment for the Group, qualifies as an asset transfer under the category "business combination under common control" and is therefore outside the scope of IFRS 3. Therefore, the capital gain from the sale (net of the tax effect) has been recognized directly in equity.

2.2.3 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	31.12.2015	31.12.2014	Change
Bank and post office deposits	109,959	126,299	(16,340)
Cash and equivalents on hand	51,875	56,942	(5,067)
Total	**161,834**	**183,241**	**(21,407)**

"Bank and post office deposits" decreased with respect to 31 December 2014 due a better and efficient management of bank account balances.

"Cash and equivalents on hand" include cash floats at stores and amounts in the process of being credited to bank accounts. The amount may vary substantially depending on the frequency of pick-ups for deposit, which are generally handled by specialized third-party carriers.

The statement of cash flows presents the various sources and uses of cash that contributed to the change in this item.

II. Other financial assets

(€k)	31.12.2015	31.12.2014	Change
Financial receivables from third parties	27,607	19,672	7,935
Fair value of interest rate hedging derivatives	1,495	798	697
Fair value of exchange rate hedging derivatives	516	774	(258)
Total	**29,618**	**21,244**	**8,374**

"Financial receivables from third parties" consists mostly of current receivables due from the non-controlling shareholders of some North American subsidiaries. The change is due to business expansion and the appreciation of the US dollar against the Euro.

"Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding as at 31 December 2015 and 31 December 2014, with a combined notional value of $ 100m.

"Fair value of exchange rate hedging derivatives" refers to the fair value measurement of the derivatives entered into to hedge exchange rate risk as at 31 December 2015, in particular to the forward purchase and/or sale of currency, in connection with intercompany loans and dividends.

III. Tax assets

These amount to € 11,234k (€ 3,364k at 31 December 2014) and refer to income tax advances and credits. The increase is due to the excess advances paid in the United States in 2015 on the basis of US legislation in force at the time, with respect to what was actually owed as a result of new legislation approved in December 2015.

IV. Other receivables

(€k)	31.12.2015	31.12.2014	Change
Suppliers	29,503	38,150	(8,647)
Lease and concession advance payments	16,498	23,040	(6,542)
Inland revenue and government agencies	18,648	24,984	(6,336)
Receivables from credit card companies	15,487	11,478	4,009
Advances to grantors for investments	9,609	4,520	5,089
Sub-concessionaires	2,289	3,786	(1,497)
Receivables from the parent for tax consolidation	14,472	14,645	(173)
Personnel	695	803	(108)
Other	30,414	26,581	3,833
Total	**137,615**	**147,987**	**(10,372)**

"Suppliers" refers to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received.The difference is explained by dynamics in the settlement of premiums, in addition to exchange rate trends.

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

Receivables from "Inland revenue and government agencies" relate mostly to indirect taxes. The decrease reflects mainly the non-recourse factoring of an Italian VAT credit in the amount of € 6,542k.

"Receivables from credit card companies" increased due to the greater use of electronic payments and the appreciation of the US dollar against the Euro.

"Advances to grantors for investments" concern commercial investments carried out on behalf of concession grantors.

Amounts due from "Sub-concessionaires" refer to businesses licensed to others and consist mainly of rent receivable.

"Receivables from the parent for tax consolidation" concern the amount due from Edizione S.r.l. to the Italian companies in the Group that participate in the domestic tax consolidation scheme.

"Other" consists mainly of prepayments for maintenance and insurance policies and advances on local taxes.

V. Trade receivables

(€k)	31.12.2015	31.12.2014	Change
Third parties	54,691	48,758	5,933
Bad debt reserve	(6,377)	(6,249)	(128)
Total	**48,314**	**42,509**	**5,805**

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

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

(€k)	
Allowance for impairment at 31 december 2014	**6,249**
Increases, net of use	2,054
Other movements and exchange rate differences	(1,454)
Utilizations	(472)
Allowance for impairment at 31 december 2015	**6,377**

Net allocations of € 2,054k in 2015 reflect the impairment of disputed receivables.

Utilizations, amounting to € 472k, refer to the settlement of disputes during the year against which bad debt provisions had been made in the past.

VI. Inventories

Inventories, totalling € 136,433k at 31 December 2015 (there was noted an increase as compred to € 123,540k of the previous year), are shown net of the write-down provision of € 1,317k (€ 599k at 31 December 2014), determined considering the estimated recoverability of slow-moving goods. Inventories are concentrated mostly in Italy (where the Group uses centralized warehouses to handle logistics) and the United States, and consist chiefly of food raw materials, drinks, packaged products, and goods sold under government monopoly. The increase is due to different seasonal patterns and purchasing dynamics at the end of 2015 compared with the previous year.

Non-current assets

VII. Property, plant and equipment

The following tables show movements in "Property, plant and equipment" in 2015 and 2014.

(€k)	Land and buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Assets to be transferred free of charge	Other	Assets under construction and payments on account	Total
Gross carrying amount								
Balance at 1 January 2014	163,957	971,328	216,370	745,367	450,963	50,069	94,556	2,692,610
Change in consolidation scope	-	570	-	455	-	(13)	-	1,012
Exchange rate gains (losses)	1,218	80,802	2,188	38,575	-	498	8,982	132,263
Increase	908	11,590	2,545	17,789	8,399	1,273	141,511	184,015
Decrease	(167)	(88,052)	(13,483)	(40,715)	(75,435)	(1,141)	(474)	(219,467)
Other movements	723	64,282	4,077	47,181	8,221	1,948	(124,333)	2,099
Balance at 31 December 2014	166,639	1,040,520	211,697	808,652	392,148	52,634	120,242	2,792,532
Change in consolidation scope	-	(17,830)	-	(6,324)	-	(88)	(601)	(24,843)
Exchange rate gains (losses)	6,568	72,161	10,649	33,866	-	1,210	8,313	132,767
Increase	1,505	16,375	1,550	11,173	7,435	1,000	171,837	210,875
Decrease	(12,553)	(105,351)	(14,147)	(85,007)	(12,098)	(3,830)	(202)	(233,188)
Other movements	266	102,059	(6,591)	84,736	10,724	85	(189,837)	1,442
Balance at 31 December 2015	162,425	1,107,934	203,158	847,096	398,209	51,011	109,752	2,879,585
Depreciation/Impairment losses								
Balance at 1 January 2014	(84,125)	(674,088)	(171,967)	(576,022)	(358,322)	(45,549)	-	(1,910,073)
Change in consolidation scope	-	-	-	52	-	13	-	65
Exchange rate gains (losses)	(796)	(51,417)	(1,852)	(26,269)	-	(426)	-	(80,760)
Increase	(4,188)	(67,523)	(11,663)	(63,896)	(22,223)	(2,288)	-	(171,781)
Impairment losses	(837)	(2,080)	(1,047)	(1,814)	(4,304)	(52)	-	(10,134)
Decrease	167	87,791	13,387	39,880	75,396	1,128	-	217,749
Other movements	52	(1,148)	63	(1,659)	363	(366)	-	(2,695)
Balance at 31 December 2014	(89,727)	(708,465)	(173,079)	(629,728)	(309,090)	(47,540)	-	(1,957,629)
Change in consolidation scope	-	12,247	-	4,617	-	88	-	16,952
Exchange rate gains (losses)	(4,310)	(45,667)	(8,055)	(23,877)	-	(1,077)	-	(82,986)
Increase	(3,932)	(81,862)	(11,283)	(71,986)	(23,171)	(2,361)	-	(194,595)
Impairment losses	(546)	(5,347)	(2,960)	(543)	(3,133)	(27)	-	(12,556)
Decrease	10,748	105,240	12,942	84,031	12,077	3,827	-	228,865
Other movements	3	1,469	9,788	(13,645)	(5)	738	-	(1,652)
Balance at 31 December 2015	(87,764)	(722,385)	(172,647)	(651,131)	(323,322)	(46,352)	-	(2,003,601)
Carrying amount								
31 December 2014	76,912	332,055	38,618	178,924	83,058	5,094	120,242	834,903
31 December 2015	74,661	385,549	30,511	195,965	74,887	4,659	109,752	875,984

Investments in 2015 amounted to € 210,875k, while the net carrying amount of disposals was € 4,323k. The disposals generated net gains of € 4,788k. The directors' report contains a more detailed analysis of capital expenditure. The change in scope of consolidation refers mainly to the sale of the last four Travel Retail contracts in North America to the World Duty Free group (see section 2.2.2, Disposals).

In addition to depreciation of € 194,595k, impairment testing of individual locations resulted in net impairment losses of € 12,556k, including the reversal of losses charged in previous years (up to historical amortized cost as of the reversal date) where the reasons for impairment no longer exist. Consistently with the method followed in 2014, impairment testing was based on the estimated future cash flows for each location (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country.

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

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

	31.12.2015			31.12.2014		
(€k)	Gross amount	Accumulated depreciation and impairment losses	Carrying amount	Gross amount	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	5,536	(3,623)	1,913	6,569	(4,467)	2,102
Assets to be transferred free of charge	5,108	(3,356)	1,752	5,108	(3,172)	1,936
Industrial and commercial equipment	688	(368)	320	1,841	(1,030)	811
Total	**11,332**	**(7,347)**	**3,985**	**13,518**	**(8,669)**	**4,849**

The financial payable for these goods amounts to € 5,675k and is included under "Other financial liabilities" (current) for € 639k (€ 666k at the end of 2014) and "Other financial liabilities" (non-current) for € 5,036k (€ 5,630k the previous year) (Notes XVII and XX). Future lease payments due after 31 December 2015 amounted to € 8,692k (€ 9,652k at the end of 2014).

VIII. Goodwill

At 31 December 2015 goodwill amounted to € 864,469k, compared with € 804,544k the previous year. The cash-generating units (CGUs) were identified on the basis of business segment, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes.

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

(€k)	31.12.2015	31.12.2014	Change
HMSHost North America	463,487	421,720	41,767
HMSHost International	63,506	58,654	4,852
Italy	83,631	83,631	-
Switzerland	134,566	121,260	13,306
Belgium	47,136	47,136	-
France	65,276	65,276	-
Other	6,867	6,867	-
Total	**864,469**	**804,544**	**59,925**

The difference with respect to 2014 is explained by exchange differences (€ 62,735k) and the reduction in goodwill for HMSHost North America (€ 2,810k), due to the sale of the last four Travel Retail contracts in North America to the World Duty Free group (see section 2.2.2, Disposals).

The recoverability of the goodwill allocated to each CGU is tested by estimating its value in use, defined as the present value of estimated future cash flows discounted at a rate differentiated by geographical area reflecting the specific risks of the individual CGUs at the measurement date. The discount rate was set in consideration of the capital assets pricing model, based on indicators and variables observable in the market.

Future cash flows have been estimated on the basis of the 2016 Budget and forecasts for 2017-2020 (explicit forecast period). Cash flows beyond 2020 have been projected by normalizing information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of each CGU's sector and country of operation (consistently with medium- to long-term inflation forecasts by the International Monetary Fund), and by using the perpetuity method to calculate terminal value.

Below are the main assumptions used for impairment testing. The discount rate has changed since the previous year, to reflect the different market conditions at 31 December 2015:

	Forecast nominal growth rate "g"	Discount rate 2015 post tax	Discount rate 2014 post tax
HMSHost North America	2.30%	5.99%	6.93%
HMSHost International	2.60%	6.46%	7.73%
Italy	1.00%	5.68%	7.24%
Switzerland	1.00%	3.98%	5.15%
Belgium	1.00%	4.83%	6.09%
France	1.00%	4.84%	6.06%
Other	1.00%	4.55%–13.80%	5.66%–7.08%

To estimate cash flows for the period 2016-2020, management has made several assumptions, most importantly of air and motorway traffic volumes, future sales, operating costs, investments, and changes in working capital.

The principal assumptions used to estimate cash flows are broken down below by business segment:

- HMSHost North America: for the years covered by the plan (2016-2020), average annual sales are expected to rise on the strength of traffic growth in the airport channel (based on estimates by the Federal Aviation Administration). The renewal rate of existing contracts was estimated on the basis of historical trends. The total share of operating costs is expected to decrease slightly, thanks to the positive impact of operating leverage and targeted efficiency measures.
- HMSHost International: internal estimates suggest that growth will be strong in the most highly developed regions, such as Northern Europe (UK and Scandinavia), Asia and the Middle East, where it will outpace the average growth rate in Autogrill's markets. Increased sales in countries where margins are higher will boost profitability.
- Italy: internal estimates call for a moderate increase in motorway traffic for 2016 and subsequent years. The selective approach to future investments is reflected in the slightly lower expected renewal rate for expiring concessions with respect to the country's historical trends. The reduced sphere of activity will likely be offset by higher sales per location as a result of updated menus. Operating costs are expected to go down as a share of revenue, thanks to targeted efficiency measures; rent, in particular, has been revised to reflect the expiration of leases and concession contracts.
- Other European countries: sales projections are based on internally developed motorway traffic and airport traffic assumptions that differ from country to country. The renewal rate of existing contracts was estimated on the basis of historical trends, while operating costs are expected to decrease as a percentage of sales thanks to the start-up of efficiency projects.

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

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

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

	Discount rate net of taxes	g
HMSHost North America	14.4%	(17.4%)
HMSHost International	28.6%	n,d,
Italy	10.3%	(6.5%)
Switzerland	5.9%	(1.5%)
Belgium	6.0%	(0.5%)
France	9.1%	(5.6%)

Additional steps included:

- a sensitivity analysis, considering specific risk factors inherent to plans in the different countries and CGUs, as well as changes in the discount rate and g rate;
- a comparison between the CGUs' value in use for 2015 and 2014 with gap analysis.

These steps confirmed that goodwill is fully recoverable and that the assumptions used are reasonable.

IX. Other intangible assets

The following tables show movements in "Other intangible assets" in 2015 and 2014.

	Concessions, licenses, trademarks and similar rights	Assets under development and payments on account	Other	Total
Gross carrying amount				
Balance at 1 January 2014	**145,927**	**64,392**	**4,480**	**214,799**
Change in consolidation scope	(1)	(17)	-	(18)
Exchange rate gains (losses)	4,237	33	-	4,270
Increase	6,959	562	8,458	15,979
Decrease	(1,713)	(100)	(18)	(1,831)
Other movements	(355)	3,656	(4,023)	(722)
Balance at 31 December 2014	**155,054**	**68,526**	**8,897**	**232,477**
Change in consolidation scope	(80)	(95)	-	(175)
Exchange rate gains (losses)	2,867	-	-	2,867
Increase	3,309	670	5,094	9,073
Decrease	(17,065)	(42)	(9)	(17,116)
Other movements	(492)	6,576	(8,269)	(2,185)
Balance at 31 December 2015	**143,593**	**75,635**	**5,713**	**224,941**
Amortization/Impairment losses				
Balance at 1 January 2014	**(100,515)**	**(52,468)**	**-**	**(152,983)**
Change in consolidation scope	1	17	-	18
Exchange rate gains (losses)	(2,768)	(33)	-	(2,801)
Increase	(10,611)	(5,073)	-	(15,684)
Impairment losses	-	-	-	-
Decrease	1,564	95	-	1,659
Other movements	1,071	(5)	-	1,066
Balance at 31 December 2014	**(111,258)**	**(57,467)**	**-**	**(168,725)**
Change in consolidation scope	161	95	-	256
Exchange rate gains (losses)	(1,899)	-	-	(1,899)
Increase	(10,752)	(6,254)	-	(17,006)
Impairment losses	(165)	-	-	(165)
Decrease	17,041	40	-	17,081
Other movements	1,783	611	-	2,394
Balance at 31 December 2015	**(105,089)**	**(62,975)**	**-**	**(168,064)**
Carrying amount				
31 December 2014	**43,796**	**11,059**	**8,897**	**63,752**
31 December 2015	**38,504**	**12,660**	**5,713**	**56,877**

Investments in 2015 came to € 9,073k, mostly for business software, while amortization totalled € 17,006k. The directors' report contains a more detailed analysis of capital expenditure.

Impairment testing of individual locations, carried out in conjunction with the property, plant and equipment testing mentioned in Note VII, led to net impairment losses of € 165k.

All "Other intangible assets" have finite useful lives.

X. Investments

This item is mainly comprised of associates and joint ventures, measured using the equity method. The increase for the year is therefore explained by the exchange effect and the Group's share of net profit.

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

For the sake of thoroughness, we report that using the equity method, a positive € 124k was recognized in the income statement under "Adjustments to the value of financial assets" and a negative € 603k for exchange losses was recorded in the statement of comprehensive income.

Investments at 31 December 2015 and 31 December 2014 are detailed below:

	31.12.2015								
					Revenues	Profit/(loss) for the year	Total assets	Total liabilities	Carrying amount
Name	Registered office	Countries	% held	Currency	Currency/000				(k€)
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	MYR	23,073	(1,435)	13,149	2,374	1,129
HKSC Developments L.P.	Winnipeg	Canada	49%	CAD	22,692	(1,245)	21,987	11,953	3,260
HSCK Opco L.P.	Winnipeg	Canada	49%	CAD	67	56	191	134	19
Autogrill Middle East. LLC	Abu Dhabi	United Arab Emirates	50%	AED	22,215	4,504	14,438	4,384	1,183
Arab Host for Services and Investment. LLC	Abu Dhabi	United Arab Emirates	49%	AED	-	(599)	3,125	3,725	-
HMSHost (Shanghai) Catering Management Co., Ltd.	Shanghai	China	51%	CNY	598	(308)	191	6,007	87
Caresquick N.V.	Antwerp	Belgium	50%	EUR	7,555	169	3,472	1,286	1,093
Other									65
Total at 31 December 2015									**6,836**

					31.12.2014				
					Revenues	Profit/(loss) for the year	Total assets	Total liabilities	Carrying amount
Name	Registered office	Countries	% held	Currency	Currency/000				(k€)
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	MYR	23,031	892	15,907	3,766	1,393
HKSC Developments L.P.	Winnipeg	Canada	49%	CAD	28,154	7,477	59,120	53,291	1,997
HSCK Opco L.P.	Winnipeg	Canada	49%	CAD	67	57	232	136	33
Autogrill Middle East. LLC	Abu Dhabi	United Arab Emirates	49%	AED	8,271	1,396	6,736	1,740	560
Caresquick N.V.	Antwerp	Belgium	50%	EUR	7,756	265	2,911	895	1,008
Other									784
Total at 31 December 2014									**5,775**

XI. Other financial assets

(€k)	31.12.2015	31.12.2014	Change
Interests-bearing sums with third parties	2,412	2,563	(151)
Guarantee deposits	8,016	7,862	154
Other financial receivables from third parties	4,522	4,913	(391)
Other equity investments	-	6,643	(6,643)
Fair value of interest rate hedging derivatives	219	-	219
Total	**15,169**	**21,981**	**(6,812)**

"Other financial receivables from third parties" consist primarily of amounts due from the non-controlling shareholders of some North American subsidiaries for capital advances, taking account of their ability to pay the sums back with future earnings.

At 31 December 2014, "Other equity investments" covered the fair value of World Duty Free S.p.A. shares held to service the 2010 Stock Option Plan (see section 2.2.12). The change by the end of the year reflects the beneficiaries' complete exercise of their stock options, and the sale of the remaining shares to the third parties that acquired World Duty Free S.p.A. in August 2015.

XII. Deferred tax assets and liabilities

Deferred tax assets, shown net of offsettable deferred tax liabilities, amount to € 45,511k (€ 35,883k at 31 December 2014). At the end of 2015, "Deferred tax liabilities" not offsettable against deferred tax assets amounted to € 41,456k (€ 37,418k the previous year).

Deferred tax liabilities and deferred tax assets are broken down as follows:

(€k)	31.12.2015	31.12.2014
Deferred tax iabilities gross	98,892	93,182
Deferred tax assets available for offset	(57,436)	(55,764)
Deferred tax iabilities	**41,456**	**37,418**
Deferred tax assets non available for offset	**45,511**	**35,883**

The following tables show gross movements in deferred taxes in 2015 and 2014.

(€k)	31.12.2014	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains/(losses)	Other movements	31.12.2015
Deferred tax assets						
Property, plan and equipment and intangible assets	25,368	(304)	-	599	(1,267)	24,395
Trade receivables	5,137	887	-	437	-	6,462
Other assets	1,413	(119)	(160)	84	-	1,218
TFR and other employee benefit	36,735	459	(580)	3,459	-	40,073
Provision for risks and charges	2,056	427	-	-	-	2,483
Other liabilities	3,289	3,862	(728)	262	(192)	6,492
Carry-forward tax losses	17,650	4,138	-	36	-	21,825
Total	**91,647**	**9,349**	**(1,468)**	**4,878**	**(1,458)**	**102,947**
Deferred tax liabilities						
Property, plan and equipment and intangible assets	67,118	1,550	-	4,922	(2,430)	71,159
Other assets	16,119	886	-	1,807	-	18,813
Provision for risks and charges	303	-	-	28	-	331
Other reserves and retained earnings	8,057	(1,471)	-	7	-	6,593
Other liabilities	1,584	303	-	107	-	1,995
Total	**93,182**	**1,268**	**-**	**6,872**	**(2,430)**	**98,892**

(€k)	31.12.2013	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains/(losses)	Other movements	31.12.2014
Deferred tax assets						
Property, plan and equipment and intangible assets	21,829	2,277	-	1,261	-	25,368
Trade receivables	5,290	(604)	-	452	-	5,137
Other assets	1,214	(179)	159	219	-	1,413
TFR and other employee benefit	30,108	(1,702)	5,239	3,090	-	36,735
Provision for risks and charges	3,356	(1,280)	-	(20)	-	2,056
Other liabilities	3,248	1,197	(1,388)	231	-	3,289
Carry-forward tax losses	16,035	1,605	-	10	-	17,650
Total	**81,080**	**1,315**	**4,010**	**5,243**	**-**	**91,647**
Deferred tax liabilities						
Property, plan and equipment and intangible assets	59,139	2,937	-	5,042	-	67,118
Other assets	13,825	434	-	1,861	-	16,119
Provision for risks and charges	248	51	-	5	-	303
TFR and other employee benefit	1,973	(1,973)	-	-	-	-
Other reserves and retained earnings	11,862	(3,815)	-	10	-	8,057
Other liabilities	1,234	257	-	93	-	1,584
Total	**88,281**	**(2,109)**	**-**	**7,010**	**-**	**93,182**

Tax losses existing at 31 December 2015 on which deferred tax assets have not been recognized, as business is not expected to be profitable enough to generate taxable income allowing their use, amount to € 193,395k. The corresponding unrecognized tax benefit would be € 54,059k. Most of those losses are concentrated in Italy.

XIII. Other receivables

Most of the other non-current receivables of € 11,693k (€ 12,651k at 31 December 2014) consist of rent paid in advance.

Current liabilities

XIV. Trade payables

Trade payables at 31 December 2015 amount to € 398,802k. The increase of € 377,115k is primarily due to the appreciation of the US dollar against the Euro.

XV. Tax liabilities

At € 6,320k, these decreased by € 1,459k and refer to taxes accrued during the year net of offsettable credits. The income tax balance of the Italian companies participating in the domestic tax consolidation scheme of the ultimate parent, Edizione S.r.l., is recognized under "Other receivables" in current assets.

XVI. Other payables

(€k)	31.12.2015	31.12.2014	Change
Personnel expense	134,819	120,813	14,006
Due to suppliers for additions of capital expenditure	78,517	82,481	(3,964)
Social security and defined contribution plans	45,780	47,706	(1,926)
Indirect taxes	25,429	21,103	4,326
Withholding taxes	14,294	8,597	5,697
Other	27,816	34,661	(6,845)
Total	**326,655**	**315,361**	**11,294**

Most of the change in "Personnel expense" is due to the appreciation of the US dollar against the Euro.

"Indirect taxes" consist mostly of sales tax in North America.

The change in "Withholding taxes" reflects withholding on the dividends paid by the subsidiary HMSHost Corporation ($ 5m).

The heading "Other" includes amounts due to directors and statutory auditors (€ 1,000k), as well as deferred promotional contributions from suppliers and accrued liabilities for insurance, utilities, and maintenance pertaining to 2015. Most of the change concerns the reversal of promotional contributions from suppliers pertaining to 2015.

XVII. Other financial liabilities

(€k)	31.12.2015	31.12.2014	Change
Fair value of interest rate hedging derivatives	-	3,888	(3,888)
Accrued expense and deferred income for interest on loans	7,918	7,576	342
Lease payments due to others (Note VII)	639	666	(27)
Fair value of exchange rate hedging derivatives	340	1,043	(703)
Other financial accrued expense and deferred income	391	232	159
Total	**9,288**	**13,405**	**(4,117)**

The change in the "Fair value of interest rate hedging derivatives" with respect to 31 December 2014 reflects the termination in June 2015 of such instruments (at their natural expiration), with a combined notional value of € 120m.

"Fair value of exchange rate hedging derivatives" refers to the fair value measurement of the derivatives entered into to hedge currency risk, in particular to the forward sale and/or purchase of currency, in connection with intercompany loans and dividends. The change for the year is due primarily to the exchange rate with the Swiss franc.

Details of the derivatives outstanding at year end are provided in section 2.2.6 "Financial risk management".

Non-current liabilities

XVIII. Other payables

These amount to € 31,392k (€ 22,997k at 31 December 2014) and include mainly the liability to personnel for long-term incentives and for defined contribution plans. The change stems from the increased share of long-term incentives with payment deferred beyond 12 months, and the rise in costs for management incentive (phantom stock option) plans, due to the appreciation of Autogrill stock at the end of the year.

XIX. Loans

(€k)	31.12.2015	31.12.2014	Change
Current account overdrafts	52,989	40,426	12,563
Unsecured bank loans (current)	35,000	96,183	(61,183)
Total current	**87,989**	**136,609**	**(48,620)**
Unsecured bank loans (non-current)	280,000	333,281	(53,281)
Commissions on loans	(3,709)	(2,728)	(981)
Total non-current	**276,291**	**330,553**	**(54,262)**
Total	**364,280**	**467,162**	**(102,882)**

In 2015:

- Autogrill S.p.A. paid back a revolving credit facility of € 500m in March, before of its maturity in July 2016. Drawdowns on the facility amounted to € 308,571k at 31 December 2014;
- also in March, Autogrill S.p.A. obtained a new € 600m "term and revolving facilities agreement" maturing in March 2020, usable solely by itself. It consists of an amortizing term loan of € 200m and a revolving credit line of € 400m. The new line was used to pay back the revolving credit facility mentioned above. The amortizing term loan involves five half-yearly payments of € 30m starting in June 2017, with reimbursement of the remaining € 50m on maturity;
- the subsidiary HMSHost Corporation obtained an extension until March 2020 of the $ 250m revolving credit facility, which can be used only by itself and had an original maturity of March 2016.

The breakdown of "Unsecured bank loans" at the close of 2015 and 2014 is presented below:

		31.12.2015		31.12.2014	
Credit lines	Expiry	Amount (k€)	Drawdowns in k€ *	Amount (k€)	Drawdowns in k€ *
Multicurrency Revolving Facility – Autogrill S.p.A. **	July 2016	-	-	500,000	308,571
2011 Syndicated lines		**-**	**-**	**500,000**	**308,571**
Revolving Facility Agreement – HMSHost Corporation ***	March 2020	229,632	-	205,914	24,710
2013 Line		**229,632**	**-**	**205,914**	**24,710**
Multicurrency Revolving Facility – Autogrill S.p.A.	March 2020	600,000	280,000	-	-
2015 Syndicated lines		**600,000**	**280,000**	**-**	**-**
Total		**829,632**	**280,000**	**705,914**	**333,281**
of which current portion		**-**	**-**	***20,591***	**-**
Total lines of credit net of current portion		**829,632**	**280,000**	**685,323**	**333,281**

* Drawdowns in currency are measured based on exchange rates at 31 December 2015 and 31 December 2014
** Line was early reimbursed in March 2015
*** Original line of $300m, reduced to $250m as per term agreement. On March 2015 the loan maturity was extended from March 2016 to March 2020

At 31 December 2015 the Group's committed credit facilities had been drawn down by about 34%.

The contract for the € 600m credit facility taken out by Autogrill S.p.A. requires it to uphold certain financial ratios: a leverage ratio (net debt/EBITDA) of 3.5 or less and an interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole.

The contract for the $ 250m facility contracted by HMSHost requires it to uphold a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring solely to the companies headed up by HMSHost Corporation.

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

At 31 December 2015 all of the above covenants were amply satisfied. Forecasts for 2016 confirm that they will continue to be met over the next 12 months.

XX. Other financial liabilities

(€k)	31.12.2015	31.12.2014	Change
Lease payments due to others (Note VII)	5,036	5,630	(594)
Fair value of interest rate hedging derivatives	-	434	(434)
Liabilities due to others	321	289	32
Total	**5,357**	**6,353**	**(996)**

At 31 December 2015, "Fair value of interest rate hedging derivatives" referred to the non-current portion of Interest Rate Swaps with a notional value of $ 100m.

XXI. Bonds

(€k)	31.12.2015	31.12.2014	Change
Bonds	463,738	418,006	45,732
Commissions on bond issues	(2,025)	(2,206)	181
Total	**461,713**	**415,800**	**45,913**

"Bonds" refer to private placements issued by HMSHost Corporation:

- in May 2007 for a total of $ 150m, maturing in May 2017 and paying interest half-yearly at a fixed annual rate of 5.73%. For this private placement, the interest rate may be adjusted depending on the trend in the leverage ratio of the group headed up by HMSHost Corporation. The redemption of these bonds at maturity is easily covered by the subsidiary's existing credit lines and generation of cash;
- in January 2013 for a total of $ 150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%;
- in March 2013 for a total of $ 200m, paying interest half-yearly and split into tranches as summarized in the table below:

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

On the whole, at 31 December 2015 this item amounted to € 461,713k, compared with € 415,800k at the end of 2014. The change is essentially due to the appreciation of the US dollar against the Euro (€ 47,856k) and the change in the fair value of hedging instruments (Notes II and XX).

At the close of 2015 the bond issued in 2007 reflects a fair value change of € 6,479k ($ 7,054k), recognized in relation to the outstanding fair value hedge and referring to Interest Rate Swaps that were terminated ahead of their maturity in December 2014. The difference resulting from the early termination is accounted for using the amortized cost method; at 31 December 2015 there was a positive impact of € 3,060k ($ 3,395k) recognized under "Interest expense".

In December 2014, new Interest Rate Swaps were negotiated on some of the bonds issued in 2013, for a notional value of $ 100m. At the end of 2015 there was a loss on the hedged item of € 691k ($ 766k) and a profit of a similar amount on the hedge, so the effect on the income statement was essentially nil (Note XXXII).

The fair value of the bonds outstanding is measured using valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy (as defined by IFRS 7), with no change on the previous year.

The regulations for these bonds require the maintenance of certain financial ratios: a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/Net financial expense) of at least 4.5, calculated solely with respect to HMSHost Corporation and its subgroup. For the calculation of these ratios, gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, they are not readily apparent from the financial statements. At 31 December 2015 these contractual requirements were amply satisfied and forecasts for 2016 confirm that they will continue to be met over the next 12 months.

XXII. Defined benefit plans

At 31 December 2015 this item amounted to € 100,195k (€ 101,836k at the close of the previous year).

The table below shows details of employee benefits recognized as defined benefit plans. The legal obligation for Italian post-employment benefits (trattamento di fine rapporto or "TFR") is € 55,284k, compared with € 59,773k determined on an actuarial basis.

(€k)	31.12.2015	31.12.2014	Change
Defined benefit plans:			
Post-employment benefit	59,773	66,046	(6,273)
Health insurance plans	387	247	140
Other defined benefit plans	40,035	35,543	4,492
Total	**100,195**	**101,836**	**(1,641)**

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

(€k)	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Present value of the funded plans	116,001	106,490	91,005	94,806	89,635
Fair value of the plan assets	(82,313)	(77,263)	(74,601)	(73,164)	(71,676)
	33,688	**29,227**	**16,404**	**21,642**	**17,959**
Present value of the unfunded plans	66,507	72,609	73,932	77,589	54,281
Discontinued Operations – demerger (Travel Retail & Duty-Free)	-	-	-	10,223	11,944
Net liabilities recognised	**100,195**	**101,836**	**90,336**	**109,454**	**84,184**

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

	Italy		Switzerland		The Netherlands		Other plans	
	2015	2014	2015	2014	2015	2014	2015	2014
Discount rate	1.4%	0.9%	0.8%	1.1%	2.6%	2.4%	1.6%–3.0%	1.3%–2.2%
Inflation rate	2.0%	2.0%	-	-	-	-	2.0%	2.0%
Yield on assets	-	-	2.6%	3.0%	-	-	-	-
Salary increase rate	-	-	1.0%	1.0%	1.0%	1.0%	1.0%–2.5%	1.0%–2.5%
Pension increase rate	3.0%	3.0%	-	-	-	-	-	-
Increase in healthcare costs	-	-	-	-	-	-	7.0%	7.4%

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

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

(€k)	2015	2014	Change
Current service costs	2,327	1,121	1,206
Past service costs	(27)	(21)	(6)
Net interest expense	1,075	2,284	(1,209)
Total	**3,375**	**3,384**	**(9)**

Interest expense is recognized under "Financial expense" net of interest income on plan assets, while the current service cost is recognized under "Personnel expense".

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

(€k)	Italy	Switzerland	The Netherlands	Other plans	Total
Present value of the obligation at 31 December 2013	**68,528**	**69,495**	**21,510**	**5,403**	**164,936**
Current service costs	-	996	(241)	366	**1,121**
Past service cost	-	-	-	(21)	**(21)**
Interest expense	1,577	1,789	776	163	**4,305**
Actuarial losses (gains) due to:					
– demographic assumptions	-	-	27	35	**62**
– financial assumptions	6,178	12,484	3,634	929	**23,225**
– experience adjustments	694	(1,940)	(910)	2	**(2,154)**
Employees' share of contributions	-	2,303	-	59	**2,362**
Benefit paid	(10,931)	(4,397)	(606)	(403)	**(16,337)**
Exchange rate losses/(gains)	-	1,570	-	30	**1,600**
Other	-	-	-	-	**-**
Present value of the obligation at 31 December 2014	**66,046**	**82,300**	**24,190**	**6,563**	**179,099**
Current service costs	-	1,885	-	442	**2,327**
Past service cost	-	-	-	(27)	**(27)**
Interest expense	581	1,001	573	122	**2,277**
Actuarial losses (gains) due to:					
– demographic assumptions	-	-	-	76	**76**
– financial assumptions	(1,941)	11,037	(2,342)	72	**6,826**
– experience adjustments	(393)	(7,728)	-	(404)	**(8,525)**
Employees' share of contributions	-	2,527	-	68	**2,595**
Benefit paid	(4,520)	(5,830)	(602)	(208)	**(11,160)**
Exchange rate losses/(gains)	-	8,990	-	30	**9,020**
Other	-	-	-	-	**-**
Present value of the obligation at 31 December 2015	**59,773**	**94,182**	**21,819**	**6,734**	**182,508**

In 2014, the steep reduction in discount rates with respect to the prior year led to actuarial losses from financial assumptions of more than € 23m, which did not reoccur in 2015 as the rates were stable.

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

(€k)	Italy	Switzerland	The Netherlands	Other plans	Total
Fair value of the assets at 31 December 2013	-	**53,338**	**21,263**	-	**74,601**
Interest income	-	1,427	593	-	**2,020**
Estimated yield on plan assets, except interest income	-	777	(1,421)	-	**(644)**
Employees' share of contributions	-	2,303	-	72	**2,375**
Group's share of contributions	-	2,602	239	48	**2,889**
Benefits paid	-	(4,397)	(606)	(119)	**(5,122)**
Exchange rate gains/(losses)	-	1,145	-	-	**1,145**
Other	-	-	-	-	-
Fair value of the assets at 31 December 2014	-	**57,195**	**20,068**	-	**77,263**
Interest income	-	722	480	-	**1,202**
Estimated yield on plan assets, except interest income	-	(1,018)	(741)	-	**(1,759)**
Employees' share of contributions	-	2,527	-	68	**2,595**
Group's share of contributions	-	3,064	161	(16)	**3,209**
Benefits paid	-	(5,830)	(602)	(52)	**(6,484)**
Exchange rate gains/(losses)	-	6,287	-	-	**6,287**
Other	-	-	-	-	-
Fair value of the assets at 31 December 2015	-	**62,947**	**19,366**	-	**82,313**

Regarding the Swiss pension fund, the Swiss subsidiary has arranged a refinancing plan with the local authorities involving a diverse series of measures.

Due to a legislative change, starting on 1 January 2016 the defined contribution plans in Belgium will be converted into defined benefit plans. At 31 December 2015 the present value of those plans' combined obligations was € 2,595k and the fair value of plan assets was € 2,623k.

The main categories of plan assets are:

	Switzerland	The Netherlands
Cash and cash equivalents	6%	-
Equity instruments	24%	-
Bonds	42%	-
Real estate	25%	-
Other securities	3%	100%

Equity instruments and bonds have official market prices.

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

	Italy			Switzerland			The Netherlands			Other plans		
(€k)	Increase	Decrease	Var.	Increase	Decrease	Var.	Increase	Decrease	Var.	Increase	Decrease	Var.
Discount rate	(1,122)	1,161	0.25%	(3,057)	3,257	0.25%	(902)	962	0.25%	(304)	390	0.50%
Salary increase rate	-	-	-	509	n,a,	0.25%	-	-	-	384	(299)	0.50%
Pension increase rate	-	-	-	-	-	-	1,503	(1,334)	0.50%	-	-	-
Inflation rate	714	714	0.25%	-	-	-	-	-	-	-	-	-

At the close of the year, the weighted average duration of the defined benefit obligation was 12.9 years for 2015 and 12.2 years for 2014.

XXIII. Provision for risks and charges

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

(€k)	31.12.2014	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2015
Provision for taxes	2,752	267	410	(259)	(528)	2,642
Other provisions	8,913	(2,832)	12,034	-	(4,887)	13,228
Provision for legal disputes	206	61	3,202	(85)	-	3,384
Onerous contracts provision	4	-	-	(2)	-	2
Total provisions for current risks and charges	**11,875**	**(2,504)**	**15,646**	**(346)**	**(5,415)**	**19,256**
Provision for taxes	132	-	-	-	-	132
Other provisions	21,498	6,346	2,312	(210)	(6,727)	23,219
Provision for legal disputes	3,770	(10)	853	(494)	(1,423)	2,696
Provision for the refurbishment of third party assets	6,117	764	1,010	(203)	(379)	7,309
Onerous contracts provision	2,097	177	2,179	(909)	-	3,544
Total provisions for non-current risks and charges	**33,614**	**7,276**	**6,355**	**(1,816)**	**(8,528)**	**36,901**

(€k)	31.12.2013	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2014
Provision for taxes	3,486	276	393	(1,403)	-	2,752
Other provisions	7,878	(5,381)	6,446	(30)	-	8,913
Provision for legal disputes	1,762	55	85	(201)	(1,495)	206
Provision for the refurbishment of third party assets	417	-	7	(3)	(421)	-
Onerous contracts provision	6	-	-	(2)	-	4
Total provisions for current risks and charges	**13,549**	**(5,050)**	**6,931**	**(1,639)**	**(1,916)**	**11,875**
Provision for taxes	150	42	-	(60)	-	132
Other provisions	22,301	8,237	522	(1,246)	(8,316)	21,498
Provision for legal disputes	4,206	-	1,385	(163)	(1,658)	3,770
Provision for the refurbishment of third party assets	5,692	116	309	-	-	6,117
Onerous contracts provision	3,469	171	1,477	(2,418)	(602)	2,097
Total provisions for non-current risks and charges	**35,818**	**8,566**	**3,693**	**(3,887)**	**(10,576)**	**33,614**

Provision for taxes

The current portion relates primarily to disputes over US companies' direct and indirect tax obligations and reflect the advice of the Group's tax advisors.

Other provisions

These refer almost entirely to a United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans, settled on an annual basis. In 2015, € 12,034k was allocated to this provision on the basis of track records and forecasts regarding accidents, while settlements for the year amounted to € 11,479k (including € 6,592k from the non-current portion). Other than this, most of the change in 2015 reflects the appreciation of the US dollar against the Euro.

Provision for legal disputes

This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments. Allocations for the year amounted to € 4,055k (including € 853k to the non-current portion).

Provision for the refurbishment of third party assets

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

Onerous contracts provision

This refers to long-term leases or concession agreements on commercial units that are not profitable enough to cover the rent. It has been updated using profitability projections as of 31 December 2015.

XXIV. Equity

Movements in equity items during the year are detailed in the statement of changes in shareholders' equity.

Share capital

At 31 December 2015 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares.

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

At 31 December 2015 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

Legal reserve

The "Legal reserve" (€ 13,738k) is the portion of Autogrill S.p.A. profits that cannot be paid out as dividends, in accordance with art. 2430 of the Italian Civil Code.

Hedging reserve

The "Hedging reserve" corresponds to the effective portion of the fair value of derivatives designated as cash flow hedges. At 31 December 2015 it had a balance of zero, due to the expiration of Interest Rate Swaps in June 2015 (see Note XVII).

Translation reserve

Translation differences are generated by the translation into Euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as net investment hedges. Of the increase, € 36,161k concerns exchange rate gains from the translation of financial statements in foreign currencies, partially offset by the portion of comprehensive income for investments valued using the equity method (€ 603k) (Note X) and by the change in the fair value of instruments designated as net investment hedges, net of the tax effect (€ 4,809k).

Other reserves and retained earnings

These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the Stock Option Plans.

Other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement defined benefit plan assets and liabilities.

The increase in this item was caused by the allocation to reserves of the 2014 profit on the basis of the shareholders' meeting resolution of 28 May 2015 and by the exercise of Stock Option Plans, partially offset by the change in actuarial gains/losses on defined benefit plans net of the tax effect (€ 723k).

Treasury shares

The Annual General Meeting of 28 May 2015, pursuant to arts. 2357 et seq. of the Italian Civil Code and after revoking the authorization granted on 28 May 2014, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2015 the parent owned 365,212 treasury shares (870,798 at the end of 2014) with a carrying amount of € 1,447k and an average carrying amount of € 3.96 per share. The reduction in the number of treasury shares reflects the exercise of options by various beneficiaries under the 2010 Stock Option Plan.

Other than the above, no additional treasury shares were purchased or disposed of in 2015.

Non-controlling interests

Non-controlling interests amount to € 40,400k, compared with € 32,125k at 31 December 2014. Most of the increase is due to the profit the year (€ 14,394k) and capital injections (€ 18,379k), net of dividends paid (€ 21,448k).

Other comprehensive income

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

	2015			2014		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Remeasurements of the defined benefit (liabilities)/asset *	(136)	(580)	(716)	(21,776)	5,239	(16,537)
Items that will never be reclassified to profit or loss	**(136)**	**(580)**	**(716)**	**(21,776)**	**5,239**	**(16,537)**
Effective portion of fair value change in cash flow hedges	2,649	(728)	1,921	5,048	(1,388)	3,660
Equity-accounted investee – share of other comprehensive income	(603)	-	(603)	(172)	-	(172)
Gain/(loss) on fair value of available-for-sale financial assets	581	(160)	421	(842)	159	(683)
Foreign currency translation differences for foreign operations	34,825	-	34,825	33,819	-	33,819
Gain/(loss) on net investment hedge	(5,476)	667	(4,809)	(1,024)	282	(742)
Items that may be subsequently reclassified to profit or loss	**31,976**	**(221)**	**31,755**	**36,829**	**(947)**	**35,882**
Total other consolidated comprehensive income	**31,840**	**(801)**	**31,039**	**15,053**	**4,292**	**19,345**

* The change of the defined benefit (liabilities)/assets is detailed in note XXII

As mentioned in section 2.2.2, in 2015 the Group sold its last four Travel Retail & Duty-Free operations to World Duty Free S.p.A. As this qualifies as a transaction under common control in accordance with the Italian preliminary guidelines (OPI 1), the capital gain of $ 8.6m has been recognized net of the tax effect ($ 5.9m) under shareholders' equity.

2.2.4 Notes to the income statement

XXV. Revenue

Revenue for 2015 was made up as follows:

(€k)	2015	2014	Change
Food & Beverage sales	4,369,218	3,930,218	439,000
Oil sales	469,559	531,248	(61,689)
Total	**4,838,777**	**4,461,466**	**377,311**

The change reflects higher business volumes as well as the appreciation of the US dollar against the Euro.

The sale of fuel takes place mainly at rest stops in Italy and Switzerland. Most of the decrease was caused by the lower price of fuel at the pump and the exchange rate with the Swiss franc, which reduced volumes sold at Swiss service stations close to the border.

For details, see section 2.2.8 "Segment reporting" and the Directors' Report.

XXVI. Other operating income

(€k)	2015	2014	Change
Bonus from suppliers	45,651	47,609	(1,958)
Income from business leases	8,115	7,867	248
Affiliation fees	2,574	2,661	(87)
Gain on sales of property, plant and equipment	4,897	3,487	1,410
Other revenue	41,827	47,229	(5,402)
Total	**103,064**	**108,853**	**(5,789)**

"Other revenue" includes € 21.7m (€ 23.5m the previous year) in commissions from the sale of goods and services for which the Group acts as an agent (mostly telephone cards, fuel and lottery tickets). It also includes income from services, reimbursements from third parties and insurance payments.

XXVII. Raw materials, supplies and goods

(€k)	2015	2014	Change
Purchases	1,852,475	1,827,797	24,678
Change in inventories	(19,746)	(14,164)	(5,582)
Total	**1,832,729**	**1,813,633**	**19,096**

The overall change in this item reflects sales growth and the appreciation of the US dollar against the Euro, partially offset by a more favorable sales mix and better purchase prices for various food products, especially in North America.

XXVIII. Personnel expense

(€k)	2015	2014	Change
Wages and salaries	1,113,737	1,003,311	110,426
Social security contribution	187,734	183,879	3,855
Employee benefits	28,846	27,006	1,840
Other costs	106,035	82,422	23,613
Total	**1,436,352**	**1,296,618**	**139,734**

The increase is essentially due to the appreciation of the US dollar against the Euro.

"Other costs" include the portion of the Stock Option Plans pertaining to the year and fees paid to the Board of Directors, as detailed in Section 2.2.12 below, as well as reorganization costs of € 11,711k (€ 11,802k the previous year).

The average headcount, expressed in terms of equivalent full-time employees, was 40,560 (40,128 in 2014).

XXIX. Leases, rentals, concessions and royalties

(€k)	2015	2014	Change
Leases, rentals and concessions	649,040	580,223	68,817
Royalties	105,972	88,243	17,729
Total	**755,012**	**668,466**	**86,546**

The increase is mainly due to the appreciation of the US dollar against the Euro.

XXX. Other operating expense

(€k)	2015	2014	Change
Utilities	92,495	92,098	397
Maintenance	78,108	73,915	4,193
Cleaning and disinfestations	51,151	49,638	1,513
Consulting and professional services	35,620	33,961	1,659
Commissions on credit card payments	46,654	37,151	9,503
Storage and transport	16,447	15,669	778
Advertising	13,930	12,771	1,159
Travel expenses	27,441	22,743	4,698
Telephone and postal charges	17,365	17,077	288
Equipment hire and lease	7,683	7,532	151
Insurance	5,013	4,675	338
Surveillance	3,632	3,327	305
Transport of valuables	5,105	5,062	43
Banking services	4,876	4,689	187
Sundry materials	36,735	31,317	5,418
Other services	40,503	28,567	11,936
Costs for materials and services	**482,758**	**440,192**	**42,566**
Impairment losses on receivables (note V)	**1,724**	**370**	**1,354**
For taxes	410	282	128
For legal disputes	3,477	1,106	2,371
For onerous contracts	2,115	(943)	3,058
For other risks	14,008	5,692	8,316
Allocation to provisions for risks (note XXIII)	**20,010**	**6,137**	**13,873**
Indirect and local taxes	**25,662**	**20,823**	**4,839**
Other operating expense	**11,348**	**7,841**	**3,507**
Total	**541,502**	**475,363**	**66,139**

The increase is essentially due to the appreciation of the US dollar against the Euro.

Most of the change in "Commissions on credit card payments" results from the greater use of cards this year.

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

"Consulting and professional services" were received primarily in Italy and the United States.

The item "Other services" includes miscellaneous items such as medical check-ups, public relations, general services, and personnel recruitment and training.

XXXI. Depreciation, amortization and impairment losses

In detail by type of assets:

(€k)	2015	2014	Change
Other intangible assets	17,006	15,684	1,322
Property, plant and equipment	171,424	149,558	21,866
Assets to be transferred free of charge	23,171	22,223	948
Total	**211,601**	**187,465**	**24,136**

The increase is essentially due to the appreciation of the US dollar against the Euro.

Impairment losses (net of reversals) were recognized in the amount of € 12,721k, following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit.

The following table provides a breakdown by type of asset:

(€k)	2015	2014	Change
Other intangible assets	165	-	165
Property, plant and equipment	9,423	5,830	3,593
Assets to be transferred free of charge	3,133	4,304	(1,171)
Total	**12,721**	**10,134**	**2,587**

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

XXXII. Financial income and expense

(€k)	2015	2014	Change
Interest income	823	1,116	(293)
Interest differential on exchange rate hedges	-	74	(74)
Ineffective portion of hedging instruments	24	111	(87)
Other financial income	1,011	802	209
Total financial income	**1,858**	**2,103**	**(245)**

(€k)	2015	2014	Change
Interest expense	31,555	37,055	(5,500)
Discounting of long-term liabilities	1,342	2,451	(1,109)
Exchange rate losses	3,849	2,411	1,438
Interest differential on exchange rate hedges	241	-	241
Fees paid on loans and bonds	1,475	144	1,331
Other financial expense	1,322	4,435	(3,113)
Total financial expense	**39,784**	**46,496**	**(6,712)**
Total net financial expense	**(37,926)**	**(44,393)**	**6,467**

The reduction in interest expense reflects the decrease in the average cost of debt, due to both interest rate trends in the market and the conditions on new loans taken out during the year. The 2015 figure includes € 1,332k in banking fees not yet fully amortized on the € 500m loan that was paid back early in March 2015.

XXXIII. Income tax

The balance of € 34,448k (€ 40,244k in 2014) includes € 39,657k in current taxes (€ 35,523k the previous year) and € 7,414k in net deferred tax assets (€ 3,425k in 2014).

IRAP, which is charged on Italian operations and whose basis is essentially EBIT plus short-term personnel expense, went from € 6,297k in 2014 to € 382k due to a new law allowing the deduction of personnel expense for employees on open-ended contracts. The balance also includes the reversal of an accrual for the previous year in the amount of € 746k.

CVAE, charged on French operations and calculated on the basis of revenue and value added, amounted to € 1,823k (€ 1,849k in 2014).

Excluding IRAP and French CVAE, the average tax rate was 28.5%, compared with 41.6% in 2014.

Starting in 2017, the corporate income tax (IRES) rate for Italian companies will be reduced from 27.5% to 24% on the basis of the Stability Law (Law 208 of 28 December 2015). As a result, deferred taxes recognized at 31 December 2015 have been adjusted, leading to a positive impact of € 1,063k on the income statement and a decrease of € 1,262k in net equity.

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

(€k)	2015	%	2014	%
Theoretical income tax	**48,511**	**42.9**	**34,427**	**44.6**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(5,213)		(4,252)	
Net effect of unrecognised tax losses, of utilization of unrecognised prior-year tax losses and the revision of estimates on the taxability/deductibility of temporary differences	679		6,838	
Adjustment tax rate for Italian companies (IRES)	(1,063)		-	
Tax concession on the labour cost in the United States	(6,423)		(4,403)	
Other permanent differences	(4,247)		(512)	
Income tax, excluding IRAP and CVAE	**32,243**	**28.5**	**32,098**	**41.6**
IRAP and CVAE	2,205		8,146	
Recognised income tax	**34,448**	**30.5**	**40,244**	**52.1**

XXXIV. Basic and diluted earnings per share

Basic earnings per share is calculated as the Group's share of net profit divided by the weighted average number of ordinary Autogrill S.p.A. shares outstanding during the year; treasury shares held by the Group are therefore excluded from the denominator.

Diluted earnings per share takes account of dilutive potential shares deriving from Stock Option Plans when determining the number of shares outstanding.

Below is the calculation of basic earnings (or loss) per share:

	2015	2014
Profit/(loss) for the period attributable to owners of the parent (€k)	64,153	25,107
Weighted average no. of outstanding shares (no./000)	253,930	253,469
Basic earning per share (€/cent.)	**25.3**	**9.9**

	2015	2014
Profit/(loss) for the period attributable to owners of the parent (€k)	64,153	25,107
Weighted average no. of outstanding shares (no./000)	253,930	253,469
Dilution effect of shares included in stock option plans (no./000)	91	290
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,020	253,759
Diluted earning per share (€/cent.)	**25.3**	**9.9**

2.2.5 Net financial position

Details of the net financial position at 31 December 2015 and 31 December 2014 are as follows:

Note	(€m)		31.12.2015	31.12.2014	Change
I	A)	Cash on hand	51.9	57.0	(5.1)
I	B)	Cash equivalents	110.0	126.3	(16.3)
	C)	Securities held for trading	-	-	-
	D)	**Cash and cash equivalent (A + B + C)**	**161.9**	**183.3**	**(21.4)**
II	**E)**	**Current financial assets**	**29.6**	**21.2**	**8.4**
XIX	F)	Bank loans and borrowings, current	(88.0)	(136.6)	48.6
XXI	G)	Bond issued	-	-	-
XVII	H)	Other financial liabilities	(9.3)	(13.4)	4.1
	I)	**Current financial indebtedness (F + G + H)**	**(97.3)**	**(150.0)**	**52.7**
	J)	**Net current financial indebtedness (I + E + D)**	**94.2**	**54.5**	**39.7**
XIX	K)	Bank loans and borrowings, net of current portion	(276.3)	(330.6)	54.3
XXI	L)	Bond issued	(461.7)	(415.8)	(45.9)
XX	M)	Due to others	(5.4)	(6.3)	0.9
	N)	**Non-current financial indebtedness (K + L + M)**	**(743.4)**	**(752.7)**	**9.3**
	O)	**Net financial indebtedness (J + N) ***	**(649.2)**	**(698.2)**	**49.0**
XI	**P)**	**Non-current financial assets**	**4.7**	**4.9**	**(0.2)**
		Net financial position - total	**(644.4)**	**(693.3)**	**48.9**

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

For further commentary, see the notes indicated for each item. The change is due to the Group's strong cash generation in 2015, partially offset by the appreciation of the US dollar against the Euro.

At the close of 2014 and 2015 there were no financial liabilities or assets due to or from related parties.

2.2.6 Financial instruments - fair value and risk management

2.2.6.1 Fair value hierarchy

The following tables break down assets and liabilities by category at 31 December 2015 and 2014 and financial instruments measured at fair value by valuation method. The different levels are defined as follows:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities either directly (prices) or indirectly (derived from prices);
Level 3 – inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

31.12.2015

	Carrying amount					Fair value			
(€k)	Fair value-hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fair value of interest rate hedging derivatives	1,714	-	-	-	1,714	-	1,714	-	1,714
Fair value of exchange rate hedging derivatives	516	-	-	-	516	-	516	-	516
	2,230	-	-	-	2,230				
Financial assets not measured at fair value									
Cash and cash equivalent	-	161,834	-	-	161,834	-	-	-	-
Trade receivables	-	48,314	-	-	48,314	-	-	-	-
Other current assets	-	72,216	-	-	72,216	-	-	-	-
Other non current assets	-	11,693	-	-	11,693	-	-	-	-
Other financial assets (current)	-	27,607	-	-	27,607	-	-	-	-
Other financial assets (non-current)	-	14,950	-	-	14,950	-	-	-	-
	-	336,614	-	-	336,614				
Financial liabilities measured at fair value									
Fair value of exchange rate hedging derivatives	340	-	-	-	340	-	340	-	340
	340	-	-	-	340				
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	52,989	52,989	-	-	-	-
Unsecured bank loans	-	-	-	311,291	311,291	-	314,966	-	314,966
Finance leases	-	-	-	5,675	5,675	-	-	-	-
Financial liabilities due to others	-	-	-	321	321	-	-	-	-
Bonds	-	-	-	461,713	461,713	-	449,698	-	449,698
Trade payables	-	-	-	398,802	398,802	-	-	-	-
Due to suppliers for investments	-	-	-	78,517	78,517	-	-	-	-
Total	-	-	-	1,309,308	1,309,308				

	31.12.2014								
	Carrying amount					Fair value			
(€k)	Fair value-hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fair value of interest rate hedging derivatives	798	-	-	-	798	-	798	-	798
Fair value of exchange rate hedging derivatives	774	-	-	-	774	-	774	-	774
	1,572	-	-	-	1,572				
Financial assets not measured at fair value									
Cash and cash equivalent	-	183,241	-	-	183,241	-	-	-	-
Trade receivables	-	42,509	-	-	42,509	-	-	-	-
Other current assets	-	73,417	-	-	73,417	-	-	-	-
Other non current assets	-	12,651	-	-	12,651	-	-	-	-
Other financial assets (current)	-	19,672	-	-	19,672	-	-	-	-
Other financial assets (non-current)	-	15,338	6,643	-	21,981	6,643	-	-	6,643
	-	346,828	6,643	-	353,471				
Financial liabilities measured at fair value									
Fair value of interest rate hedging derivatives	4,322	-	-	-	4,322	-	4,322	-	4,322
Fair value of exchange rate hedging derivatives	1,043	-	-	-	1,043	-	1,043	-	1,043
	5,365	-	-	-	5,365				
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	40,426	40,426	-	-	-	-
Unsecured bank loans	-	-	-	426,736	426,736	-	430,541	-	430,541
Finance leases	-	-	-	6,296	6,296	-	-	-	-
Financial liabilities due to others	-	-	-	289	289	-	-	-	-
Bonds	-	-	-	415,800	415,800	-	426,686	-	426,686
Trade payables	-	-	-	377,115	377,115	-	-	-	-
Due to suppliers for investments	-	-	-	82,481	82,481	-	-	-	-
Total	-	-	-	1,349,143	1,349,143				

Information on the fair value of assets and liabilities is not included when the carrying amount is a reasonable approximation of fair value.

In 2015 there were no transfers between different hierarchical levels.

(a) Level 1 financial instruments
The fair value of a financial instrument traded in an active market is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the financial assets held by the Group is the current bid price.

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

For level 2, the specific valuation techniques are as follows:
- the fair value of Interest Rate Swaps has been estimated considering the present value of future cash flows based on observable yield curves. This fair value takes into account the credit risk of the counterparty determined based on observable market data. It also takes into account the credit risk of the Group, calculated on the basis of credit and other financial ratios and benchmarking. The adjustments to the aforementioned risks are considered not significant at 31 December 2015;
- the fair value of loans and bonds was estimated by discounting future cash flows at a risk-free market interest rate gross of a spread determined on the basis of the Group's credit risk, financial ratios and benchmarking.

2.2.6.2 Financial risk management

The Group is exposed to the following risks:
- market risk;
- credit risk;
- liquidity risk.

The overall responsibility for the creation and supervision of a Group risk management system lies with Autogrill S.p.A.'s Board of Directors, which has formed a sub-committee for Control, Risk and Corporate Governance. The sub-committee is responsible for looking into matters concerning Autogrill's control and risk management system and helping the Board of Directors reached informed decisions on these issues.

The Group's risk management policies are designed to identify and analyze the risks to which the Group is exposed, establish appropriate limits and controls, and monitor the risks and compliance with those limits. These policies and the corresponding systems are revised regularly to reflect any changes in market conditions and the Group's operations. Through training, standards and official procedures, the Group aims to create a disciplined and constructive environment in which its employees are aware of their roles and responsibilities.

The Internal Audit unit complements the sub-committee for Control, Risk and Corporate Governance in its monitoring activities, conducting periodic reviews and spot checks of the controls and risk management procedures and reporting results to the Board of Directors.

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

Market risk

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

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

Interest rate risk

The aim of interest rate risk management is to control financial expense and its volatility. This entails, through a mix of fixed- and floating-rate liabilities, the predetermination of a portion of financial expense out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly Interest Rate Swaps (IRS).

Hedging instruments are allocated to companies with significant exposure to interest rate risk, through debt charging a floating rate (thus exposing the Group to higher finance costs if interest rates rise) or a fixed rate (which means that lower or higher interest rates do not bring about a reduction or an increase in the amount payable).

Interest rate hedging instruments are accounted for as cash flow hedges in the financial statements of Group companies exposed to this risk. They are recognized under financial assets or liabilities, on a separate line of the statement of comprehensive income, and in the "Hedging reserve" in net equity.

In 2015, Interest Rate Swaps recognized as cash flow hedges with a combined notional value of € 120m reached their natural expiration.

Financial instruments hedging the risk of changes in the fair value of liabilities are accounted for as fair value hedges in the financial statements of Group companies exposed to this risk, and recognized as financial assets or liabilities with a balancing entry in the income statement.

At 31 December 2015, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) was 54.8%. Of debt denominated in US dollars, 78.3% is fixed rate, while all Euro-denominated debt charges floating-rate interest.

Gross debt denominated in US Dollars amounted to $ 530.6m at the close of the year, including $ 502.6m in bond loans. Part of the interest rate risk is hedged by fixed-to-floating Interest Rate Swaps for $ 100m, classified as fair value hedges.

Below are the details of financial instruments used to hedge fixed-rate debt of $ 100m at the close of the year:

Underlying	Notional amount	Expiry	Average fixed rate received	Floating rate received	Fair value (€k)
Bond issue	€k 25,000	January 2023	2.24%	USD Libor 6 months	435
Bond issue	€k 45,000	September 2024	2.38%	USD Libor 6 months	750
Bond issue	€k 30,000	September 2025	2.44%	USD Libor 6 months	529

A hypothetical unfavorable change of 1% in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2015 would increase net financial expense by € 3,228k.

Exchange rate risk

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

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

(currency/000)	USD	CAD	CHF
Equity	237,649	59,654	167,728
Profit	86,588	4,202	1,711

If the Euro had risen or fallen by 10% against the above currencies, at 31 December 2015 equity and profit for the year would have been altered as shown in the following table (in thousands of Euros):

	USD 1.0887		CAD 1.5116		CHF 1.0835	
(€k)	+10%	-10%	+10%	-10%	+10%	-10%
Equity	(19,844)	24,254	(3,588)	4,385	(14,073)	17,200
Profit	(7,095)	8,671	(269)	329	(146)	178

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

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

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

The fair value of exchange rate hedges outstanding at 31 December 2015 is shown below:

Notional amount (currency/000)		Expiry	Forward rate	Fair value (€k)
CHF	11,500	January 2016	1.08025	(26)
CHF	1,500	January 2016	1.0777	(7)
USD	30,000	January 2016	1.087	57
USD	40,000	January 2016	1.0868	83
USD	25,000	January 2016	1.0868	52
PLN	9,300	January 2016	4.263	3
RUB	30,000	April 2016	62.600	69
USD	500	January 2016	1.0879	(14)
CAD	12,350	January 2016	1.4272	(114)
USD	3,800	January 2016	1.0751	(61)
CAD	8,650	January 2016	1.4267	(65)
GBP	14,500	January 2016	0.7097	(169)
GBP	500	January 2016	0.7049	(1)
SEK	49,000	February 2016	9.2880	49

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

The fair value of these hedges outstanding at 31 December 2015 is shown in the following table:

Notional amount (currency/000)		Expiry	Forward rate	Fair value (€k)
CHF	30,000	April 2016	1.0749	156
CHF	30,000	April 2016	1.0746	164

Credit risk

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

The carrying amount of the financial assets is the Group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties, as detailed in Section 2.2.10.

Exposure at 31 December 2015 and 31 December 2014 was as follows:

Financial assets (€k)	31.12.2015	31.12.2014	Change
Bank and post office deposits	109,959	126,299	(16,340)
Other current financial assets	27,607	19,672	7,935
Trade receivables	48,314	42,509	5,805
Other current receivables	72,216	73,417	(1,201)
Derivative instruments	2,230	1,572	658
Other non-current financial assets	14,950	21,980	(7,030)
Other non-current receivables	11,693	12,651	(958)
Total	**286,969**	**298,100**	**(11,131)**

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

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

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

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

	31.12.2015					
		Expired not impaired				
Trade receivables (€k)	Not expired	1–3 months	3–6 months	6 months–1 year	Over 1 year	Total
Airlines	5,804	809	36	-	-	**6,649**
Franchises	3,054	874	-	2,077	-	**6,005**
Catering services agreements	5,637	1,979	19	354	4	**7,993**
Other	15,416	6,448	149	5,643	11	**27,667**
Totale	**29,911**	**10,110**	**204**	**8,074**	**15**	**48,314**

	31.12.2014					
		Expired not impaired				
Trade receivables (€k)	Not expired	1–3 months	3–6 months	6 months–1 year	Over 1 year	Total
Airlines	2,579	864	13	-	-	**3,456**
Franchises	1,430	265	-	3,425	-	**5,120**
Catering services agreements	5,959	2,465	109	498	4	**9,035**
Other	10,983	6,832	1,541	5,405	136	**24,898**
Totale	**20,951**	**10,426**	**1,663**	**9,328**	**140**	**42,509**

There is no significant concentration of credit risk: the top 10 customers account for 18.77% of total trade receivables, and the largest customer (Tamoil Italia S.p.A.) for 3.01%.

Liquidity risk

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

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

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

Exposure and maturity data at the close of 2015 and 2014 were as follows:

31.12.2015

Non-derivative financial liabilities (€k)	Carrying amount	Contractual cash flows						
		Total	1–3 months	3–6 months	6 months–1 year	1–2 years	2–5 years	Over 5 years
Current account overdrafts	52,989	**52,989**	52,989	-	-	-	-	-
Unsecured bank loans	315,000	**315,000**	35,000	-	-	-	280,000	-
Lease payments due to others	5,675	**5,675**	230	135	275	477	851	3,707
Liabilities due to others	321	**321**	-	-	-	-	-	321
Bonds	463,738	**463,738**	-	-	-	141,139	-	322,599
Trade payables	398,802	**398,802**	392,193	6,480	91	27	11	-
Due to suppliers for investments	78,517	**78,517**	78,511	-	-	-	-	6
Total	**1,315,042**	**1,315,042**	**558,923**	**6,615**	**366**	**141,643**	**280,862**	**326,633**

31.12.2015

Derivative financial liabilities (€k)	Carrying amount	Contractual cash flows						
		Total	1–3 months	3–6 months	6 months–1 year	1–2 years	2–5 years	Over 5 years
Forward foreign exchange derivatives	340	**340**	340	-	-	-	-	-
Total	**340**	**340**	**340**	**-**	**-**	**-**	**-**	**-**

31.12.2014

Non-derivative financial liabilities (€k)	Carrying amount	Contractual cash flows						
		Total	1–3 months	3–6 months	6 months–1 year	1–2 years	2–5 years	Over 5 years
Current account overdrafts	40,426	**40,426**	40,426	-	-	-	-	-
Unsecured bank loans	429,464	**429,464**	96,183	-	-	333,281	-	-
Lease payments due to others	6,296	**6,296**	207	161	328	861	810	3,929
Liabilities due to others	289	**289**	-	-	-	-	-	289
Bonds	418,006	**418,006**	-	-	-	-	129,358	288,648
Trade payables	377,115	**377,115**	369,479	7,390	223	13	10	-
Due to suppliers for investments	82,481	**82,481**	80,475	2,000	-	-	6	-
Total	**1,354,077**	**1,354,077**	**586,770**	**9,551**	**551**	**334,155**	**130,184**	**292,866**

31.12.2014

Derivative financial liabilities (€k)	Carrying amount	Contractual cash flows						
		Total	1–3 months	3–6 months	6 months–1 year	1–2 years	2–5 years	Over 5 years
Forward foreign exchange derivatives	1,043	**1,043**	1,043	-	-	-	-	-
Interest rate swap	4,322	**4,322**	-	3,888	-	-	-	434
Total	**5,365**	**5,365**	**1,043**	**3,888**	**-**	**-**	**-**	**434**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 account for 24.79% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 7.40%.

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

The loan contracts (note XIX) and bonds (note XXI) outstanding at 31 December 2015 require the satisfaction of certain financial ratios, specifically, the leverage Ratio (net debt/EBITDA) and interest coverage ratio (EBITDA/net financial expense). These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole.

The weighted average term of bank loans and bonds at 31 December 2015, including unutilized credit lines, is approximately four years and six months (three years and four months at the end of 2014).

2.2.7 Disclosure of non-controlling interests

Non-controlling interests refer mainly to investments in US subsidiaries held by accredited Disadvantaged Business Enterprises (DBE), whose participation in the operation of concessions is regulated by state and federal law. The Group maintains control of these companies and is principally responsible for the concession fees due to the grantor.

At 31 December 2015, these companies had net assets of $ 116.9m ($ 118.9m at 31 December 2014), revenue of $ 650.8m ($ 569.2m in 2014) and net profit of $ 66.7m ($ 48.6m the previous year). The non-controlling interests in shareholders' equity amount to $ 25.3m ($ 25.4m at 31 December 2014) and in net profit to $ 14m ($ 9.9m the previous year).

2.2.8 Segment reporting

The Group operates in the food & beverage industry at airports, motorway rest stops and railway stations, serving a local and international clientele. The business is conducted in Europe by Autogrill S.p.A. (directly in Italy and through subsidiaries in other European countries), and in North America, Scandinavia, the Middle East and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational levers are typically assigned to local organizations and coordinated, at the European level, by central facilities.

Performance is monitored separately for each organization, which corresponds to the country served. "Italy," "HMSHost North America," and "HMSHost International" (its own operating segment since the fourth quarter of 2014) are presented on their own, while the remaining European entities (each of them quite small) are grouped together under the heading "Other European countries".

Costs are shown separately for "European Support," which mostly takes care of marketing, purchasing, engineering, human resources, organization, and ICT regarding operations in Europe, and for "Corporate" functions, which include the centralized units in charge of administration, finance and control, strategic planning, legal and corporate affairs, communications, human resources and organization for the Group as a whole.

Key information on operating segments is presented below. The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

	2015						
	HMSHost		Europe				
Segment (€k)	North America	International	Italy	Other European Countries	European central structure	Corporate	Consolidated
Total revenue and other operating income	**2,237,662**	**349,918**	**1,567,569**	**786,255**	**437**	**-**	**4,941,841**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(110,159)	(19,912)	(52,472)	(39,149)	(2,461)	(169)	**(224,322)**
Operating profit/(loss)	**143,930**	**22,509**	**12,669**	**10,031**	**(11,384)**	**(25,831)**	**151,924**
Net financial expense							**(37,926)**
Adjustment to the value of financial assets							**(1,003)**
Pre-tax profit							**112,995**
Income tax							**(34,448)**
Profit for the year							**78,547**

	31.12.2015						
	HMSHost		Europe				
Segment (€k)	North America	International	Italy	Other European Countries	European central structure	Corporate	Consolidated
Goodwill	463,487	63,506	83,631	253,845	-	-	**864,469**
Other intangible assets	11,757	10,118	12,702	14,418	7,802	80	**56,877**
Property, plant and equipment	458,477	80,030	162,160	174,287	762	268	**875,984**
Financial assets	9,998	1,868	22	3,727	1,649	-	**17,264**
Non-current assets	**943,719**	**155,522**	**258,515**	**446,277**	**10,213**	**348**	**1,814,594**
Net working capital	**(273,288)**	**(43,209)**	**(89,624)**	**(90,626)**	**(1,638)**	**80,947**	**(417,438)**
Other non-current non financial assets and liabilities	**(62,731)**	**(1,646)**	**(45,106)**	**(31,124)**	**(4,238)**	**(7,894)**	**(152,739)**
Net invested capital	**607,700**	**110,667**	**123,785**	**324,527**	**4,337**	**73,401**	**1,244,417**

Segment (€k)	2014 HMSHost North America	International	Europe Italy	Other European Countries	European central structure	Corporate	Consolidated
Total revenue and other operating income	**1,855,913**	**280,953**	**1,665,420**	**767,680**	**-**	**353**	**4,570,319**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(90,030)	(16,274)	(47,577)	(40,772)	(2,600)	(346)	**(197,600)**
Operating profit/(loss)	**112,343**	**18,890**	**14,300**	**5,911**	**(11,577)**	**(21,228)**	**118,639**
Net financial expense							(44,393)
Adjustment to the value of financial assets							2,977
Pre-tax profit							**77,222**
Income tax							(40,244)
Profit for the year							**36,978**

Segment (€k)	31.12.2014 HMSHost North America	International	Europe Italy	Other European Countries	European central structure	Corporate	Consolidated
Goodwill	421,720	58,654	83,631	240,538	-	-	**804,544**
Other intangible assets	12,313	13,038	13,537	16,922	7,935	7	**63,752**
Property, plant and equipment	422,973	59,607	176,066	175,224	754	280	**834,903**
Financial assets	9,818	1,353	22	3,357	8,292	-	**22,843**
Non-current assets	**866,825**	**132,652**	**273,256**	**436,042**	**16,981**	**286**	**1,726,042**
Net working capital	**(149,486)**	**(39,480)**	**(109,189)**	**(90,054)**	**(1,360)**	**(5,161)**	**(394,730)**
Other non-current non financial assets and liabilities	**(56,957)**	**(1,005)**	**(51,588)**	**(28,303)**	**(3,594)**	**(5,887)**	**(147,333)**
Net invested capital	**660,381**	**92,168**	**112,479**	**317,684**	**12,028**	**(10,761)**	**1,183,979**

2.2.9 Seasonal patterns

The Group's volumes are closely related to the flow of travelers, which is highly seasonal in some businesses, and this in turn affects consolidated results. A breakdown of 2015 results by quarter shows that volumes are concentrated in the second half of the year, and particularly in the third quarter, when business is at a peak due to summer holidays.

(€m)	2015 First quarter	First half	First nine months	Full year
Revenue	893.5	1,966.6	3,173.0	4,369.2
% of full year	*20.4%*	*45.0%*	*72.6%*	*100.0%*
Operating profit/(loss)	(26.0)	21.6	135.2	151.9
% of full year	*n,s,*	*14.2%*	*89.0%*	*100.0%*
Pre-tax profit/(loss)	(45.6)	3.0	102.4	113.0
% of full year	*n,s,*	*n,s,*	*90.6%*	*100.0%*
Profit/(loss) attributable to owners of the parent	(46.8)	(15.6)	56.2	64.2
% of full year	*n,s,*	*n,s,*	*87.6%*	*100.0%*

Note:
– In order to compare data with the figures shown in the Report on operations, revenue does not include fuel sales made primarily in Swiss and Italian motorway service areas

The percentages shown are general indications only and should not be used to predict results or the generation of cash. Indeed, seasonal trends are further magnified by cash flows, with the first quarter seeing a concentration of annual payments (namely concession fees), both as settlement of amounts accrued in the previous year and as advances on the year in course.

2.2.10 Guarantees given, commitments and contingent liabilities

Guarantees

At 31 December 2015 the guarantees given by the Autogrill Group amounted to € 253,828k (€ 264,509k at the close of 2014) and referred to performance bonds and other personal guarantees issued in favor of grantors and business counterparties.

Commitments

Commitments outstanding at 31 December 2015, essentially unchanged from the previous year, concern:
- € 2,272k to be paid for the purchase of two commercial properties;
- the value of third-party assets in use (€ 1,357k);
- the value of the assets of leased businesses (€ 12,769k);
- the value of goods on consignment held at Group locations (€ 4,799k).

The Group has also agreed to minimum future payments under operating leases, as detailed in section 2.2.11.

Contingent liabilities

At 31 December 2015, there were no contingent liabilities as described in IAS 37.

2.2.11 Operating leases

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

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

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

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

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

Access concession

An access concession exists when ownership of the land and buildings along the motorway is in the hands of a private firm (like the Autogrill Group), which negotiates access rights with the motorway company with the commitment to sell fuel and lubricants and/or food and beverages to motorway users. The firm accepts the obligation to pay rent to the motorway as well as certain stipulations regarding the way the services are to be provided and the hours of operation.

Area concession

The motorway company authorizes an entity (i) to build a service station and/or shop/restaurant on land which it owns and (ii) to carry on this business against payment of a fee based on turnover, with certain stipulations regarding the way the services are to be provided and the hours of operation.

On expiry of the contract, the assets built for provision of services are to be transferred free of charge to the motorway company.

Usually the holder of an area concession is a petrol company, which in turn can assign management of restaurant services to a specialized firm, generally through a business lease.

Service concession

The motorway operator authorizes separate contractors by means of separate independent contracts to (i) build a service station and/or shop/restaurant on land which it owns and (ii) carry out this business against payment of a fee based on turnover, with certain stipulations regarding the way the services are to be provided and the hours of operation. On expiry of the contract, the assets built for this purpose are to be transferred free of charge to the motorway company.

Service concessions are also used in airport terminals where the contractor is authorized to sell food and beverages after installing the necessary equipment and furnishings at its own expense, against payment of a fee - usually based on turnover - and an agreement to guarantee service during the opening hours specified by the grantor. The contractor may have to transfer the assets free of charge when the concession expires, although this is fairly uncommon.

Business lease and commercial lease

Leasing a business or parts thereof allows an operator to use rights and/or buildings, equipment etc. organized to serve food and beverage products. In some cases the business consists of an authorization to operate and of administrative licenses. In these cases the operator incurs the necessary capital expenditure and provides the service. In other cases, a firm leases a company consisting of both the authorization and the necessary buildings and equipment. Leasing a company in the concession business entails the obligation to ensure continuity of service and payment of a comprehensive fee which includes all amounts due to the concession grantor.

In a commercial lease, the operator uses buildings for business activity against payment of rent. The premises are equipped and furnished according to the specifications and at the expense of the operator, who must clear the premises when the lease expires.

These kinds of concession are common (i) along motorways, where there are area or service sub-concessions assigned to a petrol company, which then turns to a caterer, and (ii) in cities, railway stations and shopping centers, according to the business objectives of the owner of the property.

Sub-contract

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

The table below gives details by due date of the Group's future minimum operating lease payments at 31 December 2015:

Year (€k)	Total future minimum lease payments	Future minimum sub-lease payment *	Net future minimum lease payments
2016	385,982	20,236	365,746
2017	353,324	17,006	336,318
2018	325,978	15,496	310,482
2019	282,624	14,086	268,538
2020	238,323	12,274	226,049
After 2020	920,023	22,022	898,001
Total	**2,506,254**	**101,120**	**2,405,134**

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

In 2015, the fees recognized in the income statement amount to € 649,040k (Note XXIX) for operating leases (including € 425,893k in guaranteed minimums), net of € 49,941k for sub-leases (including € 21,800k in guaranteed minimums).

2.2.12 Other information

Related party transactions

Autogrill S.p.A. is controlled by Schematrentaquattro S.p.A., which owns 50.1% of its ordinary shares. Schematrentaquattro S.p.A. is a wholly-owned subsidiary of Edizione S.r.l.

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

In 2015 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.p.A.

	Revenue		Other operating income	
Income statement (€k)	2015	2014	2015	2014
Parent:				
Edizione S.r.l.	-	-	41	92
Other related parties:				
Gruppo Atlantia	35	39	600	582
Benetton Group S.r.l.	-	-	394	393
Verde Sport S.p.A.	5	11	8	-
Olimpias Group S.r.l.	-	-	-	-
World Duty Free Group *	-	-	2,378	5,247
Edizione Property S.p.A.	-	-	8	5
Other related parties **	-	-	-	-
Total Related parties	40	50	3,429	6,319
Total Group	4,838,777	4,461,466	103,064	108,853
Incidence	0.0%	0.0%	3.3%	5.8%

	Trade receivables		Other receivables	
Statement of financial position (€k)	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Parent:				
Edizione S.r.l.	-	-	14,492	14,647
Other related parties:				
Gruppo Atlantia	1,242	1,032	1,247	1,058
Benetton Group S.r.l.	222	329	-	-
Verde Sport S.p.A.	-	1	-	-
Olimpias Group S.r.l.	-	-	-	-
World Duty Free Group *	-	-	-	2,617
Edizione Property S.p.A.	8	5	-	-
Other related parties **	-	-	-	-
Total Related parties	1,473	1,367	15,738	18,322
Total Group	48,314	42,509	137,615	147,987
Incidence	3.0%	3.2%	11.4%	12.4%

* Income and costs of World Duty Free Group for 2015 are shown until the date osf sale by Schematrentaquattro S.p.A. in August 2015
** The other related parties refer to transactions with directors and executives with strategic responsabilities

Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense)/income	
2015	2014	2015	2014	2015	2014	2015	2014
-	-	120	100	106	114	-	-
75,318	78,412	3,307	2,982	-	-	(851)	(1,384)
-	-	-	-	-	-	-	-
-	-	45	45	-	-	-	-
-	-	35	80	-	-	-	-
-	-	-	28	-	-	23	90
-	-	-	-	-	-	-	-
-	-	212	240	5,424	6,754	-	-
75,318	78,412	3,719	3,475	5,530	6,868	(828)	(1,294)
755,012	668,466	541,502	475,363	1,436,352	1,296,618	(37,926)	(44,393)
10.0%	11.7%	0.7%	0.7%	0.4%	0.5%	2.2%	2.9%

Trade payables		Other payables	
31.12.2015	31.12.2014	31.12.2015	31.12.2014
-	-	563	126
32,630	34,217	-	-
-	-	-	-
-	-	-	-
18	66	-	-
-	-	-	-
-	-	-	-
-	-	1,407	1,438
32,648	34,283	1,970	1,564
398,802	377,115	326,655	315,361
8.2%	9.1%	0.6%	0.5%

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

"Other operating expense" consists mainly of the cost of meetings and conferences.

"Personnel expense" refers to the accrual at 31 December 2015 for fees due to a director of Autogrill S.p.A., to be recharged to Edizione S.r.l. where he serves as executive manager.

"Other payables" originate from the same transaction for € 139k and also include € 424k in IRES (corporate income tax) due by the subsidiary Nuova Sidap S.r.l. for 2015.

"Other receivables" consist of:

- € 12,481k for IRES refunds due to Autogrill S.p.A. (€ 12,467k) and Nuova Sidap S.r.l. (€ 14k), thanks to the retroactive recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (Art. 2 of Law 201/2011);
- € 1,704k for the IRES refund due to the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2004 to 2007 (Law 185/2008). The net decrease for the year concerns the partial refund received in July 2015 (€ 503k) and receipt of € 184k in interest. The remaining amount due was received in January 2016;
- € 288k for taxes withheld in 2014 and transferred to the consolidating company Edizione S.r.l. In accordance with the regulations, the amount will be reimbursed after its use.

Atlantia group: "Other operating income" refers mainly to the recovery of extraordinary maintenance costs incurred at a rest area and commissions on sales of Viacards (automatic toll collection cards).

"Other operating expense" refers chiefly to the management of motorway locations.

"Leases, rentals, concessions and royalties" refer to concession fees and accessory costs pertaining to the year.

"Financial expense" reflects interest accrued at the annual rate of 5.05% in relation to the revised payment schedule for concession fees.

"Other receivables" consist mainly of fees for cleaning services at rest stops and co-marketing fees for customer discounts and promotions.

"Trade payables" originate from the same transactions.

Olimpias Group S.r.l.: costs refer to the purchase of uniforms for sales personnel and the purchase of sundry materials.

Verde Sport S.p.A.: "Other operating expense" concerns the commercial sponsorship of youth sports at the facilities housed at "La Ghirada – Città dello Sport".

"Revenue" refers to the sale of products relating to the commercial affiliation contract for the operation of an outlet at those facilities.

Benetton Group (formerly Bencom S.r.l.): "Other operating income" refers to rent and related charges for the sublet of premises in Milan.

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

World Duty Free Group: "Other operating income" stems from contracts for the provision of administrative, IT and legal advisory services by HMSHost Corporation. Income statement figures for 2015 represent the period up to the company's sale to third parties in August.

Remuneration of directors and executives with strategic responsibilities

The following remuneration accrued to members of the Board of Directors and to executives with strategic responsibilities in 2015:

Name	Office held	Term of office	Remuneration (€)	Bonus and other incentives (€)	Non-monetary benefits (€)	Other fees (€)
Gilberto Benetton	Chairman	2014–2016	57,200			
Tondato Da Ruos Gianmario	CEO	2014–2016	517,200	200,000	38,819	401,099
Alessandro Benetton	Director	2014–2016	56,000			
Paolo Roverato	Director	2014–2016	105,600			
Gianni Mion	Director	2014–2016	83,200			
Tommaso Barracco	Director	2014–2016	84,400			
Stefano Orlando	Director	2014–2016	93,200			
Massimo Fasanella d'Amore di Ruffano	Director	2014–2016	106,800			
Carolyn Dittmeier	Director	2014–2016	96,800			
Neriman Ülsever	Director	from 28.5.2014 to 2016	56,000			
Francesco Chiappetta	Director	from 28.5.2014 to 2016	82,000			
Ernesto Albanese	Director	from 28.5.2014 to 2016	56,600			
Giorgina Gallo	Director	from 28.5.2014 to 2016	95,600			
Total directors			**1,490,600**	**200,000**	**38,819**	**401,099**
Key managers with strategic responsibilities (8 people)				572,347	234,356	2,486,885
Total			**1,490,600**	**772,347**	**273,175**	**2,887,984**

The CEO's remuneration includes his executive salary from Autogrill S.p.A., which is shown under "Other fees".

The CEO's contract states that if he resigns with just cause or is dismissed by the Company without just cause, the Company will top up to € 2m the standard indemnity in lieu of notice provided for in the national collective managers' contract for the commercial sector, when less than this amount.

In 2010, the CEO received 425,000 options under the 2010 Stock Option Plan; 330,073 of the options vested on 20 April 2014. In addition, under the 2014 phantom Stock Option Plan described below, he received 883,495 options in Wave 1, 565,217 options in Wave 2 and 505,556 options in Wave 3.

A significant portion of the variable compensation received by the CEO and by the 8 executives with strategic responsibilities is tied to the achievement of specific targets established in advance by the Board, by virtue of their participation in management incentive plans. In particular, the CEO and top managers participated during the year in an annual bonus system involving earnings and financial targets and other strategic objectives for the Group and/or the relevant business unit, as well as individual objectives.

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

Statutory Auditors' fees

The following fees accrued to members of the Board of Statutory Auditors in 2015:

Name	Office held	Term of office	Fees (€)	Other fees (€)
Marco Giuseppe Maria Rigotti	Chairman	01.01.2015–31.12.2017	81,973	-
Luigi Biscozzi	Standing auditor	01.01.2015–28.05.2015	23,360	18,741
Eugenio Colucci	Standing auditor	01.01.2015–31.12.2017	52,014	6,082
Antonella Carù	Standing auditor	28.05.2015–31.12.2017	29,863	-
Total Statutory Auditors			**187,210**	**24,823**

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

Independent auditors' fees for audit and other services

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent's auditors	Parent	269
	Parent's auditors	Subsidiaries	43
	Parent's auditors network	Subsidiaries	1,475
Attestation	Parent's auditors	Parent	50
	Parent's auditors	Subsidiaries	25
Other services	Parent's auditors	Parent	25
	Parent's auditors network	Parent	180
	Parent's auditors network	Subsidiaries	344

Incentive plans for directors and executives with strategic responsibilities

2010 Stock Option Plan

On 20 April 2010, the Annual General Meeting approved a Stock Option Plan entitling executive directors and employees with strategic responsibilities of Autogrill S.p.A. and/or its subsidiaries to subscribe to or purchase ordinary Autogrill shares at the ratio of one share per option granted. The options are granted to beneficiaries free of charge and once the vesting period has elapsed, may be exercised between 20 April 2014 and 30 April 2015 (later extended to 30 April 2018, as explained below) at a strike price calculated as the average stock market price for the month preceding the grant date.

The extraordinary Annual General Meeting of 20 April 2010 also approved a capital increase against payment to service the plan, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441 (5) and (8) of the Italian Civil Code and art. 134 (2) of Legislative Decree 58 of 24 February 1998, by a maximum par value of € 1,040,000 (plus share premium), to be carried out no later than 30 May 2015 through the issue of up to 2,000,000 ordinary Autogrill shares in one or more tranches. The capital increase did not take place.

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

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

* As defined by art. 9, para 4, of D.P.R. 22 December 1986, no. 917

On 10 November 2010, the Board of Directors granted 1,261,000 options, out of the 2,000,000 available, to 11 beneficiaries meeting the requirements of the plan. The options are exercisable at a strike price of € 9.34 per share. On 29 July 2011 the Board of Directors assigned an additional 188,000 options to two other beneficiaries meeting the plan requirements; these can be exercised at a strike price of € 8.91.

On 16 February 2012, the Board of Directors assigned 120,000 options to a new beneficiary at a strike price of € 8.19 per share.

Changes to the 2010 Stock Option Plan

On 6 June 2013 the Annual General Meeting approved the proportional partial demerger of Autogrill S.p.A., and as a result made some changes to the Stock Option Plan approved on 20 April 2010. In accordance with these changes:

- the plan's beneficiaries are entitled to receive one ordinary Autogrill share and one ordinary World Duty Free S.p.A. share for every vested option against payment of the strike price;
- terminal value, the condition allowing the options to be converted into Autogrill and World Duty Free shares, has been redefined as the sum of the average official price of the two shares (Autogrill and WDF) during the three months preceding the last day of the vesting period, plus the dividends paid between the date the options were assigned and the end of the vesting period;
- the strike price is split proportionally between the Autogrill S.p.A. share price and the World Duty Free S.p.A. share price on the basis of the average official stock market price of the two securities during the first 30 days following the listing of World Duty Free S.p.A. The strike price of Autogrill shares is between € 3.50 and € 4.17, while the strike price for World Duty Free shares is between € 4.33 and € 5.17, depending on the beneficiary and the strike price originally set for each;
- the deadline for exercising the options has been extended from 30 April 2015 to 30 April 2018, without altering the start date of 20 April 2014.

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

As a result of the demerger and the changes made to the Plan, the average fair value of the options outstanding at 31 December 2015 was € 0.96 for Autogrill shares.

On 20 April 2014, in accordance with the Stock Option Plan regulations, the vesting period ended and 1,209,294 assigned options were converted into 823,293 "vested options".

Between 1 April 2015 and 31 December 2015, 505,806 Autogrill S.p.A. options and 532,324 World Duty Free S.p.A. options were exercised by various beneficiaries.

The CEO exercised 330,073 Autogrill S.p.A. options during the period.

Movements in options during the period are shown below:

	Autogrill shares		World Duty Free shares	
	Number of options	Fair value existing options (€)	Number of options	Fair value existing options (€)
Vested options at 20 April 2014	**823,293**	**0.96**	**823,293**	**3.99**
Options exercized in 2014	(134,136)	-	(290,969)	-
Options at 31 December 2014	**689,157**	**0.96**	**532,324**	**3.23**
Options exercized in 2015	(505,586)	-	(532,324)	-
Options at 31 December 2015	**183,571**	**0.96**	-	-

Thorough information on the 2010 Stock Option Plan is provided in the Disclosure Document prepared in accordance with Art. 84–*bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com.

2014 Phantom Stock Option Plan

On 28 May 2014, the general meeting of shareholders approved a new incentive plan referred to as the "2014 Phantom Stock Option Plan". The options will be assigned free of charge to executive directors and employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

This plan, which expires on 30 June 2021, is split into three sub-plans or "Waves" which grant each beneficiary the right to receive, for each option exercised, a gross cash amount equal to the difference between the terminal value and the allocation value of the Autogrill shares (the "Bonus"), subject to certain conditions and in any case not exceeding a given cap. Specifically, the terminal value of the shares is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the exercise date, plus dividends paid from the grant date until the date of exercise. The allocation value is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the allocation date.

On 16 July 2014, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. Under Wave 1 (vesting period from 16 July 2014 to 15 July 2016), a total of 3,268,995 options were assigned, 883,495 of which to the chief executive officer. Under Wave 2 (vesting period from 16 July 2014 to 15 July 2017), a total of 2,835,967 options were assigned, 565,217 of which to the chief executive officer.

Again under Wave 2, in 2015 an additional 144,504 options were assigned and 30,400 options were cancelled.

On 12 February 2015, under Wave 3 (vesting period from 12 February 2015 to 11 February 2018), a total of 2,752,656 options were assigned, 505,556 of which to the chief executive officer. During the year 27,270 options were cancelled under Wave 3.

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

For 2015, the total costs recognized for this plan amounted to € 7,775k.

Thorough information on the 2014 phantom Stock Option Plan is provided in the Disclosure Document prepared in accordance with Art. 84–*bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com.

2.2.13 Significant non-recurring events and transactions

In 2015, there were no significant non-recurring events or transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

2.2.14 Atypical or unusual transactions

In 2015 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

2.2.15 Events after the reporting period

Since 31 December 2015, no events have occurred that would have entailed an adjustment to the figures in the financial statements or required additional disclosures in these Notes.

2.2.16 Information pursuant to Arts. 70 and 71 of Consob Regulation no. 11971/1999

On 24 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by Consob Resolution 18079 of 20 January 2012 that removes the obligation to make available to the public the disclosure documents required by Arts. 70 and 71 of the Listing Rules (Consob Regulation 11971/1999) in the case of significant mergers, demergers, increases in share capital through contributions in kind, acquisitions and transfers.

2.2.17 Authorization for publication

The Board of Directors authorized the publication of these consolidated financial statements at its meeting of 10 March 2016.

Annexes

List of consolidated companies and other investments

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2015	Shareholders/quota holders
Parent					
Autogrill S.p.A.	Novara	Euro	68,688,000	50.100%	Schematrentaquattro S.p.A.
Companies consolidated line-by-line					
Nuova Sidap S.r.l.	Novara	Euro	100,000	100.000%	Autogrill S.p.A.
Autogrill Austria A.G.	Gottlesbrunn	Euro	7,500,000	100.000%	Autogrill S.p.A.
Autogrill Czech S.r.o.	Prague	Czk	154,463,000	100.000%	Autogrill S.p.A.
Autogrill D.o.o.	Lubiana	Euro	1,342,670	100.000%	Autogrill S.p.A.
Autogrill Hellas E.P.E.	Avlonas	Euro	3,696,330	100.000%	Autogrill S.p.A.
Autogrill Polska Sp.zo.o.	Katowice	Pln	14,050,000	100.000%	Autogrill S.p.A.
Autogrill Iberia S.L.U.	Madrid	Euro	7,000,000	100.000%	Autogrill S.p.A.
Autogrill Deutschland GmbH	Munich	Euro	205,000	100.000%	Autogrill S.p.A.
Autogrill Belux N.V.	Anversa	Euro	10,000,000	99.990%	Autogrill S.p.A.
				0.010%	AC Restaurants & Hotels Beheer N.V.
AC Restaurants & Hotels Beheer N.V.	Anversa	Euro	3,250,000	99.990%	Autogrill Belux N.V.
				0.010%	Autogrill Nederland B.V.
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	100.000%	Autogrill S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont–en–Ogoz	Chf	1,500,000	54.330%	Autogrill Schweiz A.G.
Autogrill Nederland B.V.	Oosterhout	Euro	41,371,500	100.000%	Autogrill S.p.A
Autogrill Nederland Hotels B.V.	Oosterhout	Euro	1,500,000	100.000%	Autogrill Nederland B.V.
Autogrill Nederland Hotel Amsterdam B.V.	Oosterhout	Euro	150,000	100.000%	Autogrill Nederland B.V.
Holding de Participations Autogrill S.a.s.	Marseille	Euro	84,581,920	100.000%	Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Euro	2,207,344	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Coté France S.a.s.	Marseille	Euro	31,579,526	100.000%	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest)	Marseille	Euro	288,000	50.000%	Autogrill Coté France S.a.s.
Société Porte de Champagne S.A. (SPC)	Perrogney–les–Fontaines	Euro	153,600	53.333%	Autogrill Coté France S.a.s.
Société de Restauration de Bourgogne S.a.s. (Sorebo)	Marseille	Euro	144,000	50.000%	Autogrill Coté France S.a.s.
Société de Restauration de Troyes–Champagne S.A. (SRTC)	Marseille	Euro	1,440,000	70.000%	Autogrill Coté France S.a.s.
Volcarest S.A.	Champs	Euro	1,050,144	50.000%	Autogrill Coté France S.a.s.
Autogrill Restauration Services S.a.s.	Marseille	Euro	15,394,500	100.000%	Holding de Participations Autogrill S.a.s.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2015	Shareholders/quota holders
Autogrill Gares Métropoles S.àr.l.	Marseille	Euro	4,500,000	100.000%	Autogrill Restauration Services S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	Euro	2,337,000	100.000%	Holding de Participations Autogrill S.a.s.
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	Marseille	Euro	8,000	100.000%	Autogrill Coté France S.a.s.
Autogrill Commercial Catering France S.àr.l. (in liquidation)	Marseille	Euro	361,088	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	Euro	375,000	100.000%	Autogrill Coté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	Euro	375,000	100.000%	Autogrill Restauration Carrousel S.a.s.
Carestel Nord S.àr.l. (in liquidation)	Marseille	Euro	76,225	99.800%	Autogrill Commercial Catering France S.a.s.
HMSHost Corporation	Delaware	Usd	-	100.000%	Autogrill S.p.A.
HMSHost International. Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMSHost USA. LLC	Delaware	Usd	-	100.000%	HMSHost Corporation
Host International. Inc.	Delaware	Usd	-	97.000%	HMSHost Corporation
HMSHost Tollroads Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMS Airport Terminal Services. Inc.	Delaware	Usd	1,000	100.000%	Host International. Inc.
Host International of Maryland. Inc.	Maryland	Usd	1,000	100.000%	Host International. Inc.
Michigan Host. Inc.	Delaware	Usd	1,000	100.000%	Host International. Inc.
Host Services of New York. Inc.	Delaware	Usd	1,000	100.000%	Host International. Inc.
Host International of Kansas. Inc.	Kansas	Usd	1,000	100.000%	Host International. Inc.
Host Services Inc.	Texas	Usd	-	100.000%	Host International. Inc.
HMSHost USA. Inc.	Delaware	Usd	-	100.000%	Host International. Inc.
Anton Airfood of Cincinnati. Inc.	Kentucky	Usd	-	100.000%	Anton Airfood. Inc.
Anton Airfood. Inc.	Delaware	Usd	1,000	100.000%	HMSHost Corporation
Anton Airfood of Texas. Inc.	Texas	Usd	-	100.000%	Anton Airfood. Inc.
Anton Airfood of Newark. Inc.	New Jersey	Usd	-	100.000%	Anton Airfood. Inc.
Anton Airfood of JFK. Inc.	New York	Usd	-	100.000%	Anton Airfood. Inc.
Anton Airfood of Minnesota. Inc.	Minnesota	Usd	-	100.000%	Anton Airfood. Inc.
Palm Springs AAI. Inc.	California	Usd	-	100.000%	Anton Airfood. Inc.
Fresno AAI. Inc.	California	Usd	-	100.000%	Anton Airfood. Inc.
Anton Airfood of Seattle. Inc.	Washington	Usd	-	100.000%	Anton Airfood. Inc.
Anton Airfood of Tulsa.Inc.	Oklahoma	Usd	-	100.000%	Anton Airfood. Inc.
Islip AAI. Inc.	New York	Usd	-	100.000%	Anton Airfood. Inc.
Host International (Poland) Sp.zo.o. (in liquidation)	Warsaw	Usd	-	100.000%	Host International. Inc.
Shenzhen Host Catering Company. Ltd. (in liquidation)	Shenzhen	Usd	-	100.000%	Host International. Inc.
Host Services Pty. Ltd.	North Cairns	Aud	6,252,872	100.000%	Host International. Inc.
Host International of Canada. Ltd.	Vancouver	Cad	75,351,237	100.000%	Host International. Inc.
Horeca Exploitatie Maatschappij Schiphol. B.V.	Haarlemmermeer	Euro	45,400	100.000%	HMSHost International B.V.
Marriott Airport Concessions Pty. Ltd.	North Cairns	Aud	2,000	100.000%	Host International. Inc.
HMSHost Services India Private. Ltd.	Balgalore	Inr	668,441,680	99.990%	Host International. Inc.
				0.010%	HMSHost International. Inc.
HMSHost Singapore Private. Ltd.	Singapore	Sgd	8,470,896	100.000%	Host International. Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2015	Shareholders/quota holders
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	Myr	2	100.000%	Host International. Inc.
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.000%	Host International. Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd.	Shanghai	Cny	-	100.000%	Host International. Inc.
HMSHost International B.V.	Haarlemmermeer	Euro	18,090	100.000%	Host International. Inc.
HMSHost (Shanghai) Catering Management Co., Ltd.	Shanghai	Rmb	1,300,000	100.000%	HMSHost International B.V.
HMSHost Hospitality Services Bharath Private. Ltd.	Karnataka	Inr	500,000	99.000%	HMSHost Services India Private Ltd.
				1.000%	Host International. Inc.
NAG B.V.	Haarlemmermeer	Euro	100	60.000%	HMSHost International B.V.
Autogrill Russia LLC	St. Petersburg	Rub	10,000	100.000%	NAG B.V.
HMSHost Finland Oy	Helsinki	Euro	2,500	100.000%	HMSHost International B.V.
Host – Chelsea Joint Venture #3	Texas	Usd	-	63.800%	Host International. Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	-	90.000%	Host International. Inc.
Host/Diversified Joint Venture	Michigan	Usd	-	90.000%	Host International. Inc.
Airside C F&B Joint Venture	Florida	Usd	-	70.000%	Host International. Inc.
Host of Kahului Joint Venture Company	Hawaii	Usd	-	90.000%	Host International. Inc.
Host/Coffee Star Joint Venture	Texas	Usd	-	50.010%	Host International. Inc.
Southwest Florida Airport Joint Venture	Florida	Usd	-	78.000%	Host International. Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	-	90.000%	Host International. Inc.
Host/Forum Joint Venture	Baltimore	Usd	-	70.000%	Host International. Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.000%	Host International. Inc.
Host/Java Star Joint Venture	Texas	Usd	-	50.010%	Host International. Inc.
Host & Garrett Joint Venture	Mississippi	Usd	-	75.000%	Host International. Inc.
Tinsley/Host – Tampa Joint Venture Company	Florida	Usd	-	49.000%	Host International. Inc.
Host – Chelsea Joint Venture #1	Texas	Usd	-	65.000%	Host International. Inc.
Host – Tinsley Joint Venture	Florida	Usd	-	84.000%	Host International. Inc.
Host/Tarra Enterprises Joint Venture	Florida	Usd	-	75.000%	Host International. Inc.
Host D&D STL FB. LLC	Missouri	Usd	-	75.000%	Host International. Inc.
Host/LJA Joint Venture	Missouri	Usd	-	85.000%	Host International. Inc.
Seattle Restaurant Associates	Olympia	Usd	-	70.000%	Host International. Inc.
Bay Area Restaurant Group	California	Usd	-	49.000%	Host International. Inc.
Islip Airport Joint Venture	New York	Usd	-	50.000%	Anton Airfood. Inc.
HMSHost Coffee Partners Joint Venture	Texas	Usd	-	50.010%	Host International. Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	Usd	-	60.000%	Host International. Inc.
Host/Howell – Mickens Joint Venture	Texas	Usd	-	65.000%	Host International. Inc.
Miami Airport FB Partners Joint Venture	Florida	Usd	-	70.000%	Host International. Inc.
Host PJJD Jacksonville Joint Venture	Florida	Usd	-	51.000%	Host International. Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Host International. Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	-	90.000%	Host International. Inc.
HMS – D/FW Airport Joint Venture	Texas	Usd	-	65.000%	Host International. Inc.
Host Adevco Joint Venture	Arkansas	Usd	-	70.000%	Host International. Inc.
Host Shellis Atlanta Joint Venture	Atlanta	Usd	-	70.000%	Host International. Inc.
Host – TFC – RSL. LLC	Kentucky	Usd	-	65.000%	Host International. Inc.
Host – Chelsea Joint Venture #4	Texas	Usd	-	63.000%	Host International. Inc.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2015	Shareholders/quota holders
Host – CMS SAN F&B. LLC	Delaware	Usd	-	65.000%	Host WAB SAN FB. LLC
Host GRL LIH F&B. LLC	Delaware	Usd	-	85.000%	Host International. Inc.
Host Fox PHX F&B. LLC	Delaware	Usd	-	75.000%	Host International. Inc.
Host FDY ORF F&B. LLC	Delaware	Usd	-	90.000%	Host International. Inc.
LTL ATL JV. LLC	Delaware	Usd	-	70.000%	Host International. Inc.
Host ATLChefs JV 3. LLC	Delaware	Usd	-	95.000%	Host International. Inc.
Host ATLChefs JV 5. LLC	Delaware	Usd	-	85.000%	Host International. Inc.
Host LGO PHX F&B. LLC	Delaware	Usd	-	80.000%	Host International. Inc.
Host H8 Terminal E F&B. LLC	Delaware	Usd	-	60.000%	Host International. Inc.
Host – Love Field Partners I. LLC	Delaware	Usd	-	51.000%	Host International. Inc.
Host – True Flavors SAT Terminal A FB	Delaware	Usd	-	65.000%	Host International. Inc.
Host Havana LAX F&B. LLC	Delaware	Usd	-	90.000%	Host International. Inc.
Host – CTI DEN F&B II. LLC	Delaware	Usd	-	80.000%	Host International. Inc.
Host TCC BHM F&B LLC	Delaware	Usd	-	70.000%	Host International. Inc.
Host Lee JAX FB. LLC	Delaware	Usd	-	80.000%	Host International. Inc.
Host/DFW AF. LLC	Delaware	Usd	-	50.010%	Host International. Inc.
Host Havana LAX TBIT FB. LLC	Delaware	Usd	-	70.000%	Host International. Inc.
Host Houston 8 IAH Terminal B. LLC	Delaware	Usd	-	60.000%	Host International. Inc.
HHL Cole's LAX F&B. LLC	Delaware	Usd	-	80.000%	Host Havana LAX F&B. LLC
Host CMS LAX TBIT F&B. LLC	Delaware	Usd	-	70.000%	Host International. Inc.
Host WAB SAN FB. LLC	Delaware	Usd	-	95.000%	Host International. Inc.
Host JQE RDU Prime. LLC	Delaware	Usd	-	85.000%	Host International. Inc.
Host Howell Terminal A F&B. LLC	Delaware	Usd	-	65.000%	Host International. Inc.
Host MCA TEI FLL FB. LLC	Delaware	Usd	-	76.000%	Host International. Inc.
Host MCA SRQ FB. LLC	Delaware	Usd	-	90.000%	Host International. Inc.
HOST ECI ORD FB. LLC	Delaware	Usd	-	51.000%	Host International. Inc.
Host Aranza Howell DFW B&E FB. LLC	Delaware	Usd	-	55.000%	Host International. Inc.
Host MGV IAD FB. LLC	Delaware	Usd	-	65.000%	Host International. Inc.
Host MGV DCA FB. LLC	Delaware	Usd	-	70.000%	Host International. Inc.
Host CTI DEN F&B STA. LLC	Delaware	Usd	-	80.000%	Host International. Inc.
Host MGV DCA KT. LLC	Delaware	Usd	-	51.000%	Host International. Inc.
Host MBA LAX SB. LLC	Delaware	Usd	-	70.0000%	Host International. Inc.
Host H8 IAH FB I. LLC	Delaware	Usd	-	60.0000%	Host International. Inc.
Host BGV IAH FB. LLC	Delaware	Usd	-	55.000%	Host International. Inc.
Host MCA ATL FB. LLC	Delaware	Usd	-	64.000%	Host International. Inc.
HMSHost and Lite Bite Pte. Ltd.	Bangalore	Inr	-	51.0000%	HMSHost Services India Private Limited
Host TBL TPA FB. LLC	Delaware	Usd	-	71.0000%	Host International. Inc.
Host JQE CVG FB. LLC	Delaware	Usd	-	90.000%	Host International. Inc.
Host MBA CMS LAX. LLC	Delaware	Usd	5,593,000	60.000%	Host International. Inc.
HMSHost Family Restaurants. Inc.	Maryland	Usd	2,000	100.000%	Host International. Inc.
Autogrill Catering UK Ltd.	London	Gbp	217,063	100.000%	HMSHost International B.V.
Restair UK Ltd. (in liquidation)	London	Gbp	-	100.000%	Autogrill Catering UK Ltd.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000%	HMSHost International B.V.

Company	Registered office	Currency	Share/ quota capital	% held at 31.12.2015	Shareholders/quota holders
HMSHost Ireland Ltd.	Cork	Euro	13,600,000	100.000%	HMSHost International B.V.
HMSHost Nederland B.V.	Haarlemmermeer	Euro	100	100.000%	HMSHost International B.V.
HMSHost Huazhuo (Beijing) Catering Management Co., Ltd.	Beijing	Cny	12,239,987	60.000%	HMSHost International B.V.
SMSI Travel Centres. Inc.	Vancouver	Cad	10,800,100	100.000%	Host International of Canada. Ltd.
HMSHost Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	Trl	10,271,734	100.000%	HMSHost International B.V.
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	Usd	5,000,000	70.000%	HMSHost International B.V.
PT Autogrill Taurus Gemilang Indonesia	Jakarta	Usd	1,000,000	70.000%	HMSHost International B.V.
HMSHost Family Restaurants. LLC	Delaware	Usd	-	100.000%	HMSHost Family Restaurants. Inc.
HMSHost Motorways L.P.	Winnipeg	Cad	-	99.9999%	SMSI Travel Centres. Inc.
				0.0001%	HMSHost Motorways. Inc.
HMSHost Motorways. Inc.	Vancouver	Cad	-	100.000%	SMSI Travel Centres. Inc.
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Antalya	Trl	2,140,000	51.000%	HMSHost Yiyecek Ve Icecek Hizmetleri A.S.
HK Travel Centres GP. Inc.	Toronto	Cad	-	51.000%	HMSHost Motorways. Inc.
HK Travel Centres L.P.	Winnipeg	Cad	-	50.9999%	HMSHost Motorways L.P.
				0.0001%	HK Travel Centres GP. Inc.
Companies consolidated using the equity method					
Caresquick N.V.	Bruxelles	Euro	3,300,000	50.000%	Autogrill Belux N.V.
Autogrill Middle East. LLC	Abu Dhabi	Aed	100,000	50.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	Myr	350,000	49.000%	Host International. Inc.
HKSC Opco L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
HKSC Developments L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
Arab Host Services LLC	Qatar	Qar	200,000	49.000%	Autogrill Middle East. LLC

Certification by the CEO and manager in charge of financial reporting

Certification of the consolidated financial statements pursuant to Art. 81–*ter* of Consob Regulation 11971 of 14 May 1999 (as amended)

1. We, the undersigned, Gianmario Tondato Da Ruos as chief executive officer and Alberto De Vecchi as manager in charge of financial reporting of Autogrill S.p.A., hereby declare, including in accordance with Art. 154–*bis* (3) and (4) of Legislative Decree no. 58 of 24 February 1998:
    - the adequacy of, in relation to the characteristics of the business; and
    - due compliance with the administrative and accounting procedures for the preparation of the consolidated financial statements during the course of 2015.

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

3. We also confirm that:
    3.1 the consolidated financial statements:
    a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;
    b) correspond to the ledgers and accounting entries;
    c) provide a true and fair view of the financial position and results of operations of Autogrill S.p.A. and of companies included in the consolidation.

    3.2 The directors' report includes a reliable description of the performance and financial position of the issuer and the entities in the scope of consolidation, along with the main risks and uncertainties to which they are exposed.

Milan, 10 March 2016

Gianmario Tondato Da Ruos
Chief Executive Officer

Alberto De Vecchi
Manager in Charge of Financial Reporting

Independent Auditors' Report

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

**INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE
No. 39 OF JANUARY 27, 2010**

**To the Shareholders of
AUTOGRILL S.p.A.**

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Autogrill Group, which comprise the statement of financial position as at December 31, 2015, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

Directors' responsibility for the consolidated financial statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Autogrill Group as at December 31, 2015, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

Other matter

The consolidated financial statements of the Autogrill Group for the period ended as of December 31, 2014 has been audited by another auditor that, on April 9, 2015 expressed an unmodified opinion on these consolidated financial statements.

Report on other legal and regulatory requirements

Opinion on the consistency of the Directors' Report and of certain information included in the Corporate Governance and Ownership Report with the consolidated financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the Directors' Report and of certain information included in the Corporate Governance and Ownership Report required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are responsibility of the Directors of Autogrill S.p.A., with the consolidated financial statements of Autogrill Group as at December 31, 2015. In our opinion the Directors' Report and the information included in the report on corporate governance referred to above are consistent with the consolidated financial statements of Autogrill Group as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
April 14, 2016

Autogrill S.p.A.

Registered office

Via Luigi Giulietti 9
28100 Novara - Italy

Share capital: € 68,688,000 fully paid-in
Tax Code – Novara Registrar of Companies: 03091940266
VAT no.: 01630730032

Headquarters
Centro Direzionale Milanofiori
Palazzo Z, Strada 5
20089 Rozzano (MI) - Italy

Group Media Relations
Telephone (+39) 02 48263250

Investor Relations
Telephone (+39) 02 48263250

Group Corporate Affairs
(to request copies)
Telephone (+39) 02 48263393

website: www.autogrill.com

Co-ordination
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