INTERIM REPORT TO 30 JUNE 2005

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Note: The Report and Consolidated Financial Statements for the half-year ended 30 June 2005 have been translated into English from the original Italian version. Where differences exist, the Italian version shall supersede the English version.

1. SUMMARY AND GENERAL INFORMATION

1.1 General information and executive bodies

Autogrill SpA

Registered office	**Branch and administrative office**
Via L. Giulietti, 9	Centro Direzionale Milanofiori
28100 Novara	Palazzo Z, Strada 5
	20089 Rozzano (MI)

Executive bodies

Board of Directors (1)

Chairman (2)(3)	Gilberto Benetton
Managing Director (2)(3)(4)	Gianmario Tondato Da Ruos (E)
Directors	Alessandro Benetton
	Giorgio Brunetti (5) (I)
	Antonio Bulgheroni (6) (I)
	Marco Desiderato (5) (I)
	Sergio De Simoi
	Sergio Erede (6)
	Alfredo Malguzzi (5) (I)
	Gianni Mion (6)
	Gaetano Morazzoni (I)
Secretary to the Board of Directors	Diego Salvador (2)

Board of Statutory Auditors (7)

Chairman	Gianluca Ponzellini
Statutory Auditor	Marco Reboa
Statutory Auditor	Ettore Maria Tosi
Deputy Auditor	Giovanni Pietro Cunial
Deputy Auditor	Graziano Gianmichele Visentin

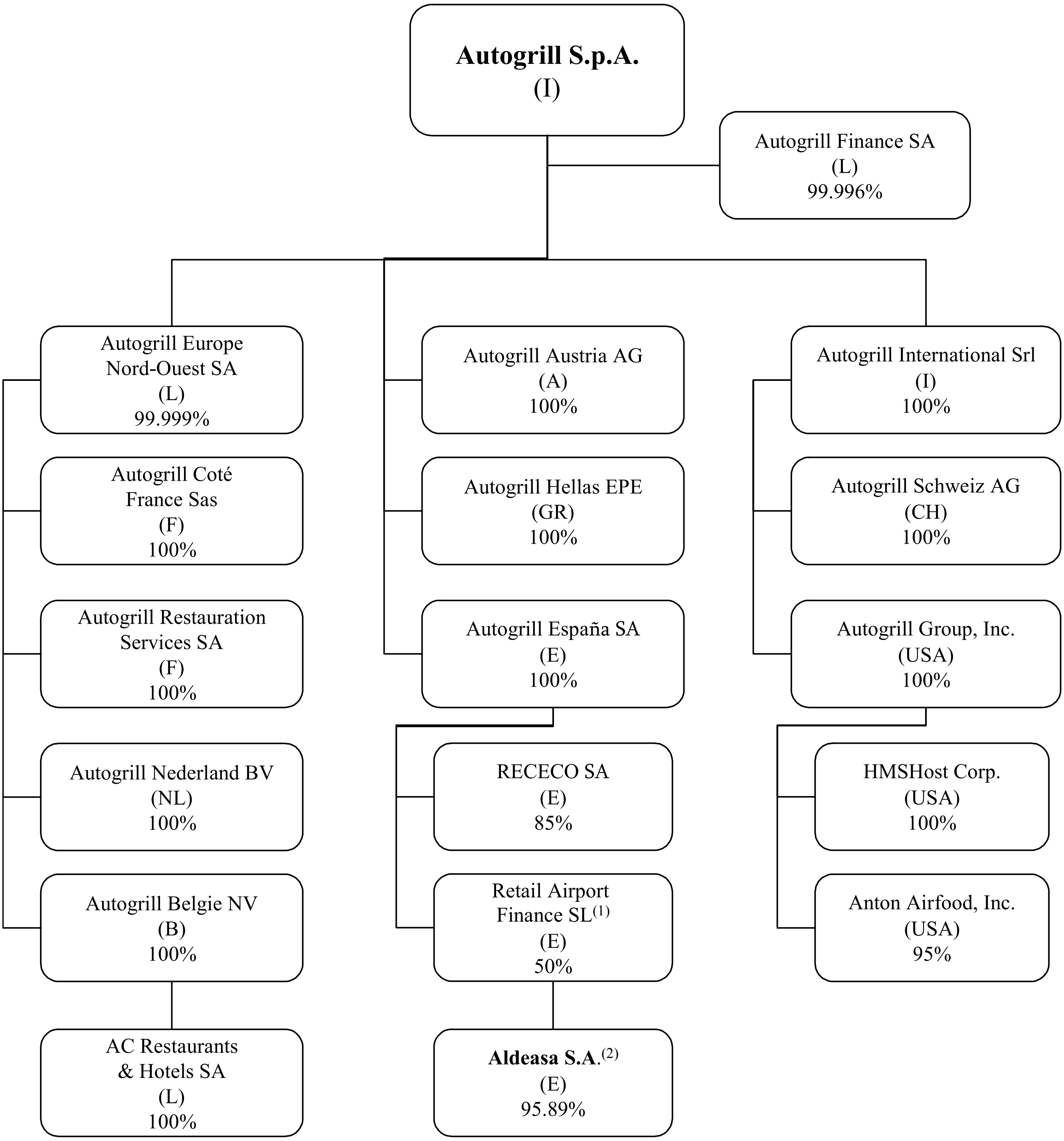
External auditors (8)

Deloitte & Touche SpA

1. Appointed by the Shareholders' Meeting of 27 April 2005; in office until the approval of the 2007 financial statements.
2. Appointed by the Board of Director's meeting of 27 April 2005.
3. Has legal and statutory powers, the most notable of these being the legal representation of the company, in addition to holding an individual signing authority.
4. Powers of ordinary administration, endorsed by a single signature, in accordance with the Resolution of 27 April 2005.
5. Member of the Internal Audit Committee.
6. Member of the Remuneration Committee.
7. Appointed by the Shareholders' Meeting of 24 April 2003; in office until the approval of the 2005 financial statements.
8. Appointed by the Shareholders' Meeting of 24 April 2003; in office until the approval of the 2005 financial statements.

E. Executive Director
I. Independent Director

1.2 GROUP MACROSTRUCTURE

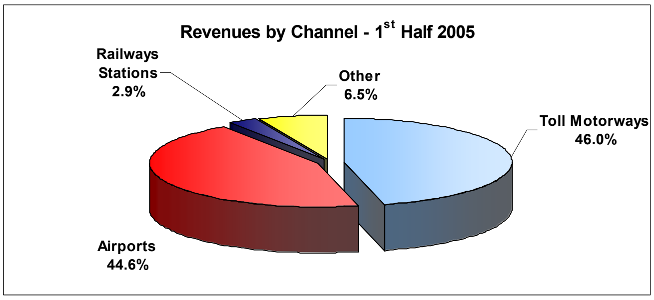


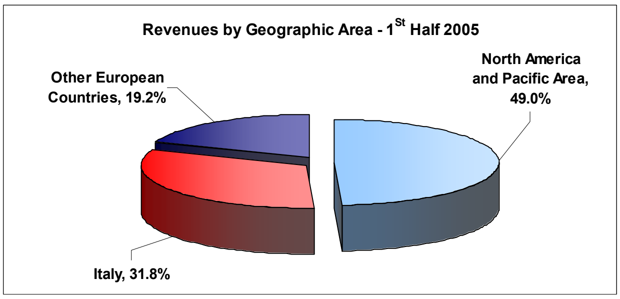
(1) Consolidated by the proportional method (50%) since 1 May 2005.

(2) Consolidated by the proportional method (50%) since 1 May 2005. The process of withdrawing the listing is currently under way, with an offer to purchase the residual shares by Aldeasa. On 22 September 2005 the company purchased its own shares on the market representing 2.8% of the issued capital.

1.3 GROUP PROFILE

Autogrill is the leading provider of concession services, specialising in catering and the sale of consumer products and travel-related goods. It operates along motorways and in airports, railway stations, shopping malls and cities in the US and Europe, with approximately 4,200 outlets across almost 900 sites in 15 countries. In 2004, it served more than 720m customers. It has around 48,000 employees.





In Europe, the Group is predominantly active in the motorway channel, while in the US, its core business is airports.

By operating in different channels and geographical locations, fluctuations in passenger flows can be balanced. The typical duration of concession contracts is conducive to medium to long-term business planning. By managing a portfolio of different brands, the Group can tailor its offering to different consumer requirements in the various countries and to changes in these requirements.

Seasonal nature of the industry

The Group's business performance is linked with movements of people. The first half of the year normally accounts for around 45% of annual turnover and 40% of EBITDA.

Conversion effect of international operations

Around half the Group’s business is generated in countries where the euro is not the standard currency, i.e. mainly the US, Canada and Switzerland.

The Group has an exchange rate risk management policy, financing its core non-euro business with debt denominated in this currency or by trading in foreign currencies.

The predominantly local aspect of the business also means that there is a significant correlation in each country between revenue currency and expenditure currency.

However, this does not offset the effects of exchange rate fluctuations on individual balance-sheet items. In particular, fluctuations in the €/$ exchange rate means that Group figures are not immediately comparable with those of the previous financial year.

More specifically, in the first half of 2005, the average €/$ exchange rate shows a 4.5% devaluation of the dollar compared with the first half of 2004.

1.4 HIGHLIGHTS

Application of IAS/IFRS principles	The economic, financial and asset-related figures of Autogrill Group for the first half of 2005 and for the reference periods were prepared in accordance with IAS/IFRS principles.
Acquisitions and business development	During the period, joint control was acquired of Aldeasa Group, the fourth largest airport retailer in the world, specialising in "duty free" and "duty paid" goods at airports in Spain, Portugal, Jordan and in various Latin American countries. In 2004, Aldeasa generated revenues of €630m, 86% of them in Spain, through the management of 178 outlets (132 of them in Spain). It has been proportionally consolidated (50%) since 1 May 2005.
Trading results	**Consolidated operating revenues[1] :** €1517.9m, up 4.4% (+6.8% at constant exchange rates) on €1453.3m for the first half of 2004. This was a major contributing factor towards the strong growth in North America – where Autogrill Group, Inc. saw a 8.5% rise to $956.4m, compared with $881.7m in the first half of 2004 – and the consolidation of Aldeasa (€59.5m, equivalent to 3.9% of the total), while the contribution from the Italian motorway channel was pared back. **Profitability:** EBITDA stood at €191.7m, up 6.9% (+9.4% at constant exchange rates) on €179.3m in the first half of 2004 and 5.3% (at constant exchange rates) excluding Aldeasa and RAF. The impact on revenues, which climbed from 12.3% to 12.6%, partly due to non-recurring positive factors, remained stable in North America, but increased in Italy and in the rest of Europe. In the two months of consolidation, the profits of Aldeasa S.A. totalled 13.2%, contributing €7.9m to the Group's EBITDA. **Net profit (Group share):** This increased by 47.4% (+52.1% at constant exchange rates) to €45.0m, compared with €30.5m in 2004.
Technical investments	These totalled €81.2m, up 14.2% compared with €71.1m in the first half of 2004, mainly due to renewed investment in Italy once the tendering processes had ended.
Events after half-year closing	Since 30 June, agreements have been in place for new airport outlets in Cork (Ireland), Palma (Majorca, Spain) and Vienna (Austria), and concessions renewed for Athens airport. The process for delisting Aldeasa has now begun, together with the purchase of the remaining float by this company.
Management outlook	Historically, revenues for the second half are 15-20% higher than those of the first half due to the seasonal nature of flows. At the end of the 36th week (including July, August and the first few days of September), consolidated sales recorded a 7.7% rise (+9.5% at constant exchange rates), or 1.7% excluding Aldeasa, compared with the same period in 2004, with significant growth witnessed in the airport channel and in North America. The Group thus plans to outperform 2004 in terms of cash flow and net income for the year, despite the negative impact of external factors, not least of all the sharp rise in oil prices and natural disasters.

[1] Operating revenues exclude fuel sales, which totalled €31.8m for the period (€29m in the first half of 2004). These are referred to in the management report as "revenues".

	1st half of 2005			1st half of 2004	Variation: Total		Variation: escluding Aldeasa (7)		Financial year 2004
(m€)	like-for-like basis	effect of Aldeasa consolidation (7)	total		current exchange rates	constant exchange rates (1)	current exchange rates	constant exchange rates (1)	
Revenue	1,490.2	59.5	1,549.7	1,482.3	4.5%	6.8%	0.5%	2.7%	3,245.6
Operating revenue (2)	1,458.4	59.5	1,517.9	1,453.3	4.4%	6.8%	0.3%	2.6%	3,182.1
EBITDA (3)	184.5	7.2	191.7	179.3	6.9%	9.4%	2.9%	5.3%	438.0
% of revenues	12.7%	12.0%	12.6%	12.3%					13.8%
EBIT (4)	106.0	6.2	112.2	105.6	6.2%	8.7%	0.3%	2.7%	250.8
% of revenues	7.3%	10.3%	7.4%	7.3%					7.9%
Net profit for the Group	42.1	2.9	45.0	30.5	47.4%	52.1%	38.0%	42.3%	93.2
% of revenues	2.9%	4.9%	3.0%	2.1%					2.9%
Cash Flow (5)	123.3	3.5	126.9	107.6	17.9%	21.1%	14.6%	18.5%	286.3
% of revenues	8.5%	5.9%	8.4%	7.4%					9.0%
Technical investments (6)	80.4	0.8	81.2	71.1	14.2%	13.8%	13.1%	12.7%	153.6
Net capital invested	1,114.2	341.0	1,455.2	1,187.2					982.1
Net financial debt	(738.5)	(332.8)	(1,071.3)	(867.8)					(609.3)

(1) Variations in the average exchange rate of the Euro between the 1st half of 2004 and the 1st half of 2005:
US Dollar: -4.5%
Swiss Franc: +0.5%

(2) Excludes sales of fuel (31.8 m€ in the 1st half of 2005, 29 m€ in the 1st half of 2004 and 63.5 m€ in the financial year 2004)

(3) Trading result before amortisation, non-recurring charges/proceeds, financial charges/proceeds and income tax.

(4) Trading result before non-recurring charges/proceeds, financial charges/proceeds and income tax.

(5) Trading result for the period before amortisation and value adjustments and capital losses on the sale of financial assets.

(6) Excluding investments in financial fixed assets and investments.

(7) Also includes EBITDA and EBIT of RAF (the Aldeasa acquisition vehicle Aldeasa) equal to – 0.7 m€, associated with acquisition costs, as well as financial charges connected with the financing of the acquisition of – 0.9 m€

2. MANAGEMENT REPORT

2.1 OPERATING RESULTS

CONSOLIDATED PROFIT AND LOSS STATEMENT (SUMMARY)

(m€)	1st half of 2005			1st half of 2004	Variation				Financial 2004
					Total		excluding Aldeasa (2)		
	like-for-like basis	Effect of Aldeasa consolidation (2)	Group Total		at current exchange rates	at constant exchange rates	at current exchange rates	at constant exchange rates	
Operating revenue (2)	1,458.4	59.5	1,517.9	1,453.3	4.4%	6.8%	0.3%	2.6%	3,182.1
Other operating income	42.7	1.4	44.1	41.0	7.6%	8.7%	4.3%	5.3%	99.6
Total revenue	**1,501.1**	**60.9**	**1,562.0**	**1,494.3**	**4.5%**	**6.8%**	**0.5%**	**2.7%**	**3,281.7**
Cost of raw and subsidiary materials and goods	(478.4)	(31.5)	(509.9)	(483.0)	5.6%	7.6%	-0.9%	0.9%	(1,066.9)
Staff costs	(454.4)	(5.3)	(459.7)	(453.1)	1.5%	3.8%	0.3%	2.6%	(954.4)
Costs of rent, concessions and royalties on use of trademarks	(209.7)	(12.5)	(222.2)	(202.2)	9.9%	13.1%	3.7%	6.8%	(442.1)
Other operating costs	(174.1)	(4.4)	(178.5)	(176.7)	1.0%	2.9%	-1.5%	0.3%	(380.3)
EBITDA	**184.5**	**7.2**	**191.7**	**179.3**	**6.9%**	**9.4%**	**2.9%**	**5.3%**	**438.0**
Amortisation	(78.5)	(1.0)	(79.5)	(73.7)	7.9%	10.4%	6.6%	9.1%	(177.3)
Write-downs of goodwill and consolidation differences	-	-	-	-	n.s.	n.s.	n.s.	n.s.	(9.9)
EBIT	**106.0**	**6.2**	**112.2**	**105.6**	**6.2%**	**8.7%**	**0.3%**	**2.7%**	**250.8**
Financial proceeds (charges)	(20.0)	(1.6)	(21.6)	(28.3)	-23.8%	-22.3%	-29.4%	-28.0%	(61.6)
Value adjustments of financial assets	0.6	0.4	1.0	0.3	n.s.	n.s.	92.5%	n.s.	1.1
Profit (loss) before extraordinary items and tax	**86.6**	**5.0**	**91.6**	**77.6**	**18.0%**	**20.9%**	**11.5%**	**14.3%**	**190.3**
Net extraordinary proceeds/(charges)	-	-	-	(7.4)	-100.0%	-100.0%	-100.0%	-100.0%	(2.2)
Profit before tax	**86.6**	**5.0**	**91.6**	**70.2**	**30.4%**	**34.1%**	**23.3%**	**26.7%**	**188.1**
Income tax	(41.2)	(2.1)	(43.3)	(36.0)	20.1%	22.9%	14.4%	17.1%	(87.8)
NET PROFIT (LOSS)	**45.4**	**2.9**	**48.3**	**34.2**	**41.2%**	**45.8%**	**32.6%**	**36.9%**	**100.3**
- of the Group	42.1	2.9	45.0	30.5	47.4%	52.1%	38.0%	42.3%	93.2
- of minority shareholders	3.3	-	3.3	3.7	-11.1%	-7.3%	-11.9%	-8.2%	7.1

IMPACT ON REVENUES

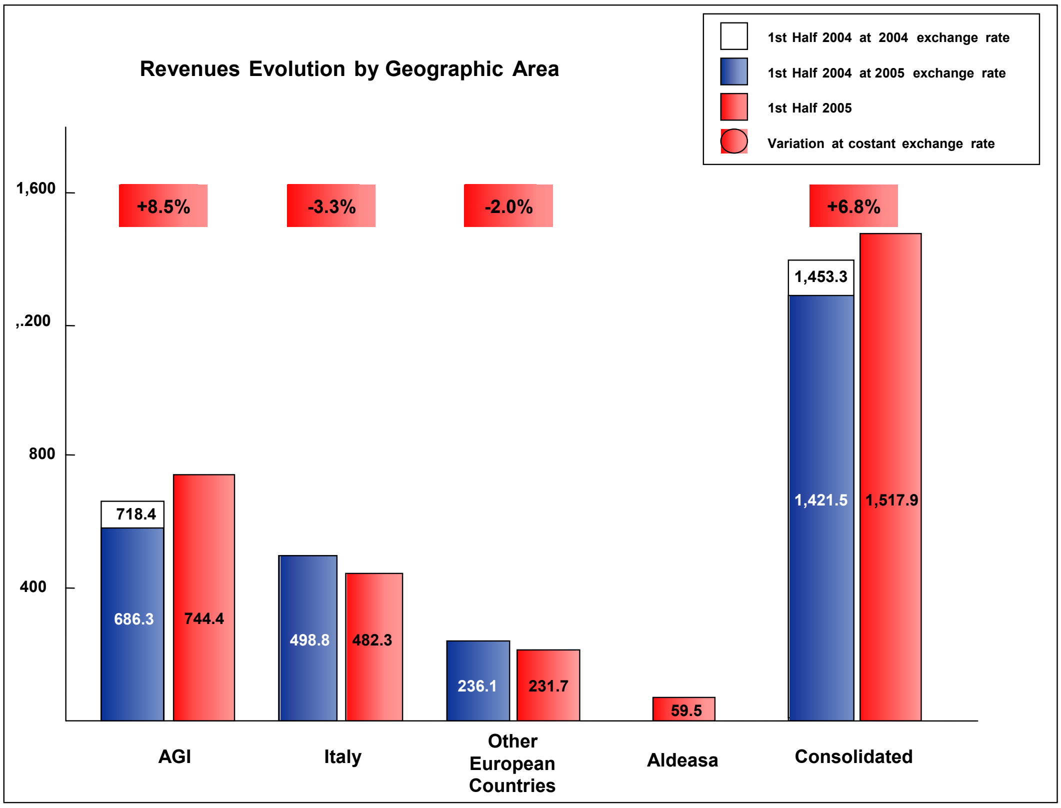
	1st half of 2005			1st half of 2004	Financial 2004
	Like-for-like basis	Effect of Aldeasa consolidations (2)	Group total		
Operating revenue (1)	100.0%	100.0%	100.%	100.0%	100.0%
Other operating income	2.9%	2.3%	2.9%	2.8%	3.1%
Total revenue	**102.9%**	**102.3%**	**102.9%**	**102.8%**	**103.1%**
Cost of raw and subsidiary materials and goods	32.8%	53.0%	33.6%	33.2%	33.5%
Staff costs	31.2%	8.9%	30.3%	31.2%	30.0%
Cost of rent, concessions and royalties on the use of trademarks	14.4%	21.0%	14.6%	13.9%	13.9%
Other operating costs	11.9%	7.4%	11.8%	12.2%	12.0%
EBITDA	**12.7%**	**12.0%**	**12.6%**	**12.3%**	**13.8%**
Amortisation	5.4%	1.7%	5.2%	5.1%	5.6%
Write-downs of goodwill and consolidation differences	0.0%	0.0%	0.0%	0.0%	0.3%
EBIT	**7.3%**	**10.3%**	**7.4%**	**7.3%**	**7.9%**
Financial Proceeds (Charges)	1.4%	2.6%	1.4%	1.9%	1.9%
Financial asset value adjustments	0.0%	0.7%	0.1%	0.0%	0.0%
Profit (Loss) before extraordinary items and tax	**5.9%**	**8.4%**	**6.0%**	**5.3%**	**6.0%**
Net extraordinary proceeds/(charges)	0.0%	0.0%	0.0%	0.5%	0.1%
Profit before tax	**5.9%**	**8.4%**	**6.0%**	**4.8%**	**5.9%**
Income tax	**2.8%**	**3.5%**	**2.8%**	**2.5%**	**-2.8%**
NET PROFIT (LOSS)	**3.1%**	**4.9%**	**3.2%**	**2.4%**	**3.2%**
- of the Group	2.9%	4.9%	3.0%	2.1%	2.9%
- of minority shareholders	0.2%	0.1%	0.2%	0.3%	0.2%

(1) Operating revenue excludes sales of fuel, which amounted to 31.8 m€ during the half-year period (29 m€ in the 1st half of 2004).
(2) Also includes EBITDA and EBIT of RAF (the Aldeasa acquisition vehicle) equal to - 0.7 m€, associated with acquisition costs, as well as financial charges Connected with the financing of the acquisition of – 0.9 m€

Autogrill Group

Consolidated revenues

In the first half, which has historically accounted for 45% of the year's total, Autogrill reported consolidated revenues of €1517.9m, up 4.4% (+6.8% at constant exchange rates) against €1453.3m in 2004 and 2.6% (at constant exchange rates) excluding the benefits of the Aldeasa consolidation.



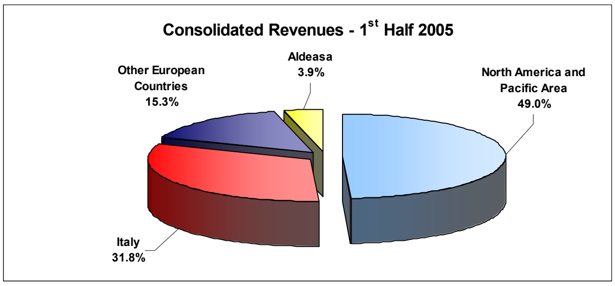
(m€)	1st half of 2005	1st half of 2004	Variation Current exchange rates	Variation Constant exchange
North America (AGI)	744.4	718.4	3.6%	8.5%
% of revenues	49.0%	49.4%		
Italy	482.3	498.8	-3.3%	-3.3%
% of revenues	31.8%	34.3%		
Other European Countries	231.7	236.1	-1.9%	-2.0%
% of revenues	15.3%	16.3%		
Consolidated (excluding Aldeasa)	**1,458.4**	**1,453.3**	**0.3%**	**2.6%**
Aldeasa	59.5	n.a.	n.a.	n.a
% of revenues	3.9%	n.a.		
Consolidated	**1,517.9**	**1,453.3**	**4.4%**	**6.8%**

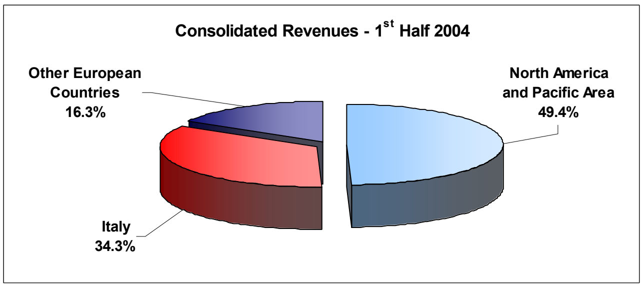
Revenues of the wholly-owned US subsidiary Autogrill Group, Inc. – which apart from the United States and Canada also covers Australia, Malaysia, New Zealand and Amsterdam Schiphol Airport (Netherlands) – recorded a 8.5% rise to $956.4m, against $881.7m in the first half of 2004. The increase in revenues is more than twice that of the growth in air traffic (+4.1%) (source: ATA).

In Italy, a 3.3% fall in revenues to €482.3m was recorded, compared with €498.8m in the first half of 2004. This allows for the reduction in the number of motorway outlets following the renewal of the contracts portfolio. Conversely, in the same channel, 2% growth was recorded on a like-for-like basis.

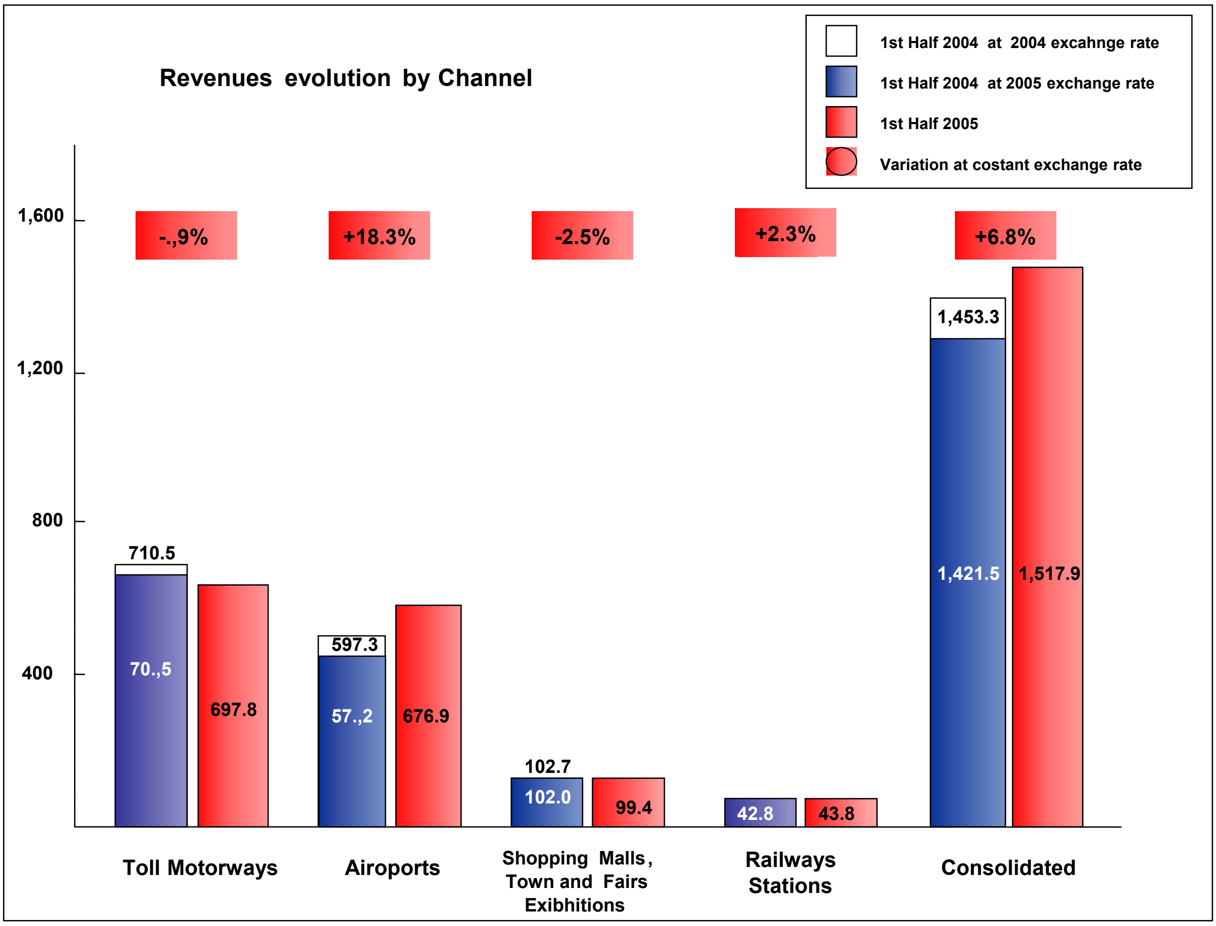
In other European countries, a general downturn in sales was witnessed in the motorway channel due to a reduction in traffic volumes.

The acquisition of Aldeasa has not significantly altered the geographical distribution of revenues, which remain balanced between the euro zone and the dollar zone.



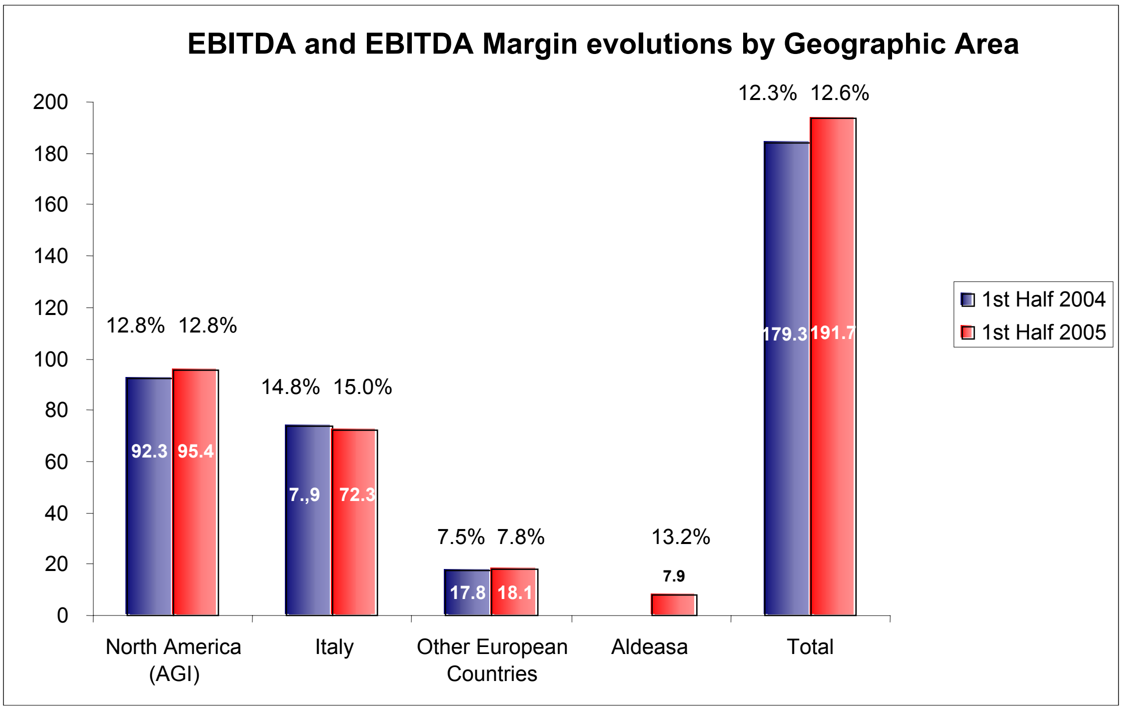


Growth in Group revenues has been driven by the airport business, mainly in North America, with the Italian motorway business having a lesser impact.



EBITDA

During the six months, EBITDA stood at €191.7m, up 6.9% (+9.4% at constant exchange rates) against €179.3m in the first half of 2004 and 5.3% (at constant exchange rates) excluding the effect of the consolidation of Aldeasa. The impact on revenues, which increased from 12.3% to 12.6%, remained stable in North America, but rose in the rest of Europe and in Italy, as the following graph and table show.



(m€)	1st half of 2005	1st half of 2004	Variation Current exchange rates	Variation Constant exchange rates
North America (AGI)	95.4	92.3	3.4%	8.2%
% of revenues	12.8%	12.8%		
Italy	72.3	73.9	-2.1%	-2.1%
% of revenues	15.0%	14.8%		
Other European countries	18.1	17.8	2.2%	2.1%
% of revenues	7.8%	7.5%		
Not allocatable	(1.3)	(4.7)	n.a.	n.a.
Consolidated (excluding Aldeasa)	**184.5**	**179.3**	**2.9%**	**5.3%**
Aldeasa	7.9	n.a.	n.a.	n.a.
% of revenues	13.2%	n.a.		
RAF	(0.7)	n.a.	n.a.	n.a.
Consolidated	**191.7**	**179.3**	**6.9%**	**9.4%**
% of revenues	12.6%	12.3%		

Head office management costs (€9.5m in the first half of 2005, compared with €8m in the same period in 2004) and those costs and income that, while typical and ordinary, are not strictly related to the management of services for customers in the individual areas, have not been allocated to business areas. First-half items that could not be allocated include net income of €7.3m, generated through the partial subleasing of an Italian sales outlet.

Net profit

Net profit, Group share stood at €45m, up 47.4% (+52.1% at constant exchange rates) against €30.5m in the first half of 2004 and 42.3% (at constant exchange rates) excluding Aldeasa. As well as an upswing in operating income of €6.6m, obtained despite the negative effect of the conversion of results in North America, there was also a reduction in net financial expenses of €6.7m, following the reduced impact of the costs of covering exchange rate and interest rate risks.

PRINCIPAL BUSINESS MACRO-AREAS

Key economic data by macro-area is given below, with Aldeasa's contribution shown separately.

	Autogrill Group, Inc.				Europe				Non-Allocatable			Group (like-for-like basis)			
			Variation				Variation							Variation	
(m€)	1st half of 2005	1st half of 2004	at current exchange rates	at exchange rates	1st half of 2005	1st half of 2004	at current exchange rates	at exchange rates	1st half of 2005	1st half of 2004	Var.	1st half of 2005	1st half of 2004	at current exchange rates	at exchange rates
Sales	744.4	718.4	3.6%	8.5%	714.0	734.9	-2.9%	-2.9%				1,458.4	1,453.3	0.3%	2.6%
EBITDA	95.4	92.3	3.4%	8.2%	90.4	91.7	-1.3%	-1.3%	(1.3)	(4.7)	-71.2%	184.5	179.3	2.9%	5.3%
% of revenues	*12.8%*	*12.8%*			*12.7%*	*12.5%*						*12.7%*	*12.3%*		
Amortisation	42.2	38.1	10.7%	15.9%	35.1	32.9	6.7%	6.6%	1.2	2.7	-54.1%	78.5	73.7	6.6%	9.1%
Investments	49.1	49.9	-1.7%	-2.2%	31.3	20.8	50.7%	50.8%	-	0.4		80.4	71.1	13.1%	12.7%

	Group (like-for-like basis)				Aldeasa	Retail Airport Finance	Group total			
			Variation						Variation	
(m€)	1st half of 2005	1st half of 2004	at current exchange rates	at exchange rates	1st half of 2005	1st half of 2005	1st half of 2005	1st half of 2004	at current exchange rates	at exchange rates
Sales	1,458.4	1,453.3	0.3%	2.6%	59.5	-	1,517.9	1.453,3	4.4%	6.8%
Ebitda	184.5	179.3	2.9%	5.3%	7,9	(0.7)	191.7	179,3	6.9%	9.4%
% of revenues	*12.7%*	*12.3%*			*13.2%*	-	*12.6%*	*12,3%*		
Amortisation	78.5	73.7	6.6%	9.1%	1,0	-	79.5	73,7	7.9%	10.4%
Investments	80.4	71.1	13.1%	12.7%	0,8	-	81.2	71,1	14.2%	13.8%

➢ AUTOGRILL GROUP, INC. (North America, Pacific Region, Amsterdam Schiphol Airport - Netherlands)

To eliminate interference from fluctuations in the euro exchange rate, the following figures are in $m.

<u>Revenues</u>

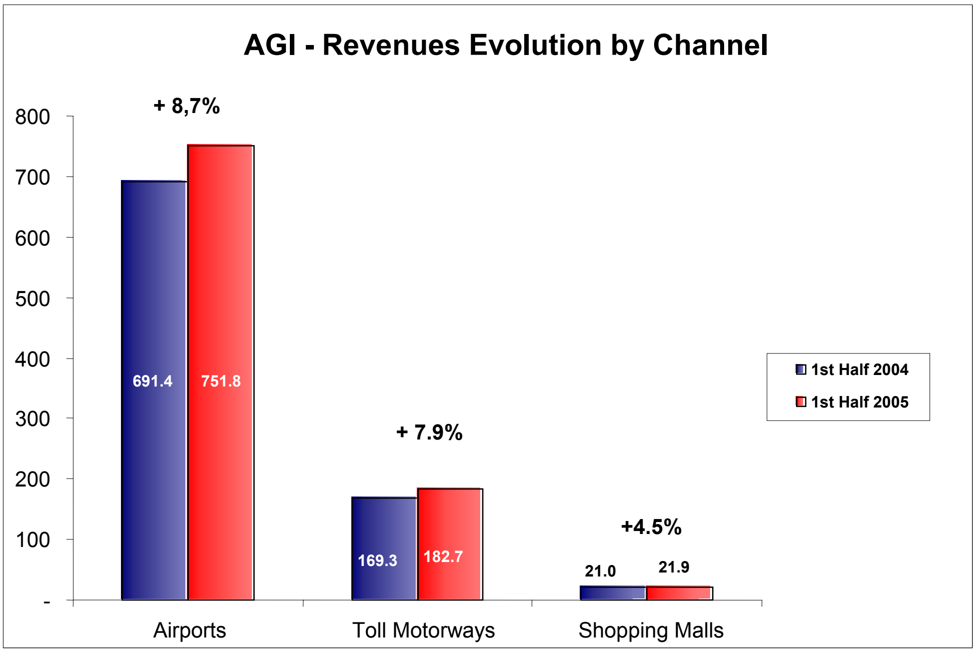
In the first half of 2005, revenues at Autogrill Group, Inc. stood at $956.4m, up 8.5% on the same period in 2004.

In particular, performance in individual channels was as follows:

– *Airports* – revenues stood at $751.8m, up 8.7% on $691.4m in 2004; on a like-for-like basis, i.e. excluding openings, closures and refurbishments, this increase was 11.3%, more than twice the growth in air traffic (source: ATA).

– *Motorways* – sales stood at €182.7m, an increase of 7.9% compared with $169.3m in 2004. This was due to the reopening of refurbished outlets on the New Jersey Turnpike and the increase in springtime traffic volumes on the Florida Turnpike. The trend for the majority of Group motorway outlets was positive.

– *Shopping malls* – revenues stood at $21.9m, up 4.5% compared with $21.0m in 2004 due to higher footfalls in the seven shopping malls in which the Group operates.



EBITDA

EBITDA rose by 8.2% to $122.6m, compared with $113.3m in the same period the previous year, with a 12.8% impact on sales, stable compared with 2004. Productivity also improved, offsetting the increase in the cost of raw materials, only partly reflected in retail prices.

Investments

Investments totalled $59.4m, almost in line with the same period in 2004, with a 6.2% impact on sales (6.9% in 2003). Resources were mainly allocated to the airport business. Refurbishments at Tampa and Las Vegas airports, new outlets at Minneapolis, Seattle and Fort Myers airports, and two new services on the Indiana Turnpike were especially significant.

Business development

With reference to business development, in the first half Autogrill Group, Inc. consolidated its presence in both its core channels.

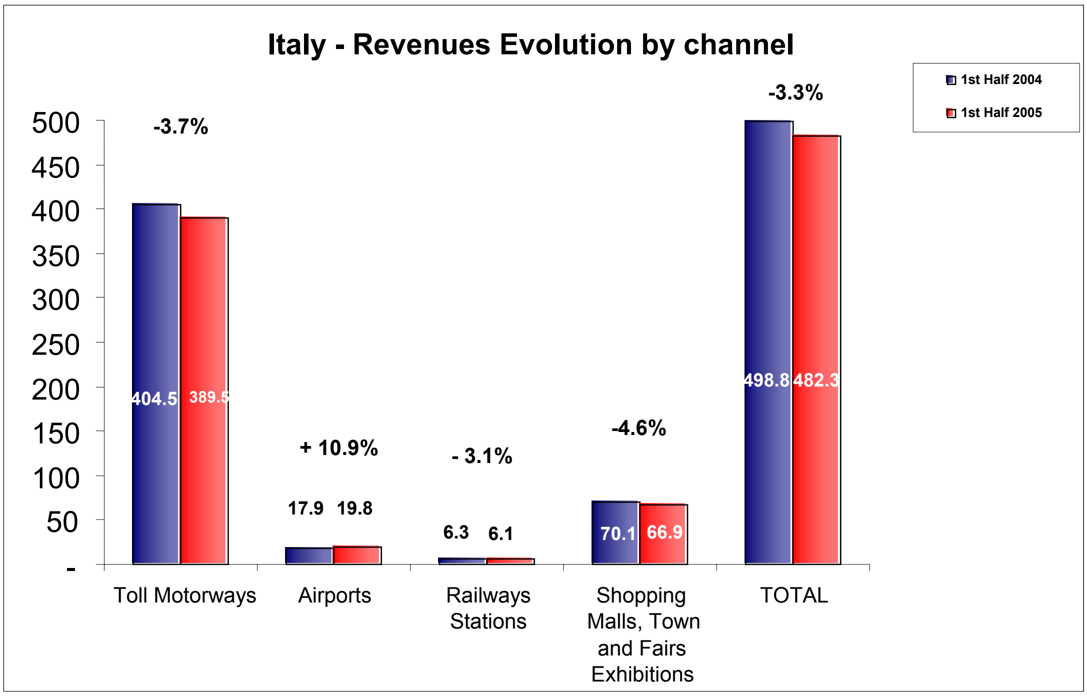
In the airport channel, the company secured contracts to open new concepts at Boston Logan, Dallas F.W., Detroit, Houston, St. Louis and Baltimore airports, while in Malaysia, it boosted its presence at Kuala Lumpur International Airport by acquiring five Ruby Terrace Sdn Bhd outlets, which in 2004 recorded sales of almost $2.5m.

In the motorway channel, the North American subsidiary secured a new concession contract for restaurant and retail services at two services along the US Indiana highway, a continuation of the Ohio Turnpike, where the company is already present.

➢ ITALY

<u>Revenues</u>

In the first half, Autogrill in Italy generated revenues of €482.3m, down 3.3% compared with €498.8m in 2004. This was on account of the reduction in the number of motorway outlets following the renewal of the contracts portfolio.



Individual channels performed as follows:

- *Motorways* – revenues stood at €389.5m, down 3.7% on €404.5m in the same period in 2004 due to the closure of 27 outlets at the end of 2004. Conversely, on a like-for-like basis, a 2% increase was recorded, despite traffic volumes that were slightly down on 2004 (-0.2% at the end of April) (source: AISCAT), work in progress on some motorway sections, adverse weather earlier in the year and an early Easter.
  Food & Beverages (52.5% of sales) showed a 4% decrease (+1.9% on a like-for-like basis), while the Retail sector (44.1% of sales) recorded a 3.6% drop from the previous year (+1.5% on a like-for-like basis).
- *Airports* – revenues stood at €19.8m, up 10.9% compared with €17.9m in 2004, with a 6% rise in passenger traffic at the end of June (source: Assaeroporti).
- *Railway stations* – sales stood at €6.1m, down 3.1% on €6.3m in 2004. This was due to the closure of two outlets at Roma Termini railway station, although the latter half of the period showed signs of recovery.
- *Shopping malls, cities and trade fairs* – revenues stood at €66.9m, down 4.6% compared with €70.1m in the first half of 2004, but stable on a like-for-like basis. There was marginal growth (+1.1%) in shopping malls, with new outlets at Cesano Boscone, Rescaldina, Cortenuova, Tor Vergata and Franciacorta, while the Cities channel saw a 12.2% fall in sales, largely due to the closure of the Duomo Center in Milan.

EBITDA

EBITDA for the period totalled €72.3m, down -2.1% on €73.9m in the first half of 2004, but with a higher impact on sales, which increased from 14.8% to 15%. A more tailored offering and more efficient planning of working hours offset the additional impact of concession fees on new motorway concessions.

Investments

Investments in the first half totalled €20.4m, compared with €10.4m in the same period in 2004 (with the impact on sales rising from 2.1% to 4.2%). The slight increase was linked with the refurbishment of motorway outlets in 2004, expansion in shopping malls – with the aforementioned five new outlets opening – and a new restaurant in the new Fiera – Polo Esterno complex in Milan.

Business development

In the motorway channel, 10 renewal contracts were signed and one new outlet opened on the ASPI and CISA networks.
In the second half, investment in the new Fieristico di Milano centre will be completed, and operations expanded at Turin Caselle airport. Refurbishment work is also planned at 15 motorway services.

➢ OTHER EUROPEAN COUNTRIES

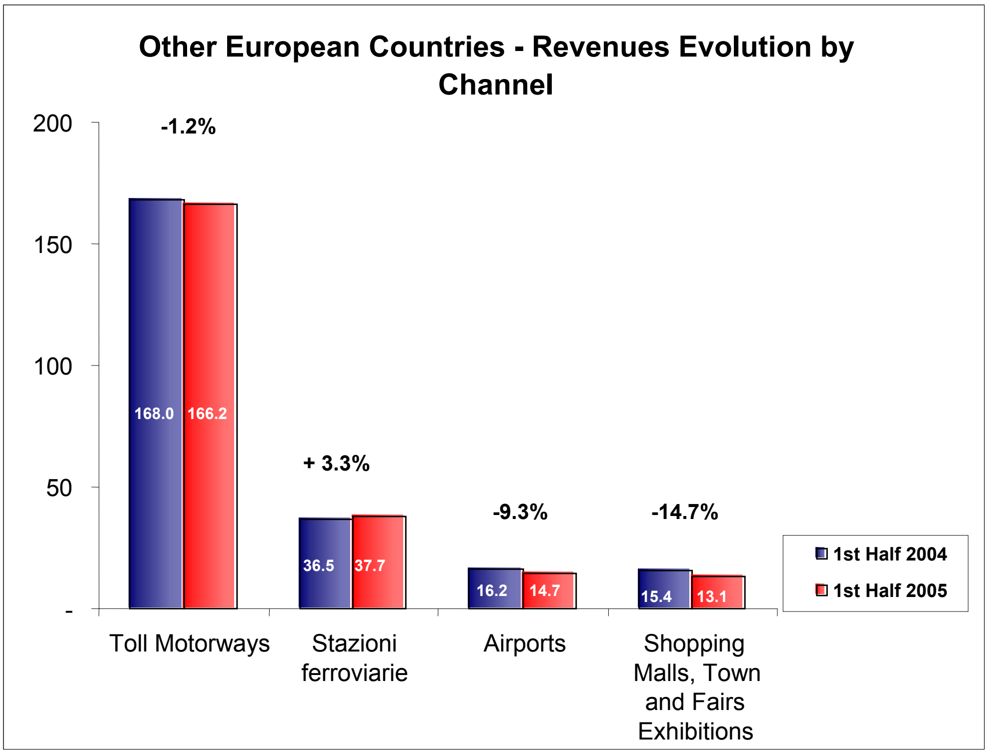
	France			**Switzerland**			**Spain**		
(m€)	**2005**	**2004**	Variation	**2005**	**2004**	Variation	**2005**	**2004**	Variation
Revenues	97.2	94.0	3.4%	48.3	53.9	-10.4%	37.6	37.5	0.4%
EBITDA	7.8	6.5	20.2%	4.1	3.7	12.4%	3.2	3.8	-14.5%
% of revenues	8.1%	6.9%		8.5%	6.8%		8.6%	10.1%	
Amortisation	8.1	7.8	3.7%	2.9	3.5	-15.1%	2.5	2.2	12.4%
Investments	3.4	4.0	-14.5%	3.3	1.0	228.5%	2.8	4.3	-34.0%

	Other countries			Ellisions and unallocated items			**Other European countries**			
(m€)	**2005**	**2004**	Variation	**2005**	**2004**	Variation	**2005**	**2004**	Total variation	Variation at constant r.
Revenues	48.7	50.9	-4.4%	(0.1)	(0.2)	-32.3%	**231.7**	**236.1**	-1.9%	-2.0%
EBITDA	3.2	3.8	-15.9%	(0.2)	(0.0)	n.s.	**18.1**	**17.8**	2.2%	2.1%
% of revenues	6.6%	7.5%					7.8%	7.5%		
Amortisation	3.4	3.4	-0.9%	-	-		**16.9**	**16.9**	0.0%	-0.1%
Investments	1.4	1.1	24.8%	-	-		**10.9**	**10.4**	4.6%	4.8%

Revenues

In the six months to 30 June, revenues in the rest of Europe recorded a 1.9% slide (-2.0% at constant exchange rates). This was largely due to a downturn in revenues in Switzerland, influenced by the sale of non-strategic businesses and a scaling back of the presence at Zurich airport in 2004.

In addition, motorway sales were affected by a widespread fall in traffic due to the increase in fuel prices and greater competition from low-cost airlines and high-speed rail services.



EBITDA

With the fall in revenues, total EBITDA for the area improved both in absolute terms and in percentage terms, closing at €18.1m for the period, compared with €17.8m in 2004.

In the six months, EBITDA/revenues increased from 7.5% the previous year to 7.8%, mainly due to growth in France and Switzerland, where the reduced impact of the cost of raw materials was added to the rationalisation of the business portfolio.

Investments

During the period, investments remained essentially stable at €10.9m, against €10.4m in the first half of 2004, in line with plans to update the sales network.

Business development

In the European airport channel, development continued in Germany with the acquisition of a stake in Steigenberger, the longstanding restaurant operator at Frankfurt airport, and the award, at the start of the second half, of new contracts for restaurant services in Cork (Ireland), Palma (Majorca, Spain) and Vienna (Austria), together with the renewal of the concession at Athens airport (Greece).

France

<u>Revenues</u>

These were up 3.4% at €97.2m, compared with €94.0m in the first half of 2004.

Performance by business channel was as follows:

- *Motorways* – revenues stood at €67.6m, an increase of 2.9% compared with €65.7m in the same period in 2004, benefiting from the increased contribution of SGRR SA, acquired in June 2004. On a like-for-like basis, sales were down slightly by 0.7% due to the effect of rising fuel prices and the simultaneous growth in non-automotive travel (high-speed rail: +3.4%. Source: SNCF. Low-cost airlines: +19%).
- *Railway stations* – revenues stood at €26.4m, slightly up on the €26.3m in 2004 due to strikes in March and construction work at Gare de l'Est in Paris, which began in mid-May. Conversely, trading showed signs of recovery from mid-June onwards.
- *Airports* – in April last year, the Group was awarded a contract for restaurant services at Marseilles airport, where sales of €3.2m were higher than expected, mainly due to the positive impact of the Easter holiday and despite construction work commencing at some outlets at the end of May.

<u>EBITDA</u>

EBITDA stood at €7.8m, compared with €6.5m in the first half of 2004, with an 8.1% impact on sales of (6.9% in 2004). The improvement was due to steps taken to boost operating efficiency.

Switzerland

<u>Revenues</u>

Revenues of CHF 74.7m were recorded, down on the CHF 83.8m in the first half of 2004. This was due to a scaling back of the number of outlets in 2004, with the departure of two non-strategic premises, and the refurbishment of the large motorway outlet in Pratteln. Performance by business channel was as follows:

- *Motorways* – revenues stood at CHF 36.3m, down 2.6% compared with CHF 37.3m the previous year, mainly due to ongoing refurbishment work at Pratteln and dwindling motorway traffic.
- *Airports* – turnover was down from CHF 19.5m in 2004 to CHF 14.5m in 2005 (-25.7%), mainly due to the decrease in passenger traffic and the downsizing of Autogrill's presence at Zurich airport. Conversely, performance in Geneva was extremely positive (from CHF 0.7m to CHF 1.0m).
- *Railway stations* – revenues stood at CHF 8.2m, up 1.2% compared with CHF 8.1m in the first half of 2004. This was due to improved performance at Cornavin (+7.9%) and Berne (+3.9%), where some premises were refurbished.
- *Shopping malls, cities and retail park*s – sales were down from CHF 18.9m to CHF 15.7m (-17.0%) due to the general downturn in consumption and the departure from two outlets in the retail park channel (-CHF 2.4m).

<u>EBITDA</u>

Higher productivity and rationalisation of the contracts portfolio led to a significant increase in EBITDA, which rose from CHF 5.7m in the first half of 2004 to CHF 6.3m in 2005 (from a 6.8% to an 8.5% impact on sales).

Spain

<u>Revenues</u>

In Spain, revenues stood at €37.6m, slightly up on the €37.5m in the first half of 2004 (+0.4%). Performance by business channel was as follows:

- *Motorways* – sales totalled €31.6m, compared with €32.6m in the first half of 2004 (-3.1%). This was due to delays in the refurbishment of some outlets and the fall in traffic, especially buses.
- *Railway stations* – revenues came in at €5.2m, up 20.5% compared with €4.3m in the first half of 2004. This was due to the positive performance of outlets in railway stations on the high-speed Madrid-Llerida line, and to outlets at Madrid Atocha station that were refurbished in 2004.
- *Airports* – at Santander airport, sales totalled €0.4m, more than twice the €0.2m the previous year due to the growth in low-cost passenger routes.
- *Shopping malls* – sales rose by 9.7% compared with the previous year to stand at €0.4m.

EBITDA

EBITDA stood at €3.2m compared with 2004, with an 8.6% impact on sales (10.1% in 2004). This was caused by a fall in revenue in the motorway channel and some one-off expenditure. Conversely, railway stations turned in a positive performance, the growth in revenues making a significant contribution towards EBITDA.

Other Countries

Revenues

In Other Countries, sales stood at €48.7m, up 4.4% compared with €50.9m in the same period in 2004. Performance was as follows:

- *Motorways* – sales were hit by construction work in Belgium (-3.3%) and Austria (-7.7%), and by the reduction in traffic (Netherlands -5% and Greece -3.6%).
- *Other channels* – revenues grew at Athens International Airport (+1.4%) and at railway stations in Belgium (+14.4%); for shopping malls in Luxembourg, revenues were stable at €2.6m.

EBITDA

EBITDA stood at €3.2m, down €0.6m compared with €3.8m in the first half of 2004. This was particularly affected by the fall in revenues, only partly offset by growth in Belgium (€1.2m, compared with €0.5m in the same period the previous year) resulting from measures to control personnel costs and operating expenses.

2.2. ACQUISITIONS AND BUSINESS DEVELOPMENT

ALDEASA S.A.

In the first half of 2005, Autogrill acquired, jointly with Altadis, Aldeasa S.A., a Spanish company listed on the Madrid Stock Exchange and operating in the airport retail sector in Spain, Portugal, Jordan and in various Latin American countries.

The business

Aldeasa is mainly involved in managing “duty free” and “duty paid” outlets at airports in Spain, Portugal, Jordan and in various Latin American countries.

It essentially operates on a concession basis, with contracts of varying durations, most of them due to expire between 2006 and 2012.

In 2004, Aldeasa generated revenues of €630m, 86% of them in Spain, through the management of 178 stores (132 of them in Spain).

The main product categories are perfumes, tobacco products, clothing and electronic goods.

Takeover bid

On 28 January 2005, Retail Airport Finance S.L. (“RAF”), a Spanish company 50% owned by Autogrill S.p.A, made a takeover bid for 100% of Aldeasa. The remaining 50% of RAF’s share capital is held by Altadis S.A., a former majority shareholder of Aldeasa and a major player in Spain.

The bidding period ended on 14 April 2005 and on 18 April CNMV confirmed the outcome. The price per share offered was €36.57, reflecting the company’s €768m capitalisation. With 12,874,319 shares subscribed, or 61.31% of Aldeasa’s entire share capital, and a contribution from Altadis, RAF secured possession of 95.89% of Aldeasa.

Autogrill Group invested €375m through Autogrill Espana and RAF. Of this, €368.2m consisted of a (50%) contribution towards shares bought by RAF, and €6.8m consisted of Autogrill’s share of additional costs incurred by RAF and by Autogrill Espana.

The takeover was finalised on 21 April 2005.

Financial coverage

The takeover was completely debt-financed. For the Group, the increase in net financial debt amounted to €343.8m, comprised of the purchase price (€375m) and the net financial assets of Aldeasa on the acquisition date (€31.2m). Autogrill raised the necessary finance for the operation partly by drawing on previously unused short and medium-term credit and partly by arranging a new €500m line of credit.

First half results

In the first half, Aldeasa reported consolidated revenues of €300.6m, up 5.2% on €285.6m in 2004. Particularly significant is the 21% growth in the international business, which closed the period with sales of €46.8m, compared with €38.7m in 2004. Meanwhile in Spain, 3.7% growth to €229m was recorded, against €220.9m the previous year. EBITDA stood at €33m, up 24.5% on €26.5m in 2004, with a 9.3% impact on sales (11% in 2003).

(m€)	1st half of 2005	1st half of 2004	Variation
Airports	**285.6**	**270.4**	**5.6%**
-Spanish Airports	229.0	220.9	3.7%
-Non-Spanish Airports	46.8	38.7	21%
-Others	9.8	10.8	-9.3%
Palaces and Museums	**15.0**	**15.2**	**-1.3%**
TOTAL	**300.6**	**285.6**	**5.2%**

Consolidation

Aldeasa has been proportionally consolidated since 1 May.

It thus contributed to Autogrill's consolidated results for the first half, with revenues of €59.5m, equivalent to 3.9% of the total, and with net income, Group share of €2.9m, less RAF costs.

STEIGENBERGER GASTRONOMIE G.m.b.H.

On 16 March 2005, Autogrill bought 49.99% of Steigenberger Gastronomie G.m.b.H.

The business

Steigenberger is one of the leading restaurant operators at Frankfurt airport, where, with around 20 outlets, it generated sales of €9.4m in 2004. It operates based on concession contracts of varying lengths, the longest of them expiring in 2015.

The agreement

The agreement, signed with Steigenberger Hotels AG, the leading German hotel operator, includes a call on the remaining 50.01% to be exercised by Autogrill between 1 January 2007 and 31 December 2009. Management of the business was immediately transferred to Autogrill.

Autogrill paid €2.75m for the shareholding, liable to increase by a further €1.25m when certain concessions are renewed. After the half-year closing, €300,000 matured and was immediately liquidated. Similar terms and conditions will apply if the call is exercised for the majority share, at a price of between €5.5 and €8m for 100% of the capital of Steigenberger Gastronomie G.m.b.H.

Consolidation

During the first half, Autogrill's stake in Steigenberger Gastronomie was accounted for using the net equity method.

First half results

In the first half, Steigenberger reported revenues of €5.4m, a 20.9% increase on the previous year.

BUSINESS DEVELOPMENT

In the first half, HMSHost Corp. was awarded:

- a new concession contract for restaurant and retail services at two services, Henry Schricker and George Craig, on the Indiana highway.
  The contract, awarded by the Indiana Department of Transportation, took effect in February and, during the period 2005-2015, is expected to generate aggregate sales of more than $60m.
- the management of five outlets at Baltimore-Washington International Airport (BWI), with contracts varying in length from five to 10 years. The operation, which forms part of a major airport expansion and upgrade programme for which $1.8 billion has already been ringfenced, is expected to generate aggregate sales of more than $60m.

HMSHost Corp. also secured the management of five restaurant units at Kuala Lumpur airport, which in 2004 generated revenues of $2.5m.

Since 30 June, plans to take over restaurant operations at European airports in collaboration with or directly by HMSHost Europe, the Group's European airport division, have come to fruition:

- at San Joan International Airport in Palma (Majorca, Spain), expected to generate aggregate sales of around €8m in the period 2006-2015;
- at Vienna International Airport (VIA) (Austria), expected to generate aggregate sales of around €5m by September 2008, when the tender for airport refurbishment is due;
- the extension of the concession period for restaurant services for a further five years at Athens International Airport (AIA) (Greece). The operation concerns five outlets (Acafè, Kafenio, Blue Island Cafè, Flight Time Cafè and Illy), which between 2006 and 2010 are expected to generate aggregate sales of around €20m;
- at Cork International Airport (Ireland), where sales of more than €100m are forecast during the 10-year concession period.

2.3. Investments

Technical investments totalled €81.2m, up 14.2% (+13.8% at constant exchange rates) on €71.1m in the first half of 2004. The most significant increase relates to the creation of restaurant areas at Fiera Milano and the opening of five new shopping malls, also in Italy, posted under “Other channels”.

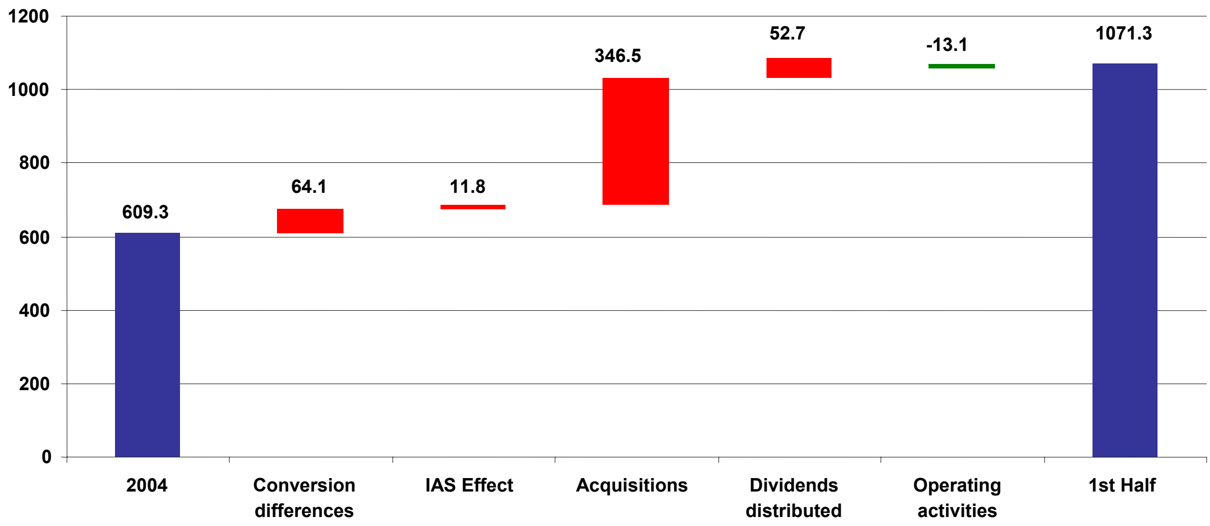
(m€)	1st half of 2005						1° semestre	
Channel	Like-for-like basis		Aldeasa		Total			
Airports	43.8	54.5%	0.8	100%	44.6	54.9%	44.8	63.0%
Motorway	22.3	27.8%	0.0	0%	22.3	27.5%	21.1	29.7%
Railway stations	0.5	0.6%	0.0	0%	0.5	0.6%	1.4	2.0%
Other	11.0	13.6%	0.0	0%	11.0	13.5%	1.2	1.7%
Non-allocatable	2.8	3.5%	0.0	0%	2.8	3.5%	2.6	3.6%
Total	**80.4**	**100.0%**	**0.8**	**100.0%**	**81.2**	**100.0%**	**71.1**	**100.0%**

(m€)	1st half of 2005						1st half of 2004	
Purpose	Like-for-like basis		Aldeasa		Total			
Development /	70.6	87.8%	0.8	100.0%	71.4	87.9%	59.8	84.2%
Maintenance	7.5	9.4%	0.0	0.0%	7.5	9.3%	8.7	12.2%
I.C.T	2.3	2.8%	0.0	0.0%	2.3	2.8%	2.6	3.6%
Total	**80.4**	**100.0%**	**0.8**	**100.0%**	**81.2**	**100.0%**	**71.1**	**100.0%**

Other key development investments completed during the period concern airport outlets at Minneapolis, Seattle and Fort Myers (USA), and motorway outlets on the Indiana Turnpike (USA) and in Pratteln (Switzerland), Adige, Bugnato, Lucignano and Rho (Italy).

2.4. NET DEBT AND CASH FLOWS

During the period, net debt rose from €609.3m to €1071.3m, a total increase of €462m. This was partly due to the effect of the conversion of foreign currency items (in US dollars and Swiss francs) totalling €64.1m, and the recognition of liabilities of €11.8m following the transition to IAS/IFRS.
The acquisition of Aldeasa and Steigenberger respectively generated additional debts of €343.8m and €2.7m, excluding the financial assets of the former, while the distribution of dividends by the Parent Company gave rise to a disbursement of €50.9.
Excluding these items, income from operations totalled €88.7m, compared with €35.8m in the first half of 2004, while investments absorbed €75.6m, compared with €69.5m during the same period the previous year.



	1st half of 2005	1st half of 2004
Initial net financial debt	**(609.3)**	**(800.2)**
Conversion differences	(64.1)	(24.7)
Effect of the adoption of IAS 32 and 39	(11.8)	-
Homogenous net financial debt	**(685.2)**	**(824.9)**
Flow from operating activities	88.7	35.8
Flow from investment activities	(75.6)	(69.5)
Flow from ordinary business	**13.1**	**(33.7)**
Acquisitions		
of consolidated companies (1)		
- price and associated charges	(375.0)	(4.4)
- cash at acquisition date	36.0	-
- debts at acquisition date	(4.8)	(2.0)
of associated companies (2)	(2.7)	-
Dividends distributed		
-to shareholders of Autogrill Spa	(50.9)	-
-to minority shareholders	(1.8)	(2.8)
Net financial debt 30/06/2005	**(1,071.3)**	**(867.8)**

(1) Aldeasa in 2005; SGRR in 2004
(2) Steigenberger Gastronomie

The increase in net financial debt was initially covered by short-term credit, although at the end of June a 10-year €200m term loan, repayable in a single instalment at maturity, and a seven-year €300m revolving facility, were negotiated. Apart from consolidating coverage of the Aldeasa purchase, the total average borrowing term was thus increased from around four to six years, with sufficient margin maintained through unused committed lines.

2.5 EVENTS AFTER THE HALF-YEAR CLOSING

Since 30 June, agreements have been finalised for new outlets in airports in Cork (Ireland), Palma (Majorca, Spain) and Vienna (Austria), and for the renewal of concessions at Athens airport, as explained in more detail on page 24. With these contracts, Autogrill, the world's leading airport food services operator, mainly through HMSHost Corp. – present in more than 90 airports, mainly in North America – is extending its presence in Europe to 16 airports in eight countries.

On 11 July 2005, Aldeasa asked CNMV (Comisión Nacional del Mercado de Valores) to be delisted, promising to buy, at the price offered by RAF (€36.57 per share), its remaining shares in circulation (equivalent to 4.11% of the share capital). At 21 September 2005, Aldeasa had acquired 2.3% of this capital.

2.6 MANAGEMENT OUTLOOK

Historically, revenues for the second half are 15-20% higher than those of the first half due to the seasonal nature of flows.

At the end of the 36th week (including July, August and the first few days of September), consolidated sales recorded a 7.7% rise (+9.5% at constant exchange rates), or 1.7% excluding Aldeasa, compared with the same period in 2004, with significant growth witnessed in the airport channel and in North America.

The Group thus plans to outperform 2004 in terms of cash flow and net income for the year, despite the negative impact of external factors, not least of all the sharp rise in oil prices and natural disasters.

2.7 OTHER INFORMATION

Dividend payments

The Shareholders' Meeting of 27 April 2005 resolved to distribute €50.9m in dividends at a nominal €0.20 per share.

Own shares

At 30 June 2005, neither the Parent Company nor other consolidated companies held own shares or shares in the Parent Company, nor did they buy or sell such shares in the first half of 2005.

Operations with related parties

Operations with the Parent Company, Edizione Holding S.p.A. at 30 June 2005 can be summarised as follows:

Edizione Holding S.p.A.	
(K€)	1st half of 2005
Profit & Loss Account	
Charges for services	34
Balance Sheet	
Trade payables	60
Other payables	7,040

"Charges for services" relate to participation in an insurance scheme that covers the entire Group.

"Trade payables" mainly relate to the fee of the Managing Director, an office held by one of the company's directors.

"Other payables" relate to the corporation tax liability (IRES) at 30 June 2005, excluding tax credits at 31 December 2004.

Edizione Holding has duly announced that, in accordance with the regulations, Autogrill Spa owes nothing for the first IRES 2005 payment on account.

Payables are current.

Operations with other companies controlled by Edizione Holding S.p.A. can be summarised as follows:

	1st half of 2005			
(K€)	**Bencom S.r.l.**	**Verde Sport**	**Fabrica S.p.a.**	**Benetton Group S.p.a.**
Profit & Loss Account:				
Revenue from sales and services	-	33	-	-
Other income	2,863	1	-	-
Charges for provision of services	-	28	27	-
Charges for enjoyment of third party property	-	-	-	20
Balance Sheet:				
Trade Payables	-	33	102	19
Trade Receivables	1,194	18	-	-

In particular:

- a subleasing agreement was signed with Bencom S.r.l. concerning a portion of the building in Via Dante, Milan. Under this agreement, Bencom S.r.l. paid a total of €2,800,000 for the sublease agreement and as a lump-sum contribution towards the costs incurred by Autogrill for the refurbishment of the leased premises. "Other income" includes, in addition to this amount, the advance rental payment and ancillary costs. The receivable relates to the share of the contribution towards charges spread over 12 annual instalments, which Autogrill must repay in case of cancellation of the subleasing contract;
- Verde Sport SpA has renewed the business affiliation contract for management of the Spizzico outlet at La Ghirada – Città dello Sport.

In 2004, the Autogrill S.p.A. promotional contract was finalised. This contract, which is effective from 1 September 2004 until 31 August 2006, makes provision for an annual payment of €55,000. The amounts posted under Fees and Payables relate to the instalment due for the period.

***

Operations with Autostrade Group and with Grandi Stazioni SpA during the first half of 2005 and figures as at 30 June 2005 are summarised below.

	Autostrade Group	Grandi Stazioni S.p.A.
(K€)	1st half of 2005	
Profit & Loss Account:		
Revenue from sales and services	9	-
Other income	237	-
Charges for the provision of services	1,308	-
Charges for the enjoyment of third party property	17,007	585
Balance Sheet:		
Trade Payables	2,930	56
Trade Receivables	776	-

With reference to Autostrade Group, “Other income” relates to discounts on the distribution of Viacard passes, while the costs relate to concession fees and related expenses.

Costs and trade payables for Grandi Stazioni SpA relate to the lease contract signed in December 2004 for new rented premises at Rome Termini railway station.

Receivables and payables are current.

3. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 CONSOLIDATED BALANCE SHEET

Notes	(k€)	30.06.2005	31.12.2004	Variation	30.06.2004
IV	Cash and other available funds	180,219	256,531	(76,312)	230,476
IV	Financial assets	183,228	12,843	170,385	11,990
II	Other	94,019	85,576	8,443	96,434
II	Trade receivables	53,553	44,382	9,171	45,402
II	Stocks	129,826	87,299	42,527	83,966
	Total current assets	**640,845**	**486,631**	**154,214**	**468,268**
I	Tangible fixed assets	773,882	676,189	97,693	723,385
I	Goodwill	1,040,948	685,642	355,306	745,533
I	Other intangible fixed assets	54,545	55,891	(1,346)	46,934
	Shareholdings	6,706	2,009	4,697	3,105
	Other financial assets	17,448	16,971	477	19,225
III	Tax paid in	109,615	99,136	10,479	148,669
	Other receivables	10,115	12,845	(2,730)	8,468
	Total non-current assets	**2,013,259**	**1,548,683**	**464,576**	**1,695,319**
	TOTAL ASSETS	**2,654,104**	**2,035,314**	**618,790**	**2,163,587**
II	Trade payables	375,867	416,219	(40,352)	338,939
II	Other	230,450	181,725	48,725	200,013
IV	Bank payables	108,682	157,406	(48,724)	351,251
IV	Other financial liabilities, current share	41,227	25,976	15,251	28,474
	Total current liabilities	**756,226**	**781,326**	**(25,100)**	**918,677**
	Other	17,963	13,486	4,477	16,271
IV	Financial payables net of current share	941,807	385,405	556,402	388,477
IV	Debts	343,028	309,907	33,121	342,018
III	Deferred taxes	29,333	24,986	4,347	25,231
III	Severance pay and other staff-related	107,163	106,496	667	104,081
III	Provisions for risks and charges	74,635	40,904	33,731	49,288
	Total non-current liabilities	**1,513,929**	**881,184**	**632,745**	**925,366**
	TOTAL LIABILITIES	**2,270,155**	**1,662,510**	**607,645**	**1,844,043**
	NET EQUITY	**383,949**	**372,804**	**11,145**	**319,544**
	- of the Group	353,501	350,502	2,999	296,862
V	- of minority shareholders	30,448	22,302	8,146	22,682
	TOTAL LIABILITIES AND NET EQUITY	**2,654,104**	**2,035,314**	**618,790**	**2,163,587**

3.2 Consolidated Profit and Loss Account

Notes	(k€)	1st half of 2005	1st half of 2004	Variation	Fin. year 2004
VI	Revenues	1,549,699	1,482,265	67,434	3,245,611
VII	Other operating income	42,406	37,873	4,533	96,474
	Total operating revenues and other income	**1,592,105**	**1,520,138**	**71,967**	**3,342,085**
VIII	Cost of raw and subsidiary materials and goods	540,025	510,351	29,674	1,128,388
IX	Staff costs	459,727	453,084	6,643	954,412
X	Cost of rent and trademark licences	222,166	202,237	19,929	442,144
XI	Other operating costs	178,485	182,539	(4,054)	377,185
XII	Amortisation	79,545	73,700	5,845	167,959
	Write-downs due to loss of value of tangible and intangible assets	-	-	-	18,384
	Trading Result	**112,157**	**98,227**	**13,930**	**253,613**
XIII	Financial income	8,368	3,771	4,597	12,822
XIV	Financial charges	(29.976)	(32,054)	2,078	(79,541)
	Financial asset value adjustments	1.002	299	703	1,119
	Profit before tax	**91,551**	**70,243**	**21,308**	**188,013**
XV	Income tax	(43,269)	(36,007)	(7,262)	(87,656)
	NET TRADING RESULT	**48,282**	**34,236**	**14,046**	**100,357**
	- for the Group	44,969	30,549	14,420	93,244
	- for minority shareholders	3,313	3,687	(374)	7,113
	Profit per share				
	non-diluted	0.177	0.120		0.367
	diluted	0.175	0.119		0.363

3.3 ANALYSIS OF CHANGES IN GROUP CONSOLIDATED EQUITY

(k€)	Share capital	Legal reserve	Reserve from valuation of derivative hedging instruments	Conversion reserve	Other reserves and undivided profits	Profit for the period	Net Group equity
31.12.2004	**132,288**	**2,387**	**-**	**(10,307)**	**132,891**	**93,244**	**350,502**
Effect of the application of IAS 32 and 39 as at1.1.2005	-	-	(15,130)	-	6,481	-	(8,649)
Allocation of profit for 2004:							
- to reserves	-	3,858	-	-	38,506	(42,364)	-
- dividends	-	-	-	-	-	(50,880)	(50,880)
Conversion differences and other movements	-	-	-	16,318	-	-	16,318
Variation in the fair value of derivative hedging instruments	-	-	1,762	-	(582)	-	1,180
Variation in the fair value of the option to convert Autogrill Finance SA convertible bonds into Autogrill SPA shares 1999-2014	-	-	-	-	61	-	61
Profit for the period	-	-	-	-	-	44,969	44,969
30.06.2005	**132,288**	**6,245**	**(13,369)**	**6,011**	**177,357**	**44,969**	**353,501**

3.4 CONSOLIDATED CASH FLOW STATEMENT

Fin. year 2004	(m€)	1st half of 2005	1st half of 2004
106.9	**Cash and other initial net available funds**	**253.2**	**106.9**
	Financial year assets		
249.6	Trading result before tax and net financial charges for the period (including third party share	113.2	98.6
187.2	Amortisation and write-downs of fixed assets, net of write-ups	79.5	73.7
(1.1)	Value adjustments and (capital gains)/capital losses on realisation of financial assets	(1.0)	(0.3)
(2.0)	(Capital gains)/capital losses on realisation of fixed assets	(1.5)	(0.4)
10.5	Variation in working capital [1]	(52.2)	(71.7)
(0.5)	Net variation in non-current non-financial assets and liabilities	7.7	6.0
443.7	**Cash flow from operating activities**	**145.7**	**105.9**
(74.9)	Tax paid	(29.8)	(34.8)
(57.5)	Interest paid	(27.2)	(35.3)
311.3	**Net cash flow from operating activities**	**88.7**	**35.8**
	Investment activities		
(153.6)	- technical investments	(81.2)	(71.1)
2.3	- cost price of fixed assets sold	4.4	3.0
(4.5)	- purchase of consolidated shareholdings, net of available funds acquired [2]	(339.0)	(4.5)
2.6	- net variation of financial fixed assets [3]	(1.5)	(1.4)
(153.2)	**Cash flow from investment activities**	**(417.3)**	**(74.0)**
	Activities of		
(344.2)	Issuing (repaying) bonds	-	(344.2)
362.0	Taking out medium to long term loans	550.0	361.1
(0.6)	(Repaying)/Taking out shares of medium to long term loans	(45.3)	(5.0)
(19.2)	(Repaying)/ Taking out short term loans, net of	(241.7)	102.2
	Payment of dividends	(50.9)	
(4.7)	Other movements	(1.8)	(2.8)
(6.7)	**Cash flow from financing activities**	**210.3**	**111.3**
151.4	**Cash flow for the period**	**(118.3)**	**73.1**
(5.1)	Exchange differences on net available funds	20.1	3.0
253.2	**Cash and other final net available funds**	**155.0**	**183.0**

[1] also includes the conversion difference of income components

[2] refers to Aldeasa; excludes debts for loans on the acquisition date, equal to 4,8 m€ for the share of Autogrill

[3] includes the price for the purchase of the shareholding in Steigenberger Gastronomie Gmbh of 2.7 m€

Reconciliation of cash and other available funds

Fin. year 2004	(m€)	1st half of 2005	1st half of 2004
106.9	**Cash and other initial net available funds:**	**253.2**	**106.9**
142.5	Cash and other cash equivalents	256.5	142.5
(35.6)	Current account overdrafts	(3.3)	(35.6)
253.2	**Cash and other final net available funds:**	**155.0**	**183.0**
256.5	Cash and other cash equivalents	180.2	230.5
(3.3)	Current account overdrafts	(25.2)	(47.5)

3.5 NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005

3.5.1 KEY ACCOUNTING PRINCIPLES AND CONSOLIDATION CRITERIA

General principles

The consolidated financial statements were drawn up in accordance with the IAS/IFRS international accounting principles issued by the IASB, as approved by the European Union. "IAS/IFRS" means the International Financial Reporting Standards and International Accounting Standards, as interpreted by the IFRIC (formerly the SIC).

In particular, IAS 34 was applied to the preparation of this interim report.

The financial statements were drawn up based on the historical cost principle, except for revaluations of some financial instruments. The main accounting principles adopted are given below.

Compared with the information previously published, sales figures for 1 September 2004 have been adjusted to ensure consistency in the reporting of contracts compared with 30 June 2005. This is explained in more detail on page 54.

Principles and scope of consolidation

The scope of consolidation includes subsidiaries (where, in accordance with IAS 27, control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities), associates (where the company has significant influence in accordance with IAS 28) and joint ventures (or an economic activity which is subject to joint control in accordance with IAS 31).

In particular, the consolidated financial statements include the interim report as at 30 June 2005 of Autogrill S.p.A. and all companies in which the Parent Company directly or indirectly holds majority voting rights, or in which it exerts a dominant influence. The latter include: Soborest S.A., Sorebo S.A., Soberest S.A., Volcarest S.A. and S.R.S.R.A. SA, controlled by virtue of a 50% shareholding and a contract that gives the Group control over management of the business.

Joint ventures concern RAF (which controls Aldeasa Group) and Steigenberger Gastronomie GmbH. The former was proportionally consolidated with effect from 1 May 2005. The latter was accounted for using the equity method, in view of the difficulties in obtaining a report in accordance with Group principles and given its relative insignificance.

HMSHost Corp. and its subsidiaries end their financial year on the Friday closest to 31 December. Their financial year is divided into 13 four-week periods, which are then broken down into 12-week "trimesters", except for the last, which has 16. The various accounts included in the consolidated financial statements shown here therefore relate to the period from 1 January – 14 June 2005, while the comparative financial statements relate to the period from 2 January – 18 June 2004.

The companies included within the scope of consolidation are listed on page 75.

Interim accounts consolidated at the end of the period are prepared by the relevant executive bodies. The trading figures of subsidiaries acquired or sold during the six months are entered in the consolidated profit and loss account from the actual acquisition date until the actual disposal date. If necessary, adjustments are made to the accounts of subsidiaries to bring the accounting principles used into line with those adopted by the Group.

The financial statements of subsidiaries were consolidated according to the full consolidation method, assuming the entire amount of assets, liabilities, costs and revenues of the individual companies, excluding shareholdings held and eliminating the book value of consolidated shareholdings held by the Company in view of the corresponding equity.

Minority interests in the net assets of consolidated subsidiaries are reported separately from the Group's equity. These will be determined based on the percentage interest held in the fair value of assets and liabilities recognised on the original acquisition date (see below) and changes in equity after this date.

Unrealised gains and losses arising from operations between consolidated companies are eliminated, provided they are significant, as are all other significant items that generate payables or receivables, costs or income between Group companies. These adjustments, like other consolidation adjustments, take account of the corresponding deferred taxation effect, where applicable.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The acquisition cost is determined by adding together present values at the transaction date, the assets contributed, the liabilities incurred or assumed, and the financial instruments issued by the Group in exchange for control of the company, plus the costs directly associated with the combination.

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition stipulated in IFRS 3 are recognised at their present value on the acquisition date.

Goodwill arising from the acquisition is recognised as an asset and carried initially at cost, represented by the surplus acquisition cost over the Group's share in the identifiable assets, liabilities and contingent liabilities recognised.

Minority interests in the acquisition are initially measured based on the present value of the assets, liabilities and contingent liabilities recognised.

Minority shareholdings and shareholdings in inactive or low-value subsidiaries are carried at cost.

Equity investments in associates

An associate is a company in which the Group has significant influence, but has neither sole nor joint control, by taking part in decisions regarding the company's financial and operating strategy.

Trading results and the assets and liabilities of associates are accounted for in the consolidated financial statements by the equity method, except where they are classified as held for sale (see below).

According to this method, equity interests in associates are recorded in the balance sheet at cost, adjusted to take account of changes following the acquisition of the net assets of associates, excluding any loss in value of individual investments.

The surplus acquisition cost over the Group's percentage share of the present value of the identifiable assets, liabilities and contingent liabilities of the associate on the acquisition date is recognised as goodwill. Goodwill is included in the book value of the investment and is subject to an impairment test.

Equity investments in joint ventures

Separate entities established based on agreements that assign equal powers of control to each member are classed as joint ventures. The Group recognises joint ventures using the equity or proportional consolidation methods. In the latter case, the Group's percentage share of the assets, liabilities, costs and income of joint ventures is integrated line-by-line with the equivalent headings in the consolidated financial statements.

With reference to operations between a Group company and a joint venture, unrealised gains and losses are eliminated according to the Group's percentage interest in the joint venture, except for cases where the unrealised losses constitute evidence of a loss in value of the asset transferred.

Recognition of costs and revenues

Sales and purchases of goods are recognised when title is transferred. Interest earned and paid is recorded on an accrual basis. Dividends are recognised when the shareholder's right to a dividend payment is established.

Chargebacks of costs incurred on behalf of third parties are recognised less the cost to which they relate.

Employee benefits

All employee benefits are recognised and reflected in the financial statements in accordance with the relevant principles.

Severance indemnity owed to employees when their employment ceases is treated, for IAS/IFRS purposes, as a post-employment benefit in the context of defined benefit plans.

Based on these principles, the amount due must be forecast to estimate the liability when employment ceases. This amount is then discounted using the projected unit credit method to take account of the time that will elapse before actual payment.

The Group constantly monitors changes in the severance indemnity liability, calculated in accordance with these principles and at the same time calculates the amount due to employees under Article 2120 of the Civil Code.

In view of the random nature of estimates linked with changes in salaries and headcount, and the minor difference between the liability calculated according to the two methods, and taking account of the absence of firm guidelines from national bodies and imminent changes in the law, when the financial statements and interim reports are prepared, the Group establishes severance indemnity provisions to cover the legal liability accrued at the end of the period in accordance with Article 2120 of the Italian Civil Code, and reclassifies the revaluation of the legal liability as a financial expense.

Tax

Tax for the period represents total current and deferred taxes.

Current taxes are based on taxable income for the period. Taxable income differs from the earnings posted in the profit and loss account since it excludes positive and negative components that will be taxable or tax-deductible in other financial years and excludes items that will never be taxable or tax-deductible. The current tax liability is calculated using the applicable rates on the balance sheet date or interim report date. From the 2004 fiscal year, Autogrill S.p.A., together with its wholly-owned Italian subsidiaries Autogrill International S.r.l., Nuova Sidap S.r.l. and Nuova Estral S.r.l., joined the scope of consolidation of Edizione Holding S.p.A., pursuant to Legislative Decree No 344 of 12 December 2003, for the three-year period 2004-2006. The agreement signed by the parties makes provision for the total recognition of the amount corresponding to the multiplication of the IRES rate by the gains or losses transferred, in addition to the transfer of any tax credits. The net IRES credit or liability for the period is therefore allocated to Edizione Holding S.p.A.

Deferred tax liabilities are generally recognised for all taxable timing differences, while deferred tax assets are recognised to the extent that it is probable that there will be taxable earnings in future that allow tax-deductible timing differences to be applied. In particular, the book value of deferred tax assets is revised on each reference date and reduced to the extent that the existence of sufficient taxable earnings enabling these assets to be recovered wholly or in part is no longer probable.

Deferred tax assets and liabilities are not recognised if the timing differences arise from goodwill or from the initial recognition (not due to business combinations) of other assets or liabilities and operations that have no influence on either the accounting result or on taxable income. Furthermore, deferred tax liabilities are recognised on the taxable timing differences relating to shareholdings in subsidiaries, associates and joint ventures, except in cases where the Group is able to control the cancellation of these timing differences and it is probable that these will not cancel each other out in the foreseeable future.

Deferred taxes are calculated based on the tax rate expected to be in effect when the asset is realised or the liability extinguished.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities, when these relate to taxes due to the same tax authority and when the Group intends to liquidate current tax assets and liabilities on a net basis.

Non-current assets

Intangible assets

These are recognised at historical cost or net price, including ancillary costs, and are depreciated according to their future useful lifetime. If there is any loss in value, the asset is written down accordingly; if, in subsequent years, the assumptions for the write-down cease to exist, the asset will be restated at its original value, adjusted by depreciation not applied due to the write-down.

The depreciation periods adopted for the various intangible assets are indicated below:

Licences and similar royalties	3 years for software application licences Duration of the licence for the costs of authorising the resale of monopolies
Other:	
Business software applications	3 years
Other expenses to be depreciated	5 years, or duration of the underlying contracts

The Group revises the estimated useful lifetime of intangible assets at each year-end closing.

Property, plant and equipment

These are recognised at historical cost or net price, including any ancillary costs and direct and indirect costs for the amount reasonably chargeable to the asset, in some cases increased in accordance with monetary revaluation laws.

Fixed assets are systematically depreciated each year on a straight-line basis based on the economic and technical rates determined in relation to the residual possibility of use of the assets. The Group revises the estimated useful lifetime of property, plant and equipment at each year-end closing. With reference to transferable assets, the cost includes the expenses – provided these meet the criteria of IAS 37 – which are expected to occur when contracts expire in order to maintain the assets in their contractually agreed state, assuming that maintenance continues to be carried out at the usual intervals. Major components (valued at more than €500 000) or components with a different useful lifetime (50% greater or less than that of the asset to which they belong) are treated separately in the depreciation calculation.

The depreciation rates used are as follows:

Industrial buildings	3%
Plant and machinery	10% - 30%
Industrial and commercial equipment	15% - 33%
Furniture and furnishings	10% - 20%
Vehicles	25%
Other assets	12 % - 20%

Land is not depreciated.

For transferable assets, these rates are replaced by those set out in the financial depreciation plan, whichever are the greater.

The rates applied are halved for assets used for the first time during the year to reflect the weighted average of these assets during the period.

The useful lifetime of the asset is generally subject to annual confirmation and is adjusted if additional maintenance or replacements are carried out during the year that affect the useful lifetime of the principal investment.

If, irrespective of depreciation previously booked, there is any loss in value, the asset is written down accordingly. If in subsequent years the assumptions for the write-down cease to exist, the asset will be restated at its original value, adjusted by depreciation not applied due to the write-down.

Incremental costs and maintenance costs that result in a significant and tangible increase in the production capacity or safety of the assets or which extend the useful lifetime of these assets will be capitalised and added to the assets in question. Ordinary maintenance costs are charged directly to the profit and loss account.

Improvements of third-party assets are classified as property, plant and equipment, depending on the type of cost incurred. The depreciation period is the lesser between the remaining useful lifetime of the tangible asset and the term of the contract.

Lease contracts are classified as financial leases whenever the terms of the contract effectively transfer all risks and rewards of ownership to the lessee. All other leases are considered as operating leases.

The assets concerned by finance leases are recorded as Group assets at their fair value on the effective date of the contract, adjusted by any ancillary costs arising when the contract is signed and any costs incurred to enter into the contract, or the present value of minimum lease payments, whichever is the lesser amount. The corresponding liability is posted to the balance sheet under financial liabilities. Lease payments are divided into capital and interest to give a constant rate of interest on the residual liability. Financial expenses are charged directly to the profit and loss account for the period.

Lease fees arising on operating leases are recognised based on the straight-line method over the term of contract. Benefits received or to be received or paid or to be paid as an incentive to sign operating leases are also recognised based on the straight-line method over the term of contract.

Loss in value of property, plant and equipment and intangible assets

On each balance sheet date or interim report date, the Group checks whether there are any indications of a possible loss in value of its property, plant and equipment and intangible assets. If these indications exist, the recoverable amount is estimated so that the necessary write-down can be calculated. If it is not possible to estimate the recoverable value of an asset individually, the Group will estimate the recoverable value of the cash-generating unit to which the asset belongs. In particular, for property, plant and equipment relating to the sales network, this smallest identifiable unit is represented by the sales outlet, while for other intangible assets, property, plant and equipment and goodwill, this smallest identifiable unit is represented by the sales channel of the company to which the asset belongs.

Goodwill is calculated at each year-end closing and verified whenever there is an indication of a possible loss in value, in order to determine whether there has actually been any loss in value.

The recoverable amount is the greater between fair value excluding selling costs and value in use. When calculating value in use, future estimated cash flows are discounted at their present value using a gross rate that reflects the current market valuation of the cash value and the specific risks of the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated as being less than the corresponding book value, this is reduced to the lesser recoverable value. The asset is written down in the profit and loss account immediately.

If the write-down is no longer necessary, the book value of the asset (or cash-generating unit), excluding goodwill, is adjusted to reflect the new value derived from its estimated recoverable value. However, this should be no more than the net book value the asset would have had if it had not been written down. The restatement is recorded in the profit and loss account immediately.

Current assets and liabilities

Inventory

Inventory is measured at the lesser of historical cost or production cost, including any ancillary costs that are directly applicable, excluding rebates and allowances and end-of-year bonuses and similar benefits, calculated using the FIFO method, and market value; their value is adjusted by a special reserve to take account of slow-moving inventory and obsolescence.

Financial instruments

Financial assets and liabilities are recognised when the Group enters into a contract for the instrument.

Trade debtors

Trade debtors are carried at nominal value, but are written down to reflect potential bad debts.

Other financial assets

Other financial assets are recognised and reversed on the transaction date and are initially carried at cost, including any expenses directly connected with the purchase.

On subsequent balance sheet dates, the financial assets that the Group intends and is able to hold to maturity (held-to-maturity investments) are recorded at their amortised cost, excluding any write-down applied to reflect losses in value.

Financial assets other than those held to maturity are classified as held for trading or available for sale, and are carried at their fair value at the end of each period. When financial assets are held for trading, the gains and losses arising from changes in fair value are recorded in the profit and loss account for the period. Conversely, for available-for-sale financial assets, the gains and losses arising from changes in fair value are recognised directly in share capital and reserves until these are sold or decrease in value; if so, the gains and losses previously recognised are carried over to the profit and loss account for the period.

Cash and cash equivalents

Cash and cash equivalents include cash at bank, instant-access deposit accounts and other current liquid investments which are readily convertible into cash and subject to a negligible risk of loss of value.

Bank finance, loans and overdrafts

Interest-bearing bank loans, finance and overdrafts are recognised depending on the amounts drawn down, excluding finance costs, and are subsequently carried at amortised cost based on the APR method.

Convertible bonds

Convertible bonds are financial instruments comprised of a liability and equity. On the issue date, the fair value of the liability component is estimated using the current interest rate on the market for similar non-convertible bonds. The difference between the net amount obtained from the issue and the fair value assigned to the liability component, which represents the implicit option of converting the bonds into Group shares, is recorded in share capital and reserves under Other Reserves.

Trade creditors

Trade creditors are recognised at their nominal value, since the financial impact of the spread of payments is not significant.

Equity instruments

Instruments representing equity issued by the Company are recognised based on the amount received, excluding any direct issue costs.

Derivatives and recognition of hedging operations

The Group's liabilities are mainly exposed to the risk of interest rate fluctuations. The Group uses derivatives to manage the risk of interest rate fluctuations, which mainly come under the contractual headings of “Interest Rate Swaps”, “Forward Rate Agreement”, “interest rate options”, or any combination thereof. In particular, it is Group policy to convert some of its variable-rate debts into fixed-rate debts and to designate these as “cash flow hedges”. The use of these instruments is regulated by Group policy and approved by the Board of

Directors, which has written precise procedures on using derivatives in accordance with the Group's risk management strategies. Derivative contracts are agreed with the most financially stable counterparties in order to minimise the risk of contractual non-performance. The Group does not use derivatives for trading purposes. See policy described on page 52.

Derivatives are initially carried at cost, and then adjusted to fair value on subsequent balance sheet dates.

Changes in the fair value of derivatives which are designated, and prove effective, for covering future cash flows relating to the contractual commitments of the Company and of consolidated companies, and relating to planned operations, are posted directly to share capital and reserves, while the ineffective portion is posted immediately to the profit and loss account. Amounts that have been posted directly to capital and reserves will be entered in the profit and loss account in the same period in which the contractual commitment or planned operation is recorded in the profit and loss account.

Provisions

Provisions are recorded when the Group has an obligation resulting from a past event and it is likely that it will be required to honour that obligation. Provisions are set aside based on the best estimate of the costs necessary to meet the obligation on the balance sheet date. These provisions are discounted if the impact is significant.

Foreign currency transactions

The individual financial statements of each consolidated company are prepared in the currency of the economy in which the company primarily operates (operating currency). For the purposes of the consolidated financial statements, the corporate financial statements of each foreign entity are expressed in euros, which is the Group's operating currency, and the reporting currency of the consolidated financial statements. When preparing corporate financial statements, foreign currency transactions are initially recorded at the exchange rates in effect on the transaction date. On the balance sheet date, cash assets and liabilities in these currencies are restated at the exchange rates in effect on this date.
For the purposes of reporting consolidated financial statements, assets and liabilities of subsidiaries that do not operate in euros are translated at the exchange rates in effect on the balance sheet date. Income and expenditure are translated at the average exchange rates for the period. Exchange rate differences are recognised in share capital and reserves under the heading "conversion reserve". This reserve is identified in the profit and loss account as income or as an expense for the period in which the relevant subsidiary is sold.

The exchange rates used to convert the financial statements of foreign subsidiaries into euros are shown below:

	1st half of 2005		**1st half of 2004**		**Financial year 2004**	
	end of period	**average**	**end of period**	**average**	**end of period**	**average**
US Dollar	1.2092	1.2847	1.2155	1.2273	1.3621	1.2439
Canadian Dollar	1.4900	1.5875	1.6343	1.6428	1.6416	1.6168
Swiss Franc	1.5499	1.5462	1.5242	1.5532	1.5429	1.5438

Estimates

The preparation of the interim report and the relevant notes in accordance with the IFRS require estimates and assumptions to be used that have an effect on the value of balance sheet assets and liabilities and on information relating to contingent assets and liabilities on the balance sheet date. The actual results may differ from these estimates. The Group has used estimates for the valuation of assets subject to impairment tests, as described earlier, as well as for provisions for bad debts, depreciation, employee benefits, taxes, other provisions and reserves. The estimates and assumptions are periodically reviewed and any changes are immediately carried over to the profit and loss account.

3.5.2 Balance sheet

I. Fixed assets

Property, plant and equipment

As seen from the table on page 46, this item has increased since the year-end due to investments of €78 939 000. Please see the "Investments" paragraph in the management report for a more detailed analysis. The increase in the scope of consolidation has resulted in a net increase of €62 782 000, while differences arising on translation totalled €33 052 000.

Property, plant and equipment decreased due to depreciation of €75 058 000 and due to normal defeasance with a net accounting value of €2 931 000.

Fixed assets in course of construction refer to sites under construction in the USA (€48 709 000), mainly in the motorway and airport channels, and in Europe (€12 235 000).

No write-downs were made during the period for loss in value, since no events or changes in circumstances occurred to suggest that the fixed assets might have decreased in value.

Based on the financial method, land and buildings and plant and machinery include the contractual value of leased assets, the contractual characteristics of which meet the requirements laid down by IAS 17 for recognition using this method.

Mortgages of €2 354 000 are secured on land and buildings as collateral for loans with a capital amount of €1 439 000.

It is also noted that the Parent Company has third-party assets in use valued at €1 494 000 and leases businesses with assets valued at €20 091 000.

Goodwill

Following the acquisition of 50% of Aldeasa Group, discussed in the paragraph entitled "Investments and Acquisitions", goodwill totalling €303 691 000 has been recorded. In accordance with IFRS 3, this represents the surplus acquisition cost over the buyer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities on the acquisition date. The figures in the following table are also increased by differences arising on translation of €51,116,000.

Goodwill in the first half was not written down, since shareholding performance confirmed that these amounts were recoverable.

	30/06/2005	**31/12/2004**	**Variation**
United States and Canada	459,236	407,628	51,608
Italy	69,799	69,300	499
Other European countries:			
- Switzerland	95,741	96,233	(492
- Spain	323,911	20,220	303,691
- France	57,416	57,416	-
- Holland	22,161	22,161	-
- Belgium	12,684	12,684	-
Total	**1,040,948**	**685,642**	**355,306**

The financial situation of Aldeasa and RAF at the time of acquisition and the corresponding goodwill are illustrated below:

(m€)	Aldeasa Group	Adjustments to acquisition situation	Aldeasa Group adjusted	RAF	Total
Intangible fixed assets	20.1	(19.5)	0.6	-	
Tangible fixed assets	32.6	30,2	62.8	-	
Financial fixed assets	1.7	-	1.7	369.7	
Fixed assets	**54.4**	**10.7**	**65.1**	**369.7**	
Stock	41.2	-	41.2	-	
Trade receivables	5.4	-	5.4	-	
Other receivables	3.8	-	3.8	0.1	
Trade payables	(27.0)	-	(27.0)	(0.1)	
Other payables	(13.5)	-	(13.5)	-	
Working capital	**9.9**	**-**	**9.9**	**-**	
Other non-current and non-financial assets and liabilities	(0.2)	(30.1)	(30.3)	-	
Net capital invested	**64.1**	**(19.4)**	**44.7**	**369.7**	
Net equity of the Group	93.8	(22.5)	71.3	196.7	
Net equity of third parties	1.5	3.1	4.6	-	
Net equity	**95.3**	**(19.4)**	**75.9**	**196.7**	
Short-term debt	4.8	-	4.8	174.2	
Cash and cash equivalents	(36.0)	-	(36.0)	(1.2)	
Net financial position	**(31.2)**	**-**	**(31.2)**	**173.0**	
Total	**64.1**	**(19.4)**	**44.7**	**369.7**	
Book value of shareholding			**369.6**	**202.1**	
Goodwill			**298.3**	**5.4**	**303.7**

<u>In application of IFRS 3</u>

The company's accounts on the acquisition date have been adjusted (the amounts indicated represent Autogrill Group's 50% share):

– to revalue some property by €30,187,000, based on an expert valuation;

– to reverse goodwill of €19,493,000 recorded in the consolidated financial statements of Aldeasa;

– to establish a provision for risks of €30,000,000 to cover the contingent liability arising from the payment to AENA (the concession owner for operations at Spanish airports) of additional concession fees prior to the acquisition.
  Negotiations are still ongoing to settle this issue.

– to record the tax effect correlated to these adjustments, setting aside the corresponding liability of €66,000.

The adjustments were made based on the information available at the time of writing. Therefore, these may be refined and extended following a more detailed analysis to be carried out within a year of the acquisition.

Table of variations in fixed asset accounts for the period

(k€)	31 December 2004			Variations in gross value						Amortisations/Write-downs					30 June 2005		
Intangible fixed assets	Gross value	Amort.	Net value	Variation in scope	Exchange Differe	Additions	Decreases	Other movements	Totals	Variation in scope	Exchange Differe	Increases	Decreases	Totals	Gross value	Amort.	Net value
Intellectual property rights	-	-	-	208	-	-	-	-	208	(204)	-	-	-	(204)	208	(204)	4
Concessions, licences, trademarks, etc.	55,632	(28,365)	27,267	115	2,690	449	(301)	132	3,085	-	(908)	(2,860)	278	(3,490)	58,717	(31,855)	26,862
Goodwill			685,642	303,691	51,116	30	-	469	355,306	-	-	-	-	-			1,040,948
Fixed assets under construction	3,874	-	3,874	-	-	1,715	-	(1,518)	197	-	-	-	-	-	4,071	-	4,071
Others	38,942	(14,192)	24,750	3,410	2	57	(93)	8	3,384	(2,959)	2	(1,627)	58	(4,526)	42,326	(18,718)	23,608
Total	**1,224,490**	**(482,957)**	**741,533**	**307,424**	**53,808**	**2,251**	**(394)**	**(909)**	**362,180**	**(3,163)**	**(906)**	**(4,487)**	**336**	**(8,220)**	**1,586,670**	**(491,177)**	**1,095,493**

(k€)	31 December 2004			Variations in gross value						Amortisations/Write-downs					30 June 2005		
Tangible fixed assets	Gross value	Amort.	Net value	Variation in scope	Exchange Differe	Additions	Decreases	Other movements	Totals	Variation in scope	Exchange Differe	Increases	Decreases	Totals	Gross value	Amort.	Net value
Civil and industrial land and buildings	104,610	(44,208)	60,402	54,091	(161)	588	(6)	56	54,568	(6,483)	312	(1,747)	(14)	(7,932)	159,178	(52,140)	107,038
Improvements to third party property	767,922	(544,081)	223,841	-	71,981	5,660	(36,697)	22,891	63,835	-	(52,368)	(32,729)	36,164	(48,933)	831,757	(593,014)	238,743
Plant and machinery	154,415	(103,847)	50,568	19,663	(192)	4,749	(2,046)	794	22,968	(13,543)	(217)	(5,604)	1,115	(18,249)	177,383	(122,096)	55,287
Industrial and commercial equipment	499,065	(376,759)	122,306	18,367	29,502	4,782	(16,714)	1,438	37,375	(13,582)	(21,886)	(23,887)	16,721	(42,634)	536,440	(419,393)	117,047
Assets returnable free of charge	405,508	(261,178)	144,330	-	(33)	1,668	(445)	364	1,554	-	9	(9,241)	340	(8,892)	407,062	(270,070)	136,992
Other assets	46,368	(36,991)	9,377	4,566	506	548	(1,006)	282	4,896	(2,830)	(376)	(1,850)	1,364	(3,692)	51,264	(40,683)	10,581
Fixed assets under construction and advance	65,365	-	65,365	2,533	5,975	60,944	(1,707)	(24,916)	42,829	-	-	-	-	-	108,194	-	108,194
Total	**2,043,253**	**(1,367,064)**	**676,189**	**99,220**	**107,578**	**78,939**	**(58,621)**	**909**	**228,025**	**(36,438)**	**(74,526)**	**(75,058)**	**55,690**	**(130,332)**	**2,271,278**	**(1,497,396)**	**773,882**

II. Current non-financial assets and liabilities

Net current non-financial assets and liabilities, illustrated in the following table, stood at -€328,919,000 at 30 June 2005. The decrease on the previous year is mainly due to the reduction in trade creditors, offset by an increase in other liabilities. At constant exchange rates and on a like-for-like basis (uniform data), this is a €64,661,000 reduction.

(k€)	1st half of 2005	Financial year 2004	VARIATION			1st half of 2004
			Total	At constant exchange rates	Uniform data	
Closing stock	129,826	87,299	42,527	38,554	(5,077)	83,966
Trade debtors	53,553	44,382	9,171	8,665	1,358	45,402
Other debtors	94,019	85,576	8,443	3,781	466	96,434
Trade creditors	(375,867)	(416,219)	40,352	54,652	86,730	(338,939)
Other creditors	(230,450)	(181,725)	(48,725)	(38,143)	(18,816)	(200,013)
	(328,919)	**(380,687)**	**51,768**	**67,509**	**64,661**	**(313,150)**

Aldeasa Group accounts for €2,848,000 of this figure. The different categories used and the procurement model indicate significant goods on hand, only partly financed through trade credit.

Other debtors are mainly comprised of tax credits, trade credit, prepaid concession and lease fees, payments by credit card and trade investments made on behalf of concession owners or sub-concessionaries. The change in this item is due to the increase in the scope of consolidation (+€3,315,000) and the conversion effect (+€4,662,000).

Trade creditors are down due to the seasonal nature of the business and payment flows.

Other creditors mainly include amounts due to employees, tax liabilities and social security liabilities. The increase in this item is mainly due to the change in the scope of consolidation (+€19 327,000) and additional tax liabilities (+€13,003,000).

III. Non-current non-financial assets and liabilities

Deferred (prepaid) taxation

Prepaid taxes totalled €109,615,000, up €10,479,000 on 31 December 2004.

Of this, €76 200 000 (€67,275,000 at 31 December 2004) relates to Autogrill Group Inc., mainly due to the different capital allowance period for improvements of third-party assets and provisions for concession fees, which are taxable. The change includes a conversion effect of -€3,228,000.

In total, €13,292,000 (€17 235 000 at 31 December 2003) relates to the Parent Company. This is mainly due to the deferred write-down of shareholdings in the period 2002-2003, reduced in view of the reversal of the current amounts of these costs. They are reported net of deferred taxes of €21,706,000. These may be set off, since they relate to timing differences in the same tax period.

An analysis of the recoverability of the tax assets in question, based on the estimated future taxation of the Parent Company and its subsidiaries, has confirmed that the provision for future tax liabilities is adequate.

The inclusion of timing differences and the use of deferrable tax losses as a basis for prepaid taxes are deferred. In particular, the amount to be included for the financial year is €19,310,000. The reported tax assets of approximately €27m will be recoverable five years from now. However, in the meantime, these may give rise to further net timing differences, particularly for US companies.

Deferred taxes of €29,333,000 are mainly caused by deferred taxes recorded as consolidation adjustments (€13,792,000) and the write-down of buildings in the financial statements of Dutch subsidiaries, carried out prior to their acquisition by the Group (€5,179,000).

Provisions for liabilities and charges

The details and transactions for the period are illustrated in the following table.

(k€)	31.12.2004	Other movements	Provisions	Uses	30.06.2005
Tax reserve	2,897	375	166	(137)	3,301
Provisions for the risk of third-party disputes	4,617	(240)	989	(702)	4,664
Other provisions for risks	24,599	31,633	1,882	(1,196)	56,918
Provisions for reinstatement	8,791	961	-	-	9,752
Total provisions for liabilities and charges	**40,904**	**32,729**	**3,037**	**(2,035)**	**74,635**

- Tax reserve

This is mainly comprised of a provision for ongoing disputes concerning the indirect taxation of US companies (€2,344,000).

- Provisions for the risk of third-party disputes

These have been set aside in view of the risk of litigation involving Group companies, based on the assessment of the Group’s legal advisors.

This mainly concerns the Parent Company (€4,126,000).

- Other provisions for risks

Of these, €12,237,000 relates to the US affiliate (particularly the “self-insurance fund” set up for the risks of compensation for third parties not covered by insurance) and €10,594,000 relates to the Parent Company, mainly relating to legislative changes.

The drawdowns relate to Autogrill Group, Inc. (€677,000) based on actual amounts liquidated during the period.

Apart from the conversion effect, other transactions include a provision for liabilities of €30,000,000, recorded in Aldeasa's accounts on the acquisition date, described earlier.

- *Provisions for reinstatement*

These represent the estimated cost of maintaining the contractually agreed state of transferable or leased assets.

IV. Net financial debt

The main components of the debt structure are illustrated in the following table:

(k€)	1st half of 2005	Fin. year 2004	Variation	1st half of 2004
- bank and post office	(140,451)	(226,672)	86,221	(193,827)
- cash and cash assets	(39,768)	(29,859)	(9,909)	(36,649)
Cash and other available funds	**(180,219)**	**(256,531)**	**76,312**	**(230,476)**
- financial credit to third	(175,089)	(200)	(174,889)	(66)
- credit to associated companies	(4,271)	(3,005)	(1,266)	(1,384)
- financial credit on derivative	(2,406)	(9,111)	6,705	(3,384)
- other financial credit	(1,462)	(526)	(936)	(7,156)
Financial assets	**(183,228)**	**(12,842)**	**(170,386)**	**(11,990)**
TOTAL CURRENT FINANCIAL ASSETS	**(363,447)**	**(269,373)**	**(94,074)**	**(242,466)**
Bank debts	**108,682**	**157,406**	**(48,724)**	**351,251**
- financial debts on derivative	26,130	11,256	14,874	13,952
- interest on debts	7,923	7,312	611	8,322
- financial leasing	3,953	4,008	(55)	3,345
- other financial debts	3,221	3,400	(179)	2,855
Other financia liabilities – current share	**41,227**	**25,976**	**15,251**	**28,474**
TOTAL CURRENT FINANCIAL LIABILITIES	**149,909**	**183,382**	**(33,473)**	**379,725**
- debts to banks	933,743	377,075	556,668	383,686
- debts to other financing	8,064	8,330	(266)	4,791
Financial debts net of current share	**941,807**	**385,405**	**556,402**	**388,477**
- Convertible bonds	38,382	39,542	(1,160)	39,150
- Bonds	304,646	270,364	34,282	302,868
Bonds	**343,028**	**309,906**	**33,122**	**342,018**
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**1,284,835**	**695,311**	**589,524**	**730,495**
Net financial position	**1,071,297**	**609,320**	**461,977**	**867,754**

Current financial assets are comprised of:

- Cash and other available funds of €180,219,000, which include both the physical transportation of cash to outlets, amounts in clearing (€39,768,000), and bank and post office deposits (€140,451,000), mainly comprised of term deposits earning interest close to the LIBOR/EURIBOR. In the six months to June, cash balances were partly used for the early repayment of a tranche of the Syndicated Loan arranged in 2004.
- Financial assets of €183,228,000. Of the increase in the item since the year-end, €175,000,000 relates to the third-party share in bridge financing of €350m granted by Autogrill S.p.A. under market conditions to Retail Airport Finance, a company 50% controlled by the Group and through which the acquisition of the holding in Aldeasa Group was arranged.

Current financial liabilities consist of:

- Bank debts of €108,682,000, which represent drawdowns from short-term credit facilities.
- Other financial liabilities of €41,227m, mainly represented by debts originating from financial instruments used to manage fluctuations in interest rates and, to a lesser extent, exchange rates.

  More specifically, in accordance with IAS 39, the item includes a fair value assessment of interest rate swaps for a notional $450m, $360m of which is classified as hedge accounting and $90m unclassified, since the hedge contract expired the previous year.

  For these, the difference compared with the market value at the start of the year was recorded in the profit and loss account as financial income (+€1,763,000), while for hedge instruments, the change (€1,762, 000) was deducted from the corresponding reserve (€15,130,000) as part of share capital and reserves (-€11,433,000). This reserve was set aside when IAS 39 was first applied.

Non-current financial liabilities consist of:

- Non-current financial payables. Of the total amount of €941,807,000, €933,743,000 relates to bank finance, while the remaining amount mainly relates to lease finance.
  The change in medium and long-term debt since the year-end is due to the refinancing of short-term credit facilities when Aldeasa was acquired, with two finance agreements totalling €500m.
  Following this change, long-term bank debt at 30 June 2005 was mainly comprised of:
  - 10-year term finance, with repayment in full at maturity in a single instalment of €200m;
  - revolving credit of €300m over seven years, which was fully drawn down at 30 June 2005;
  - the syndicated loan arranged by the Parent Company on 19 March 2004, originally for €800m, comprised of several tranches which vary in duration from 12 months to five years, with a weighted average of three years. On 12 April 2005, a €150m tranche of this loan had already been repaid, taking the average term to around 2.5 years. At 30 June, the syndicated loan was thus composed of:
    1. two tranches totalling €350m, repayable between September 2006 and March 2009. At 30 June 2005, these had been fully drawn down;
    2. a revolving credit of €150m, maturing in March 2009 (at 30 June 2005, €50m had been used).
  - other medium/long-term debts totalling €35.6m

- Bonds (€343,028,000). These include:
  - €304 646 000 in unlisted bond securities (private placement) issued on 19 January 2003 by HMSHost for $370m. The issue – underwritten by Autogrill SpA – is comprised of three tranches of $44m, $60m and $266m, maturing respectively in 2010, 2011 and 2013. The tranches are accompanied by six-monthly fixed-rate coupons.
  - The residual value of €38,382,000 of the convertible debenture loan (Lyon) issued by Autogrill Finance SA on 15 June 1999 for €471,055,000, following the early repayment on 15 June 2004 of around 90% of the loan.

    The bonds in circulation have a face value of €47,680,000, including interest payable for subsequent periods of €7,747,000. The loan has no coupon and, on placement, generated net revenues less the original issue discount (OID) of a nominal 2% per annum with six-month capitalisation.
    In accordance with IAS 32, the loan value is represented according to the amortised cost principle. The adoption of IAS 32 with effect from 1/1/2005 increased share capital and reserves by €1,489,000. This, together with the capitalisation of implicit interest of (+€391,000), explains the change in this item compared with the year-end.

At 30 June 2005, around 87% of the credit facility granted to the Group had been used. Bank debt is subject to variable-rate interest. The average term of bank finance, including unused lines of credit, is approximately six years.

As part of the Private Placement and Syndicated Loan, the financial indicators relating to the serviceability of the capital and interest and the ratio between net financial debt and equity are checked to make sure that they have not exceeded predetermined threshold values. At 30 June 2005, as in previous observation periods, these criteria were fully met.

As part of the term finance and revolving credit negotiated in the first half, the financial indicators relating to the serviceability of the capital and interest are checked to make sure that they have not exceeded predetermined threshold values. At 30 June 2005, as in previous observation periods, these criteria were fully met.

Gross debt, originally or automatically denominated in US dollars at 30 June 2005, came to $755m. In total, $370m is on a fixed rate and is represented by the Private Placement. The interest rate risk on the residual debt is covered by Interest Rate Swaps on a notional $360m, with an average term of 4.3 years.

The average cost of borrowing, including hedging, is around 5.0%.

The Group's financial policy assigns particular importance to the control and management of financial risks, and particularly interest and exchange rate risks.

Financial risks are managed in the same way in all Group companies. Derivative hedging instruments are allocated to companies with a significant risk exposure in terms of: (a) **interest rates,** in terms of variable-rate borrowings (where a rise in interest rates would result in an increase in financial expenses) or fixed-rate borrowings (where a fall in interest rates would not lead to a natural reduction of financial expenses), (b) **exchange rates, in terms of** conversion risk (i.e. the risk of converting shareholdings denominated in foreign currencies into euros in the financial statements of the Parent Company or one of its subsidiaries) or in terms of financial receivables/payables in non-reporting currency.

(a) Interest rate risk. The aim of risk management is to control financial expenses by limiting the risk or variability of the value of liabilities and/or costs. This means, by combining fixed-rate and variable-rate liabilities, establishing some of the financial expenses over a timeframe that reflects the debt structure, which in turn should be correlated to the asset structure and future cash flows. Where it is not possible to obtain the desired risk profile on the capital or banking market, this profile is obtained using derivatives, with amounts and maturities that are in line with those of the liabilities to which they relate. The derivatives used are Interest Rate Swaps (IRS).

(b) Exchange rate risk. The aim of risk management is to ensure immunity to the exchange rate risk on foreign currency receivables/payables arising from financing operations, not denominated in the reporting currency of Group companies. The only instruments used for this type of hedging are forward currency trades.

At present, in terms of interest rate risk management, the fixed rate percentage on the total net debt portfolio (i.e. excluding financial assets, which are generally variable rate), should be between 40% and 60%. This currently applies to all Group debt, even if the fixed rate percentage is higher on the debt denominated in dollars than on the debt denominated in euros following the Aldeasa operation described earlier.

In the first half, some contracts already marked to market in the 2004 financial statements were cancelled. At 30 June 2005, there remained, for the Parent Company, derivatives in US dollars for which the hedge contract for the $70m notional IRS and $20m notional cap with a market value of -$2.5m (€7.6m at 31 December 2004) had expired. These contracts were also cancelled after the half-year closing. The "speculative" contracts portfolio was extinguished, yielding a total net gain of $0.9m.

V. Shareholders' equity

The share capital of Autogrill S.p.A., fully subscribed and paid up, totals €132,288,000 and is comprised of 254,400,000 ordinary shares with a nominal value of €0.52.

The Shareholders' Meeting on 30 April 1999 resolved to increase the share capital by issuing a maximum of 33,500,000 ordinary shares to service the convertible debenture loan for a nominal €471,055,000. This was issued on 15 June 1999 by the subsidiary Autogrill Finance S.A. and raised €349,993,865, excluding implicit interest but including issue costs.

In terms of the conditions under which this operation was carried out and the 90% or thereabouts repayment of the loan on 15 June 2004, the maximum number of shares that can be issued to service the loan conversion is around 2,478,000. It is pointed out that the loan may be repaid at the issuer's request at any time and at the bearer's request on the 10th anniversary of the loan.

Company shares have been traded on the Italian Stock Exchange since 1 August 1997.

Operations during the period affecting share capital and reserves are highlighted in the relevant statement.

In particular, the following transactions took place:

- a €16,318 increase due to differences arising on the translation of financial statements in foreign currencies;
- a €50,880,000 decrease following the distribution of the dividend decided by the Shareholders' Meeting on 27 April 2005 (dividend of €0.20 per share);
- a net decrease of €8,649,000 as a result of the initial adoption of IAS 32 and 39 on 1 January 2005, notwithstanding the general provision for the retrospective application of the IAS/IFRS principles, as permitted by IFRS 1. Specifically, this amount was recorded as follows:
    - -€15,130,000 in the special valuation reserve for derivative hedge contracts;
    - +€4,992,000 as the tax effect of the previous adjustment and +€1,489,000 as the effect of the conversion right for ordinary shares granted to holders of the convertible debenture loan issued in 1999;
- €1,180,000 increase relating to the change in the derivatives valuation reserve (€1,762,000), net of the corresponding tax effect of €582,000.

3.5.3 PROFIT AND LOSS ACCOUNT

VI. Revenues

Revenues generated a total of €1,549,699,000, distributed between sectors as follows:

(k€)	1st half of 2005	1st half of 2004	Variation	Fin. yr. 2004
Restaurants	1,109,27	1,110,64	(1,373	2,395,14
Retail	413,35	344,96	68,39	792,13
Hotels	9,33	9,38	(48)	19,72
Sales to third parties and affiliates	17,72	17,26	465	38,60
Total	**1,549,69**	**1,482,26**	**67,43**	**3,245,61**

Aldeasa Group contributed a total of €59,497,000 to the increase, nearly all of it from its retail business.

Retail includes €31,799,000 in revenue from fuel sales, mainly at Swiss and Italian motorway services (€29,979,000 in the first half of 2004, €63,534,000 for 2004 as a whole). In the statement found in the "Operating results" section, these revenues are reclassified as other income and expenditure, net of any purchase costs.

Compared with the figure originally published, revenues from fuel sales in the first half of 2004 fell by €12,832,000. In the interests of consistency of the figures for the first half of 2005, the accounting method was revised for some contracts, with revenues reported as other income, excluding the associated purchase costs.

Please see the "Management highlights" section for comments on sales performance and for an analysis of turnover by geographical area.

VII. Other revenues and income

These are broken down as illustrated in the table. The newly consolidated company accounts for €1,369,000 of this figure.

(€k)	1st half of 2005	1st half of 2004	Variation	Fin. yr. 2004
Promotional contributions from suppliers	16,62	16,98	(361	42,66
Company leasing fees	4,48	4,99	(518	9,67
Membership fees	2,43	2,31	119	4,87
Capital gains from sales of tangible assets	1,80	488	1,31	717
Other income	17,05	13,07	3,98	38,54
Total	**42,40**	**37,87**	**4,53**	**96,47**

In the first half of 2005, "Other income", apart from commission on premium asset management and the adjustment of appropriations for previous years, includes €7,532,000 relating to the payment for the partial sublease of two commercial units in Milan.

VIII. Raw and ancillary materials and goods for resale

This item is comprised of purchases of €538,627,000 and a change in inventory of €1,398,000. The change in the scope of consolidation caused a €31,541 increase in this item.

IX. Personnel costs

During the period, these amounted to €459,727,000, an increase of €6,643,000 on the same period the previous year, €5,314,000 of which is due to the increase in the scope of consolidation.

The distribution between wages, salaries, contributions and other costs is illustrated in the following table.

(k€)	1st half of 2005	1st half of 2004	Variation	Fin. yr. 2004
Salaries	362,620	355,20	7,420	756,28
Social charges	66,11	66,73	(615	134,89
Severance pay, etc.	9,96	8,37	1,58	18,08
Other costs	21,02	22,77	(1,748	45,15
Total	**459,72**	**453,08**	**6,64**	**954,41**

This item was affected by increased productivity, despite the growth in revenues.

The average headcount, expressed as the number of people in full-time equivalent employment, totalled 35,888 (33,605 at 30 June 2004).

X. Rentals, concessions and royalties

A breakdown of this item is given in the table below. In total, €12,442,000 of the change in "Rentals and concessions" relates to changes in the scope of consolidation.

(k€)	1st half of 2005	1st half of 2004	Variation	Fin. yr. 2004
Hiring and leasing of movable property	4,132	5,029	(897)	9,112
Cost of rentals and concessions	196,025	177,106	18,919	387,323
Royalties for use of trademarks	22,009	20,102	1,907	45,709
Total cost of rentals and trademark licences	**222,166**	**202,237**	**19,929**	**442,144**

XI. Other operating costs

Other operating costs include the items illustrated in the table. The newly consolidated company accounts for €3,663,000 of this figure; of this, €3,436,000 relates to materials and external services.
Provisions are down on the previous year, which included the €5.8m appropriation linked with the dispute over exchange rate derivatives, settled in Q4 2004.

(k€)	1st half of 2005	1st half of 2004	Variation	Fin. yr. 2004
Cost of external materials and services	160,12	155,86	4,26	330,74
Debts written-off	1,68	1,14	545	3,78
Provisions	3,03	10,43	(7,394	11,21
Indirect taxes and taxes for the financial year	8,95	8,67	272	17,48
Other operating costs	4,68	6,41	(1,737	13,95
Total	**178,48**	**182,53**	**(4,054**	**377,18**

XII. Depreciation and amortisation

Depreciation for the period is broken down as follows:

(k€)	1st half of 2005	1st half of 2004	Variation	Fin. yr. 2004
Amortisations:				
Intangible fixed assets	4,48	6,02	(1,536	10,66
Tangible fixed assets	65,81	58,82	6,99	138,15
Tangible fixed assets – assets returnable free of charge	9,24	8,85	389	19,13
Total	**79,54**	**73,70**	**5,845**	**167,95**

XIII. Financial income

Financial income is illustrated in the following table:

(k€)	1st half of 2005	1st half of 2004	Variation	Fin. yr. 2004
interest differentials on exchange risk hedging operations	2,270	-	2,270	2,428
market value of derivative instruments	1,852	-	1,852	-
bank interest receivable	1,475	512	963	1,682
positive exchange differences	846	-	846	5,924
premiums received	242	-	242	786
interest differentials on interest rate hedging operations	-	1,668	(1,668)	-
others	1,683	1,591	92	2,002
Total financial income	**8,368**	**3,771**	**4,597**	**12,822**

XIV. Financial expenses

These are illustrated in the following table:

(k€)	1st half of 2005	1st half of 2004	Variation	Fin. year 2004
interest on bank loans	10,413	4,506	5,907	15,036
interest on bonded loans	8,204	12,286	(4,082)	21,749
others	120	1	119	29
Total financial interest	18,737	16,793	1,944	36,814
interest differentials on interest rate risk hedging operations	8,235	10,904	(2,669)	19,945
exchange differences	1,233	876	357	-
commissions	1,069	918	151	7,895
updating of long-term liabilities	586	1,205	(619)	3,635
market value of derivative instruments	-	1,250	(1,250)	4,091
others	116	108	8	7,161
Total Other Financial Charges	11,239	15,261	(4,022)	42,727
Total financial charges	**29,976**	**32,054**	**(2,078)**	**79,541**

In 2004, “other financial expenses" included the cost of settling a dispute over exchange rate derivatives (€5 148 000).

XIV. Tax

The increase in taxes for the period, which rose from €36 007 000 to €43 269 000, is due to the additional profit for the period.

3.5.4 SEGMENT REPORTING

The Group has two main ways of segmenting the business: by geographical area and by channel, the latter being understood as the business sector (motorway services, airports and railway stations).

The core segment is geographical, which reflects both the organisational model and internal reporting.

In the management report, the performance of identified segments is analysed based on strictly organisational criteria.

The only real discrepancy compared with the geographical segmentation concerns AGI operations at Amsterdam Schiphol Airport (Netherlands).

In the following statements, the key financial data is illustrated by geographical area. Schiphol is included under "Other European Countries".

Geographical area

	1st half 2005						
(K€)	Italy	United States & Canada	Other European Countries		Non allocable	Elisions	Consolidated
REVENUES	502,052	714,333	333,314		-	-	1,549,699
OTHER INCOME	26,791	-	7,240		8,375	-	42,406
Intersegmental REVENUES	615	-	-		529	(1,144)	-
TOTAL REVENUES AND OTHER INCOME	**529,458**	**714,333**	**340,554**	-	**8,904**	**(1,144)**	**1,592,105**
OPERATING RESULT	**54,111**	**50,823**	**9,465**	-	**(2,242)**	**-**	**112,157**
CAPITAL EXPENDITURE	**20,419**	**49,090**	**11,651**	-	**-**	**-**	**81,160**

	1st half of 2004							
(K€)	Italy	United States & Canada	Other European Countries		Non-allocatable	Ellisions		Consolidated
REVENUES	515,596	690,247	276,422		-	-	-	1,482,265
OTHER INCOME	24,722	5,971	5,990		1,190	-	-	37,873
Infra-segmental REVENUES	555	-	-		570	(1,125)	-	-
TOTAL REVENUES AND OTHER INCOME	**540,873**	**696,218**	**282,412**	-	**1,760**	**(1,125)**	-	**1,520,138**
OPERATING RESULT	**60,460**	**49,618**	**1,436**		**(13,287)**	**0**		**98,227**
INVESTMENTS	**10,741**	**49,949**	**10,429**	-	**-**	**-**	-	**71,118**

Channel

(k€)	1st half of 2005						
	Motorways	Airports	Railway stations	Shopping malls	Others	Non-allocatable	Consolidated
TOTAL REVENUES AND OTHER INCOME	758,006	678,576	44,213	56,844	45,981	8,485	1,592,105
OPERATING RESULT	44,474	65,691	283	1,665	2,461	(2,417)	112,157
INVESTMENTS	22,315	44,635	487	5,133	5,809	2,781	81,160

(k€)	1st half of 2004						
	Motorways	Airports	Railway stations	Shopping malls	Others	Non-allocatable	Consolidated
TOTAL REVENUES AND OTHER INCOME	762,888	603,762	43,238	56,993	49,862	3,395	1,520,138
OPERATING RESULT	51,567	59,736	(1,336)	1,841	1,677	(15,258)	98,227
INVESTMENTS	21,128	45,006	1,397	523	732	2,332	71,118

3.5.5 COMMITMENTS AND CONTINGENT LIABILITIES

At 30 June 2005, commitments consisted of the amount that the Parent Company still owes for the two commercial premises on the Grande Raccordo Anulare in Rome (€2,272,000).

In the interests of continuity, it is noted that the favourable decision of the Court of Brussels regarding a compensation claim contested by a Belgian associate, filed by the company that sold it its restaurant operations in shopping malls in Belgium and Luxembourg, may still go to appeal. However, the company's legal advisors consider the possibility of an appeal by the other party as remote, hence the absence of any special provision to cover the other party's €10m claim.

In addition, in 2004, the Department of Treasury of Michigan sent Michigan Host, Inc. (a wholly owned subsidiary of the Group) a Notice of Intent to Assess in relation to government sales taxes and cigarette duty for periods prior to 31 March 2002, when the company stopped trading. The total amount indicated in the notice, including penalties ($1.1m) and interest ($3.0m), was $9.6m. The company promptly submitted a request for an informal hearing, as permitted by law. At the time of writing, the inspector (who handles the proceedings on behalf of the tax authority) had been named, but the date of the hearing had not yet been set. The law stipulates that following the informal hearing, the inspector must draw up a recommendation for the tax authority, which then decides whether or not to follow it, wholly or in part, informing the taxpayer accordingly. If it recommends a tax assessment, the taxpayer will receive a notice of assessment, against which it may appeal.

The Group believes that it has valid arguments to support its actions and therefore considers the risk of losing remote.

Please also see the contingent liability associated with the payment of additional fees by Aldeasa to AENA, described on page 45.

3.5 7. TRANSITION TO IAS/IFRS

INITIAL APPLICATION OF INTERNATIONAL ACCOUNTING PRINCIPLES

The entry into force of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 obliges companies with shares authorised for trading on regulated markets in EU Member states to prepare – from the 2005 fiscal year – consolidated financial statements in accordance with the IAS/IFRS accounting principles issued by the IASB (International Accounting Standards Board), if approved for EC use and published in the Official Journal of the European Communities (OJEC).

In view of Articles 81 and 82 of the Consob Regulation, as implemented by Resolution No 14990 of 14 April 2005, Autogrill Group has taken the necessary steps to follow these accounting principles when preparing its accounts and financial statements as from the quarterly report for the three months to 31 March 2005.

The present interim report for the six months to 30 June 2005 sets out the requirements of current legislation in the paragraph "Reconciliations required by IFRS 1". In particular, the reconciliations and corresponding explanatory notes for shareholders' equity and consolidated income for the year/period are set out in accordance with the principles previously applied (accounting principles issued by the Consiglio Nazionale dei Dottori Commercialisti e dei Ragionieri) and in light of the new international accounting principles (IAS/IFRS), with reference to:

- the date of transition to the IAS/IFRS (1 January 2004), which corresponds to the start of the first reference period
- 31 December 2004
- 30 June 2004

The figures contained in this paragraph are audited in accordance with the guidelines set out in Consob Communication No DEM/5025723 of 15 April 2005.

It is worth emphasising that the figures presented in the following reconciliation statements may be altered to reflect new and future guidelines issued by the European Commission on the approval and ratification of the IFRS and announcements and revised interpretations by the IASB/IFRIC, which should be issued by 31 December 2005, and which Autogrill Group may decide to apply with effect from the current financial year if permitted.

IFRS 1 governs the procedures for the transition to the new accounting principles. It stipulates that on the date of transition to the IAS/IFRS (1 January 2004, according to the timetable set by the European Union), consolidated net worth should be prepared. This statement is drawn up according to the following criteria:

- all assets and liabilities that must specifically be recognised under the new IAS/IFRS principles have been taken into consideration, even if this was not permitted under previous Italian principles;
- assets and liabilities that may not be recognised under the new IAS/IFRS principles have not been recognised;
- all items previously reported in accordance with procedures that do not conform to the IAS/IFRS principles have been reclassified.

The effect of adjustments resulting from the initial application of the IAS/IFRS has been posted to a special shareholders' equity reserve.

As permitted by IFRS 1, Autogrill Group has applied the following exceptions:

- Valuation of non-transferable property, plant and equipment and intangible assets: the Group has exercised its right to use the book value of these assets, calculated based on previous accounting principles, as replaced on 1 January 2004, since these comply with the requirements laid down by IFRS 1.
- Business combinations: IFRS 3 stipulates that business combinations should be recognised using the purchase method, recognising assets and liabilities at their fair value on the acquisition date.

- The Group, in accordance with IFRS 1, has not applied IFRS 3 retroactively to business combinations that took place prior to the transition to the IAS/IFRS. Therefore, these are recognised on the same basis as previous accounting principles. Financial instruments: Notwithstanding the general provision for the retrospective application of IAS/IFRS principles, IFRS 1 allows IAS 39 to be applied to financial statements with effect from financial years commencing prior to 1 January 2005. The Group has therefore decided to make use of this exception, applying IAS 39 to the valuation and recognition of derivatives used to manage the interest rate risk, and of the derivative implied by the convertible nature of the debenture loan, with effect from the consolidated financial statements for the 2005 financial year and the corresponding interim reports, as of the quarterly report at 31 March 2005. The main reason for this decision is the number of significant financial restructuring operations in 2004, which were duly announced to the market. Therefore, save for any information that must be submitted in accordance with IFRS 1, this solution means that only those financial instruments that existed on 1 January 2005 and which were already being managed and monitored in such a way as to guarantee the necessary information need be reported.

RECONCILIATION STATEMENTS REQUIRED BY IFRS 1

As mentioned in the paragraph "Transition to the IAS/IFRS", the reconciliations required by IFRS 1 are illustrated below.

- *Reconciliation of shareholders' equity at 1 January, 30 June and 31 December 2004 and the results for the first half of 2004 and for the year ended 31 December 2004.*

	1st half of 2004			Financial year 2004		
(m€)	**Net equity 01/01/2004**	**Result of 1st half of 2004**	**Net equity 30/06/2004**	**Net equity 01/01/2004**	**Result of fin. year 2004**	**Net equity 31/12/2004**
Italian principles	**261.4**	**24.7**	**288.4** (1)	**261.4**	**52.7**	**309.5**
Adjustments:						
Discounting of accrued liabilities (IAS 37)	3.5	(0.2)	3.3	3.5	(1.6)	1.9
Reversing of goodwill amortisation and consolidation differences (IAS 38)	-	42.0	42.2 (2)	-	59.9	58.1
Recognizing the loss of value of assets (impairment) (IAS 36)	-	-	-	-	(9.9)	(9.9)
Valuation of financial hedging instruments (IAS 39)	-	-	-	-	-	-
Valuation of convertible bonded loan (IAS 32)	-	-	-	-	-	-
Corrrelated tax effect	(1.1)	(14.5)	(15.5)	(1.1)	(7.9)	(9.1)
Tax provision for the half-year period (3)	-	(21.5)	(21.5)	-	-	-
Total Adjustments	**2.4**	**5.8**	**8.5**	**2.4**	**40.5**	**41.0**
IAS/IFRS Principles	**263.8**	**30.5**	**296.9**	**263.8**	**93.2**	**350.5**

(1) The sum of the initial net equity and result for the period does not add up to the final net equity because it is affected by other net equity variations (2.3 m€ in the 1st half of 2004 and 4.6 m€ for the whole financial year 2004)
(2) Reflects the difference between the average and closing eur/USD exchange rate
(3) The taxes were not shown in the 2004 interim report.

Explanatory notes:

Goodwill and goodwill arising on consolidation:

At 1 January 2004: no impact, since the Group decided not to apply IFRS 3 – Business combinations retrospectively to operations that took place before the transition to the IAS/IFRS; furthermore, the impairment test procedure did not indicate the need for any value adjustment of goodwill arising on consolidation recorded based on Italian accounting principles.

At 30 June 2004: an increase in net income of €27.5m and in shareholders' equity of €30.5m (the discrepancy being explained by the difference between the average exchange rate and the closing exchange rate). The impact is due to the elimination of depreciation of €42m.

At 31 December 2004: An increase in net income of €41.7m and in shareholders' equity of €39.6m (the discrepancy being explained by the difference between the average exchange rate and the closing exchange rate). The impact is due to the elimination of depreciation of €59.9m and the recognition of value adjustments of €9.9m for goodwill arising on consolidation from Swiss, Belgian, Dutch and Spanish operations, highlighted by the impairment test procedure.

Discounting of accrued liabilities:

At 1 January 2004: the quantification of the effect of the financial component included among liabilities that can be liquidated in the medium to long term resulted in a €3.5m reduction of accrued liabilities and a €2.4m increase in share capital and reserves, net of any tax effect.

At 30 June 2004: the same quantification at 30 June 2004 resulted in a €0.2m increase in reserves, with a negative impact on net income for the period. Shareholders' equity decreased by €2.2m due to the combined effect of adjustments at 1 January and in the first half.

At 31 December 2004: the same quantification at 31 December 2004 resulted in a €1.6m increase in reserves, with a negative impact on net income for the period, excluding the tax effect, of €1.1m. Shareholders' equity has decreased due to the combined effect of adjustments at 1 January and during the period of €1.3m, excluding the tax effect.

- *Reconciliation between shareholders' equity at 31 December 2004 and at 1 January 2005*

(m€)	Net equity 31/12/2004	Net equity 01/01/2005
Italian principles	**309.5**	**309.5**
Adjustments:		
Discounting of accrued liabilities (IAS 37)	1.9	1.9
Reversing of goodwill amortisation and consolidation differences (IAS 38)	58.1	58.1
Recognizing the loss of value of assets (impairment) (IAS 36)	(9.9)	(9.9)
Valuation of financial hedging instruments (IAS 39)	-	(15.1)
Valuation of convertible bonded loan (IAS 32)		1.5
Correlated tax effect	(9.1)	(4.1)
Total adjustments	**41.0**	**32.4**
IAS/IFRS Principles	**350.5**	**341.9**

Explanatory notes:

Bonds:

As indicated on page 61, the Group applied IAS 39 from 1 January 2005.

For the Group, this involves convertible bonds, i.e. a compound financial instrument with an option incorporated into the debenture loan itself to convert the debt into capital.

The corresponding accounting method, as explained in detail in the section "Key accounting principles", entails the recognition of bonds at amortised cost, which reduces financial debt and increases shareholders' equity by €1.5m.

Derivatives:

As indicated on page 61, the Group applied IAS 39 from 1 January 2005.

For the Group, this involves cash flow hedges that should be recognised and carried at fair value. The relevant accounting method has resulted in a €15.1m increase in financial debt, and a reduction in shareholders' equity, taking account of the corresponding tax effect, of €10.1m.

- *Reconciliation of the Balance Sheet at 1 January 2004*

Notes	(€k)	01.01.2004 Italian	IAS/IFRS adjustmen	01.01.2004 IAS/IFRS
	Cash and other available funds	142,544		142,544
	Financial assets	12,969		12,969
1	Other	74,574	(1,508)	73,066
	Trade receivables	49,970		49,970
	Stocks	87,912		87,912
	Total current assets	**367,969**	**(1,508)**	**366,461**
2	Tangible fixed assets	489,544	218,821	708,365
3	Goodwill	715,814	7,887	723,701
2	Other intangible fixed assets	275,012	(218,821)	56,191
	Shareholdings	2,436		2,436
	Financial assets	17,894		17,894
5	Tax paid in	143,367	(1,141)	142,226
	Total non-current assets	**1,644,067**	**6,746**	**1,650,813**
	TOTAL ASSETS	**2,012,036**	**5,238**	**2,017,274**
	Trade payables	406,681		406,681
	Other	196,876		196,876
	Bank payables	214,678		214,678
	Other financial liabilities, current share	28,922		28,922
	Debts	471,055		471,055
	Total current liabilities	**1,318,212**	**-**	**1,318,212**
3	Other debts	7,414	7,918	15,332
	Financial payables net of current share	28,182		28,182
1	Debts net of current share	204,878	(1,508)	203,370
	Deferred tax	21,503		21,503
	Severance pay and other staff-related	103,624		103,624
4	Provisions for risks and charges	45,006	(3,547)	41,459
	Total non-current liabilities	**410,607**	**2,863**	**413,470**
	TOTAL LIABILITIES	**1,728,819**	**2,863**	**1,731,682**
	NET EQUITY	**283,217**	**2,375**	**285,593**
6	- of the	261,431	2,406	263,838
3	- of minority shareholders	21,786	(31)	21,755
	TOTAL LIABILITIES AND NET EQUITY	**2,012,036**	**5,238**	**2,017,274**

Explanatory notes:

1. Other current receivables

According to IAS 32, ancillary borrowing costs must be deducted directly from the corresponding debt as a transaction cost, while according to Italian accounting principles, they are reported as other receivables.

The restatement of €1,508,000 relates to the issue costs of unlisted bond securities (private placement) issued by HMSHost.

2. Tangible fixed assets and intangible fixed assets

In accordance with IAS 38 ("Intangible Assets"), €218,821,000 in improvements of third-party assets has been restated as tangible fixed assets instead of intangible assets.

3. Options to purchase unlisted equity investments from third parties: according to the IAS/IFRS, the present value of the option available to the Group to purchase equity investments in unlisted subsidiaries is determined by the present value of the total option fee and, for consolidation purposes, is measured as a component of the acquisition cost of the investment. With reference to previous accounting principles, this option is recorded as a memorandum item at nominal value and measured as an adjustment to long-term losses in value of goodwill arising on consolidation.

In accordance with Italian principles, the Group had recognised the price paid for the remaining 5% of Anton Airfood Inc. (€7,918,000) as a purchase commitment.

According to IAS/IFRS principles, as the option has already been exercised, the effects should be reflected in the financial statements. Therefore, a liability of €7 918 000 has been recorded, reducing the third-party share by €31,000, equivalent to 5% of the net assets of Anton Airfood Inc, with recognition of the resulting goodwill of €7,887,000.

4. Provisions for liabilities and charges

According to IAS 37, if the liability refers to deferred outflows, the liability will be discounted at a gross rate that reflects the current market valuation of the present cash value and the specific risks associated with the liability. The provision increases each year to reflect the passage of time and is recorded as an interest payment.

The application of this principle has led to a €3,547,000 reduction in provisions for liabilities, with a counterpart entry of €1,141,000 recorded, excluding the corresponding tax effect. This directly increases shareholders' equity, as required by the rules governing the initial application of this principle.

5. Tax payments on account

The corresponding tax effect was determined for each adjustment. This is quantified as €1,141,000.

6. Shareholders' equity

This concerns the effect of the adjustments described and quantified earlier. These adjustments have had a direct impact on shareholders' equity and are recognised in a special reserve for the initial adoption of IAS/IFRS principles, as set out by provisions governing the initial application of the principles themselves.

- *Reconciliation of the Balance Sheet and Profit and Loss Account at 31 December 2004*

Consolidated Balance Sheet at 31 December 2004

Notes	(€k)	31.12.2004 Italian principle	IAS/IFRS adjustment	31.12.2004 IAS/IFRS
	Cash and other available funds	256,531		256,531
	Financial assets	12,843		12,843
1	Other	86,850	(1,274)	85,576
	Trade receivables	44,382		44,382
	Stocks	87,299		87,299
	Total current assets	**487,905**	**(1,274)**	**486,631**
2	Tangible fixed assets	450,488	225,701	676,189
3 - 5	Goodwill	630,189	55,452	685,641
2	Other intangible fixed assets	285,183	(229,291)	55,892
	Shareholdings	2,009		2,009
	Financial assets	16,971		16,971
4	Tax paid in advance	108,234	(9,098)	99,136
2	Other	7,395	5,450	12,845
	Total non-current assets	**1,500,469**	**48,214**	**1,548,683**
	TOTAL ASSETS	**1,988,374**	**46,940**	**2,035,314**
	Trade payables	416,219		416,219
	Other	181,725		181,725
	Bank payables	157,406		157,406
	Other financial liabilities, current share	25,976		25,976
	Total current liabilities	**781,326**	**-**	**781,326**
5	Other	6,145	7,341	13,486
	Financial payables net of current share	385,405		385,405
1	Debts net of current share	311,181	(1,274)	309,907
	Deferred taxes	24,986		24,986
	Severance pay and other staff-related funds	106,496		106,496
2 - 6	Provisions for risks and charges	40,974	(70)	40,904
	Total non-current liabilities	**875,187**	**5,997**	**881,184**
	TOTAL LIABILITIES	**1,656,513**	**5,997**	**1,662,510**
	NET EQUITY	**331,861**	**40,943**	**372,804**
7	- of the Group	309,530	40,972	350,502
5	- of minority shareholders	22,331	(29)	22,302
	TOTAL LIABILITIES AND NET EQUITY	**1.988,374**	**46,940**	**2,035,314**

Explanatory notes:

1. Other current receivables

According to IAS 32, ancillary borrowing costs must be deducted directly from the corresponding debt as a transaction cost, while according to Italian accounting principles, they are reported as other receivables.

The restatement of €1 508 000 relates to the issue costs of unlisted bond securities (private placement) issued by HMSHost.

2. Tangible fixed assets and intangible fixed assets

- In accordance with IAS 38 ("Intangible Assets"), €218,821,000 in improvements of third-party assets has been restated as tangible fixed assets instead of intangible assets.
- Based on this principle, €5,450,000 has been restated as other non-current receivables, instead of intangible assets (Concessions).
- According to IAS 16, the initial cost of assets also includes the estimated cost of dismantling assets and restoring premises to their original state. The corresponding liability is recorded at fair value as a balance sheet liability for the period in question, under provisions for future liabilities and charges. This is a counterpart entry for the tangible assets to which it relates: the allocation to the profit and loss account of the capitalised expense takes place throughout the useful lifetime of the corresponding tangible assets by means of depreciation.

The effect of the application of this principle has resulted in the recognition of property, plant and equipment of €1,860,000, with a counterpart entry for the same amount under provisions for liabilities and charges.

3. Goodwill

According to IAS/IFRS principles, goodwill is no longer automatically depreciated, but periodically assessed to identify any loss in value.

The adjustment is therefore due to the elimination of depreciation of €58,052,000 and the recognition of value adjustments of €9,912m in goodwill arising on consolidation from Swiss, Belgian, Dutch and Spanish operations, highlighted by the impairment test procedure.

This has resulted in a positive impact on shareholders' equity of €39 640 000, excluding the corresponding tax effect.

4. Tax payments on account

The corresponding tax effect was determined for each adjustment. This is quantified as €9,098,000.

5. Options to purchase unlisted equity investments from third parties: according to the IAS/IFRS, the present value of the option available to the Group to purchase equity investments in unlisted subsidiaries is determined by the present value of the total option fee and, for consolidation purposes, is measured as a component of the acquisition cost of the investment. With reference to previous accounting principles, this option is recorded as a memorandum item at nominal value and measured as an adjustment to long-term losses in value of goodwill arising on consolidation.

In accordance with Italian principles, the Group had recognised the price paid for the remaining 5% of Anton Airfood Inc. (€7 341 000) as a purchase commitment.

According to IAS/IFRS principles, as the option has already been exercised, the effects should be reflected in the financial statements. Therefore, a liability of €7,341,000 has been recorded, reducing the third-party share by €29,000, equivalent to 5% of the net assets of Anton Airfood Inc, with recognition of the resulting goodwill of €7,312,000.

6. Provisions for liabilities and charges

According to IAS 37, if the liability refers to deferred outflows, the liability will be discounted at a gross rate that reflects the current market valuation of the present cash value and the specific risks associated with the liability. The provision increases each year to reflect the passage of time and is recorded as interest paid.

The application of this principle has reduced accrued liabilities by €1,930,000. In particular, at 1 January 2004, a €3,547,000 decrease was calculated, excluding the corresponding tax effect of €1,141,000. This directly increases shareholders' equity, as required by the rules governing the initial application of this principle; at 31 December 2004, the discounting effect was €1,930,000, giving rise to financial expenses of €1,617,000 and a tax effect of €534,000, posted to the profit and loss account.

7. Shareholders' equity

This is the effect of the adjustments described and quantified earlier. These have had a direct impact on the profit and loss account or shareholders' equity, where set out by provisions relating to the initial application of the IAS/IFRS principles and the conversion effect, where applicable.

2004 Consolidated Profit and Loss Account

Notes	**(€k)**	**Financial year 2004 Italian principles**	**IAS/IFRS adjustments**	**Fin. year 2004 IAS/IFRS**
	Revenues	3,245,611	-	3,245,611
	Other operating income	96,474	-	96,474
	Total operating revenues and other income	**3,342,085**	**-**	**3,342,085**
	Cost of raw and subsidiary materials and goods	1,128,388	-	1,128,388
1	Staff costs	956,532	(2,120)	954,412
	Cost of rent and trademark licences	442,144	-	442,144
	Other operating costs	377,138	47	377,185
2	Amortisation	227,857	(59,898)	167,959
2	Write-downs due to loss of value of tangible and intangible assets	8,472	9,912	18,384
	Trading Result	**201,554**	**52,059**	**253,613**
	Financial income	12,822	-	12,822
1	Financial charges	(70,656)	(8,885)	(79,541)
	Financial asset adjustments	1,119	-	1,119
	Extraordinary income and charges	(5,195)	5,195	-
	Profit before tax	**139,644**	**48,369**	**188,013**
3	Income tax	(79,848)	(7,808)	(87,656)
	NET TRADING RESULT	**59,796**	**40,561**	**100,357**
	- for the Group	52,683	40,561	93,244
	- for minority shareholders	7,113	-	7,113

Explanatory notes:

1. Personnel costs

In terms of the assessment of the severance indemnity fund, there are no firm guidelines from national technical bodies. The different ways of identifying the type of severance indemnity fund, in accordance with the guidelines of IAS 19, which specifically tackles this subject, could lead to different outcomes. In particular, according to one interpretation, the severance indemnity fund is similar to a “post-employment benefit” in the context of a defined benefits plan. Based on these principles, the amount due must be forecast to estimate the liability when employment ceases. This amount is then discounted using the projected unit credit method to take account of the time that will elapse before actual payment. The valuation for Autogrill Group, based on the “projected unit credit method”, gives a lower liability (€757 000) for 1 January 2004 than the legal method defined by Article 2120 of the Civil Code. In view of the absence of firm guidelines from national technical bodies and the forthcoming change in the law, the random nature of estimates linked with changes in salaries and headcount, and the minor difference between the results obtained using this method compared with the legal method, a decision has been taken not to make any adjustments, but to restate the revaluation amount of the legal liability at 1 January 2004, calculated in accordance with Article 2120 of the Italian Civil Code of €2,120,000, as a financial expense, since according to IAS 19, this revaluation constitutes an interest payment.

2. Goodwill amortisation, depreciation and writedowns

As indicated earlier on in the notes to the balance sheet, according to IAS/IFRS principles, goodwill is no longer automatically depreciated, but periodically assessed to identify any loss in value.

The impact has therefore been adjusted by €49 986, equivalent to the elimination of depreciation of €59,898,000 and the recognition of value adjustments of €9,912m in goodwill arising on consolidation of Swiss, Belgian, Dutch and Spanish operations, highlighted by the impairment test procedure.

3. Financial expenses

The adjustment includes the following:

- Counterpart entry for the restatement described in Note 1 (€2,120,000).
- Effect of discounting liabilities relating to deferred expenditure of €1,617,000, as explained in point 5 of the notes to the balance sheet, IAS 37 requiring these to be recognised as financial expenses.
- Restatement of the expense incurred during the year to settle a dispute relating to exchange rate derivatives of €5,148,000, which had been recognised as extraordinary expenses in the 2004 financial statements.

4. Tax

This amount relates to the tax effect of the adjustments described above. In particular, €8,342,000 relates to the adjustment referred to in point 2 and €534,000 to the discounting of the long-term liabilities referred to in note 3.

4. ANNEXES

4.1 SECOND-QUARTER RESULTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT (SUMMARY)

(m€)	1st quarter of 2005	1st quarter of 2004	Variation		2nd quarter of 2005			2nd quarter of 2004	Variation	
				%	Like-for-like basis	Effect of Aldeasa consolidation (1)	Group total			%
Operating revenues (2)	677.0	663.0	14.0	2.1%	781.4	59.5	840.9	790.3	50.6	6.4%
Other operating income	15.6	16.7	(1.1)	-6.4%	27.1	1.4	28.5	24.3	4.2	17.3%
Total revenues	**692.6**	**679.7**	**12.9**	**1.9%**	**808.5**	**60.9**	**869.4**	**814.6**	**54.8**	**6.7%**
Cost of raw and subsidiary materials and goods	(226.5)	(221.1)	(5.3)	2.4%	(252.0)	(31.5)	(283.5)	(261.8)	(21.7)	8.3%
Staff costs	(219.5)	(219.1)	(0.4)	0.2%	(234.9)	(5.3)	(240,.)	(234.0)	(6.2)	2.7%
Cost of rent, concessions and royalties on use of trademarks	(97.1)	(92.7)	(4.5)	4.9%	(112.5)	(12.5)	(125.0)	(109.5)	(15.5)	14.1%
Other operating costs	(85.5)	(83.1)	(2.4)	2.9%	(88.6)	(4.4)	(93.0)	(93.7)	0.7	-0.7%
EBITDA	**64.0**	**63.7**	**0.3**	**0.4%**	**120.5**	**7.2**	**127.7**	**115.6**	**12.1**	**10.5%**
Amortisation	(36.9)	(36.9)	0.0	-0.1%	(41.7)	(1.0)	(42.7)	(36.8)	(5.9)	16.0%
Write-down of goodwill and consolidation differences	-	-	-	0.0%	0.0	-	0.0	(0.0)	0.0	n.s.
EBIT	**27.1**	**26.8**	**0.3**	**1.2%**	**78.8**	**6.2**	**85.0**	**78.8**	**6.2**	**7.9%**
Financial Income (Charges)	(9.2)	(14.2)	5.0	-35.4%	(10.8)	(1.6)	(12.4)	(14.1)	1.7	-12.2%
Financial asset value adjustments	0.3	0.2	0.1	54.5%	0.4	0.4	0.8	0.1	0.7	n.s.
Result before extraordinary items and tax	**18.2**	**12.8**	**5.4**	**42.3%**	**68.4**	**5.0**	**73.4**	**64.8**	**8.6**	**13.3%**
Net extraordinary income/(charges)	0.0	0.0	(0.0)	-97.2%	(0.0)	-	(0.0)	(7.4)	7.4	-100.0%
Profit before tax	**18.2**	**12.8**	**5,4**	**42.5%**	**68,4**	**5.0**	**73,4**	**57.4**	**16.0**	**27.9%**
Income tax	(10.2)	(8.5)	(1.7)	20.6%	(30.9)	(2.1)	(33.0)	(27.5)	(5.5)	20.0%
NET TRADING RESULT	**8.0**	**4.3**	**3.7**	**84.9%**	**37.5**	**2.9**	**40.4**	**29.9**	**10.5**	**35.1%**
- for the Group	6.7	3.0	3.7	n.s.	35.5	2.9	38.4	27.5	10.9	39.5%
- for minority shareholders	1.3	1.3	(0.0)	-2.8%	2.0	0.0	2.0	2.4	(0.4)	-15.6%

IMPACT

	1st quarter of 2005	1st quarter of 2004	2nd quarter of 2005			2nd quarter of 2004
			Like-for-like basis	Effect of Aldeasa consolidation (1)	Group total	
Operating revenues (2)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	2.3%	2.5%	3.5%	2.3%	3.4%	3.1%
Total	**102.3%**	**102.5%**	**103.5%**	**102.3%**	**103.4%**	**103.1%**
Cost of raw and subsidiary materials and goods	33.5%	33.4%	32.2%	53.0%	33.7%	33.1%
Staff costs	32.4%	33.0%	30.1%	8.9%	28.6%	29.6%
Cost of rent, concessions and royalties on use of trademarks	14.3%	14.0%	14.4%	21.0%	14.9%	13.9%
Other operating costs	12.6%	12.5%	11.3%	7.4%	11.1%	11.9%
EBITDA	**9.5%**	**9.6%**	**15.4%**	**12.0%**	**15.2%**	**14.6%**
Amortisation	5.4%	5.6%	5.3%	1.7%	5.1%	4.7%
Write-downs of goodwill and consolidation differences	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	**4.0%**	**4.0%**	**10.1%**	**10.3%**	**10.1%**	**10.0%**
Financial Income (Charges)	1.4%	2.1%	1.4%	2.6%	1.5%	1.8%
Financial asset value adjustments	0.0%	0.0%	0.0%	0.7%	0.1%	0.0%
Result before extraordinary items and tax	**2.7%**	**1,9%**	**8.8%**	**8.4%**	**8.7%**	**8.2%**
Net extraordinary income/(charges)	0.0%	0.0%	0,0%	0.0%	0.0%	0.9%
Profit before tax	**2.7%**	**1.9%**	**8.8%**	**8.4%**	**8.7%**	**7.3%**
Income tax	**1.5%**	**1.3%**	**4.0%**	**3.5%**	**3.9%**	**3.5%**
NET TRADING RESULT	**1.2%**	**0.7%**	**4.8%**	**4.9%**	**4.8%**	**3.8%**
- for the Group	1.0%	0.5%	4.5%	4.9%	4.6%	3.5%
- for minority shareholders	0.2%	0.2%	0.3%	0.1%	0.2%	0.3%

(1) Operating revenues exclude the sale of fuel, equal to 31.8 m€ during the half-year period (29 m€ in the 1st half 2004)

(2) Also includes EBITDA and EBIT of RAF (the Aldeasa acquisition vehicle) of – 0.7 m€, associated with acquisition charges, as well as financial charges connected w
financing of the acquisition of – 0.9 m€

4.2 Financial statements of the Parent Company

Profit and Loss Account

(amounts in thousands of euros)	1st half of 2005	1st half of 2004	Variation	Financial year 2004
A) Value of production				
1 Revenues from sales and services	500,223	514,619	(14,396)	1,092,204
5 Other revenues and income				-
* contributions for operating expenses	5	35	(30)	32
* capital gains on sales of fixed assets	1,402	-	1,402	624
* others	40,141	27,244	12,897	68,908
Total	**541,771**	**541,898**	**(127)**	**1,161,767**
B) Production costs				
6 For raw and subsidiary materials and goods	232,676	236,666	(3,990)	521,203
7 For services	42,651	42,483	168	89,507
8 For enjoyment of third party property	54,792	52,861	1,931	116,890
9 For staff:				
a) wages and salaries	90,233	91,682	(1.449)	185,622
b) social charges	28,385	28,846	(461)	58,148
c) severance pay	7,386	7,520	(134)	14,603
e) other costs	848	285	563	974
10 Amortisations and write-downs:				
a) amortisation of intangible fixed assets	14,604	14,027	577	33,940
b) amortisation of tangible fixed assets	10,769	9,652	1,117	21,855
c) write-downs of fixed assets	-	-	-	738
d) write-downs of credits included in working capital	500	250	250	2,043
11 Variations in stocks of raw and subsidiary materials and consumables	3,727	3,484	243	(2,178)
12 Provisions for risks	1,126	975	151	1,817
13 Other provisions	634	9,190	(8,556)	4,877
14 Sundry operating charges	8,963	6,960	2,003	12,688
Total	**497,295**	**504,880**	**(7,585)**	**1,062,725**
Difference between production value and costs (A-B)	**44,476**	**37,018**	**7,458**	**99,042**
C) Financial income and charges				
15 Income from shareholdings in subsidiaries	61	187	(126)	37,975
16 Other financial income:				
d) different from the above:				
* from subsidiaries	8,656	1,522	7,134	12,379
* from others	4,092	3,439	653	4,162
17 Interest and other financial charges:				
* to subsidiaries	(0)	(4)	4	(9)
* capital losses on the sale of shareholdings		-	-	-
* to others	(10,337)	(13,614)	3,277	(47,623)
17b profits and losses on exchanges	(26)	(270)	244	(281)
Total	**2,445**	**(8,740)**	**11,185**	**6,604**
D) Financial asset value adjustments				
18 Write-ups of shareholdings	18,397	8,118	10,279	959
19 Write-downs of shareholdings	(5,261)	(3,186)	(2,075)	(891)
Total	**13,135**	**4,932**	**8,203**	**69**
E) Extraordinary income and charges				
20) other income			-	33,698
21) other charges			-	(27,167)
Total	**-**	**-**	**-**	**6,531**
Trading result before tax	**60,057**	**33,210**	**26,847**	**112,245**
22 Tax on income for the financial year, current , deferred and paid in advance	(21,667)	(17,166)	(4,501)	(35,080)
PROFIT FOR THE FINANCIAL YEAR	**38,390**	**16,044**	**22,346**	**77,165**

BALANCE SHEET

(k€)	30.06.2005	31.12.2004	Variation	30.06.2004
ASSETS				
A) Receivables from shareholders for payments still due	-	-	-	-
B) Fixed assets				
I) Intangible fixed assets				
4 Concessions, licences, trademarks and similar rights	2,594	2,839	(245)	3,103
5 Goodwill	48,433	54,866	(6,432)	37,491
6 Fixed assets under construction and advance payments	4,071	3,874	197	2,131
7 Others	33,635	36,148	(2,513)	33,256
Total	**88,734**	**97,727**	**(8,994)**	**75,980**
II) Tangible fixed assets				
1 Land and buildings	14,158	14,026	132	14,134
2 Plant and machinery	7,409	7,416	(6)	7,920
3 Industrial and commercial equipment	32,239	33,243	(1,004)	32,997
3b Goods returnable free of charge	35,708	38,273	(2,565)	37,702
4 Other goods	2,923	3,440	(518)	3,862
5 Fixed assets under construction and advance payments	16,187	8,637	7,551	7,170
Total	**108,625**	**105,035**	**3,590**	**103,785**
III) Financial fixed assets				
1 Shareholdings in:				
a) subsidiaries	206,411	84,119	122,292	93,067
d) other companies	18	18	-	18
2 Other receivables				
d) from others	7,047	7,495	(448)	8,237
Total	**213,477**	**91,633**	**121,844**	**101,322**
Total fixed assets	**410,835**	**294,394**	**116,441**	**281,087**
C) Working capital				
I – Stocks of raw and subsidiary materials and consumables	**37,774**	**41,603**	**(3,829)**	**35,754**
II - Receivables				
1 From clients	37,991	31,921	6,071	37,306
2 From subsidiaries	1,034,764	673,901	360,863	687,902
4 From parent companies	-	3,447	(3,447)	-
4b Tax receivables	463	650	(187)	12,868
4c Tax paid in advance				
* part payable within the next financial year	867	9,300	(8,433)	
* part payable beyond the next financial year	5,826	23,197	(17,371)	29,195
5 From others	23,845	25,183	(1,338)	25,217
Total	**1,103,756**	**767.599**	**336.158**	**792.488**
III. Financial assets that are not fixed assets				
IV – Available funds				
1 Bank and post office deposits	5,638	39,068	(33,430)	91,442
3 Cash and cash assets	27,588	19,210	8,378	24,381
Total	**33,226**	**58,278**	**(25,052)**	**115,823**
Total working capital	**1,174,756**	**867,480**	**307,276**	**944,065**
D) Accruals and payables	**8,715**	**3,254**	**5,461**	**13,259**
TOTAL ASSETS	**1,594,306**	**1,165,128**	**429,178**	**1,238,411**

(k€)	30.06.2005	31.12.2004	Variation	30.06.2004
LIABILITIES				
A) Net Equity				
I - Share capital	132,288	132,288	-	132,288
II - Share premium reserve	-	-	-	-
III - Write-up reserves	-	-	-	-
IV - Legal reserve	6,245	2,387	3,858	2,387
V - Statutory reserve	-	-	-	-
VI - Reserve for own shares in the portfolio	-	-	-	-
VII - Other reserves	33,310	1,688	31,622	5,735
VIII – Profits carried forward	5,237	5,237	-	5,237
IX – Profit for the financial year	38,390	77,165	(38,775)	33,210
Total net equity	**215,470**	**218,765**	**(3,295)**	**178,857**
B) Fonds for risks and charges				
2 For taxes, including deferred taxes	325	22,441	(22,116)	325
3 Others	24,063	23,360	703	35,825
Total	**24,388**	**45,801**	**(21,413)**	**36,150**
C) Employee severance pay	**87,429**	**86,530**	**899**	**85,396**
D) Payables				
4 Debts to banks				
* part payable within the next financial year	95,111	153,279	(58,168)	346,920
* part payable beyond the next financial year	927,287	367,440	559,846	374,971
5 Debts to other financing bodies				
* part payable within the next financial year	736	1,025	(289)	910
* part payable beyond the next financial year	-	-	-	366
7 Debts to suppliers	174,301	226,276	(51,974)	159,607
9 Debts to subsidiaries	980	425	556	464
10 Debts to associated companies	51	59	(8)	7
11 Debts to parent companies	7,100	7,054	46	-
12 Tax debts payable within the next financial year	12,547	9,018	3,529	7,406
13 Debts to welfare and social security organisations	15,471	14,067	1,404	15,129
14 Debts to others payable within the next financial year	29,522	29,675	(153)	22,643
Total	**1,263,105**	**808,317**	**454,788**	**928,424**
E) Accruals and payables	**3,914**	**5,714**	**(1,800)**	**9,584**
TOTAL LIABILITIES	**1,594,306**	**1,165,128**	**429,178**	**1,238,411**

MEMORANDUM ACCOUNTS				
Personal guarantees given	65,572	63,255	2,317	413,686
Collateral security given				
* For debts of subsidiaries	347,750	311,180	36,570	-
Commitments to buy and sell	342,492	353,672	(11,180)	509,061
Other memorandum accounts	32,658	25,979	6,679	25,979
Total memorandum accounts	**788,472**	**754,085**	**34,387**	**948,726**

4.3 List of companies included in the scope of consolidation and other shareholdings

Fully consolidated companies

Company name	Registered office	Currency	Share capital	%	Shareholders
Parent company					
Autogrill SpA	Novara	€	132,288,000	57.093	Edizione Holding SpA
Subsidiaries					
Autogrill International Srl	Novara	€	3,813,213	100.000	Autogrill SpA
Aviogrill Srl	Bologna	€	10,000	51.000	Autogrill SpA
Nuova Estral Srl	Novara	€	10,000	100.000	Autogrill SpA
Nuova Sidap Srl	Novara	€	10,000	100.000	Autogrill SpA
Autogrill Austria AG	Gottlesbrunn	€	7,500,000	100.000	Autogrill SpA
HMSHost Deutschland GmbH	Munchen	€	205,000	100.000	Autogrill SpA
Steigenberger Gastronomie GmbH	Frankfurt	€	750,000	49.900	HMSHost Europe GmbH
AB Grundstenen 105871	Stockholm	SEK	2,500,000	100.000	HMSHost Europe GmbH
HMSHost Ireland Ltd.	Dublin	€	1,000,000	100.000	HMSHost Europe GmbH
Autogrill Espana SA	Madrid	€	1,800,000	100.000	Autogrill SpA
Autogrill Participaciones SL	Madrid	€	6,503,006	100.000	Autogrill Espana SA
Restauracion de Centros Comerciales SA (RECECO)	Madrid	€	108,182.18	85.000	Autogrill Participaciones SL
Retail Airport Finance SLU	Madrid	€	3,600	50.000	Autogrill Espana SA
ALDEASA SA	Madrid	€	25,200,000	95.890	Retail Airport Finance SLU
Autogrill Finance SA	Luxembourg	€	250,000	99.996	Autogrill SpA
Autogrill D.o.o.	Lubjana	SIT	2,100,000	100.000	Autogrill SpA
Autogrill Hellas EPE	Avlona Attikis	€	1,696,350	100.000	Autogrill SpA
Autogrill Overseas SA	Luxembourg	€	33,774,260	100.000	Autogrill International Srl
Autogrill Europe Nord-Ouest SA	Luxembourg	€	41,300,000	99.999	Autogrill SpA
Autogrill Belgie SA	Antwerpen	€	26,250,000	99.999 0.001	Autogrill Europe Nord-Ouest SA Ac Restaurants & Hotels SA
Ac Arlux SA	Arlon	€	1,258,233	99.998 0.002	Autogrill Belgie SA Ac Restaurants & Hotels SA
Ac Restaurants & Hotels Beheer SA	Antwerpen	€	4,420,000	99.999 0.001	Autogrill Belgie SA Ac Restaurants & Hotels SA
Ac Restaurants & Hotels SA	Luxembourg	€	495,787	99.995 0.005	Autogrill Belgie SA Ac Restaurants & Hotels Beheer SA
Ac Restaurants & Hotels Beteiligungs GmbH, in liquidation	Niederzissen	€	76,706	95.000 5.000	Ac Restaurants & Hotels SA Ac Holding NV
Ac Restaurants & Hotels Betriebs GmbH, in liquidation	Niederzissen	€	25,575	100.000	Ac Restaurants & Hotels Beteiligungs GmbH
Autogrill Nederland BV	Breukelen	€	41,371,500	100.000	Autogrill Europe Nord-Ouest SA
Maison Ledeboer BV	Zaandam	€	69,882	100.000	Autogrill Nederland BV
Ac Holding NV	Breukelen	€	136,134	100.000	Maison Ledeboer BV
The American Lunchroom Co BV	Zaandam	€	18,151	100.000	Ac Holding NV
Ac Apeldoorn BV	Apeldoorn	€	45,378	100.000	The American Lunchroom Co BV
Ac Bodegraven BV	Bodegraven	€	18,151	100.000	The American Lunchroom Co BV
Ac Heerlen BV	Heerlen	€	23,142	100.000	The American Lunchroom Co BV
Ac Hendrik Ido Ambacht BV	Hendrik Ido Ambacht	€	15,882	100.000	The American Lunchroom Co BV
Ac Holten BV	Holten	€	34,033	100.000	The American Lunchroom Co BV

Company name	Registered office	Currency	Share capital	%	Shareholders
Ac Leiderdorp BV	Leiderdorp	€	18,151	100.000	The American Lunchroom Co BV
Ac Meerkerk BV	Meerkerk	€	18,151	100.000	The American Lunchroom Co BV
Ac Nederweert BV	Weert	€	34,033	100.000	The American Lunchroom Co BV
Ac Nieuwegein BV	Nieuwegein	€	18,151	100.000	The American Lunchroom Co BV
Ac Oosterhout BV	Oosterhout	€	18,151	100.000	The American Lunchroom Co BV
Ac Restaurants & Hotels BV	Oosterhout	€	90,756	100.000	The American Lunchroom Co BV
Ac Sevenum BV	Sevenum	€	18,151	100.000	The American Lunchroom Co BV
Ac Vastgoed BV	Zaandam	€	18,151	100.000	The American Lunchroom Co BV
Ac Vastgoed I BV	Zaandam	€	18,151	100.000	The American Lunchroom Co BV
Ac Veenendaal BV	Veenendaal	€	18,151	100.000	The American Lunchroom Co BV
Ac Zevenaar BV	Zevenaar	€	57,176	100.000	The American Lunchroom Co BV
Holding de Participations Autogrill Sas	Marseille	€	119,740,888	99.999 0.001	Autogrill Europe Nord-Ouest SA Autogrill SpA
Autogrill Aeroports Sas.	Marseille	€	1,368,000	99.999	Holding de Participations Autogrill Sas
Autogrill Coté France Sas	Marseille		31,579,526.40	99.999	Holding de Participations Autogrill Sas
Société Berrichonne de Restauration SA (Soberest)	Marseille	€	288,000	50.005	Autogrill Coté France Sas
Société Bordelaise de Restauration Sas (Soborest)	St. Savin	€	788,000	49.996	Autogrill Coté France Sas
Société de la Porte de Champagne SA (SPC)	Perrogney Les Fontaines	€	153,600	51.900	Autogrill Coté France Sas
Société de Restauration Autoroutière Dromoise SA (SRAD)	Marseille	€	1,136,000	49.994 49.998	Autogrill Coté France Sas SRSRA SA
Société de Restauration de Bourgogne SA (Sorebo)	Marseille	€	144,000	50.000	Autogrill Coté France Sas
Société de Restauration de Troyes-Champagne SA (SRTC)	Marseille	€	1,440,000	69.980	Autogrill Coté France Sas
Société Régionale de Saint Rambert d'Albon SA (SRSRA)	St Rambert d'Albon	€	515,360	50.000	Autogrill Coté France Sas
Volcarest SA	Champs	€	1,050,144	50.000	Autogrill Coté France Sas
Societè de Gestion de Restauration Routieère SG2R Sas	Marseille	€	879,440	99.996	Autogrill Coté France Sas
SCI Vert Pre Saint Thiebaut	Nancy	€	457.35	96.670 3.330	SG2R Sas Autogrill Coté France Sas
SARL Toul Mirabelier Hotel TMH	Marseille	€	44,000	100.000	SG2R Sas
SNC TJ2D	Chaudeney Sur Moselle	€	1,000	99.000 1.000	SG2R Sas Autogrill Coté France Sas
Poitou Charentes Restauration SA	Marseille	€	466,500	100.000	Autogrill Coté France Sas
Autogrill Restauration Services Sas	Marseille	€	15,394,500	99.999	Holding de Participations Autogrill Sas
Autogrill Gares Province Sarl	Marseille	€	274,480	100.000	Autogrill Restauration Services Sas
Autogrill Gares Metropoles Sarl	Marseille	€	17,396,850	100.000	Autogrill Restauration Services Sas
Autogrill Gares Lille Snc	Marseille	€	40,000	99.960 0.040	Autogrill Restauration Services Sas Autogrill Gares Metropoles Sarl
Autogrill Schweiz AG	Olten	CHF	10,000,000	100.000	Autogrill International Srl
Autogrill Pieterlen AG	Pieterlen	CHF	2,000,000	100.000	Autogrill Schweiz AG
Autogrill Pratteln AG	Pratteln	CHF	3,000,000	95.000	Autogrill Schweiz AG
Autogrill Basel Airport Sas (in liquidation)	St. Louis	CHF	40,000	100.000	Autogrill Schweiz AG
Restoroute de Bavois SA	Bavois	CHF	2,000,000	70.000	Autogrill Schweiz AG

Company name	Registered office	Currency	Share capital	%	Shareholders
Restoroute de la Gruyère SA	Avry devant Pont	CHF	1,500,000	54.300	Autogrill Schweiz AG
Vorstatt Egerkingen AG	Egerkingen	CHF	2,000,000	100.000	Autogrill Schweiz AG
Autogrill Group Inc	Bethesda	USD	225,000,000	100.000	Autogrill Overseas SA
HMSHost Corp	Bethesda	USD	=	100.000	Autogrill Group Inc
HMSHost Europe Corp	Wilmington	USD	=	100.000	Autogrill Group Inc
HMSHost International Inc	Wilmington	USD	=	100.000	Autogrill Group Inc
HMS Host Tollroads Inc	Bethesda	USD	125,000,000	100.000	HMSHost Corp
Host International Inc	Bethesda	USD	125,000,000	100.000	HMSHost Corp
Sunshine Parkway Restaurants Inc	Bethesda	USD	125,000,000	50.000 50.000	HMSHost Corp Gladieux Corp
Cincinnati Terminal Services Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Cleveland Airport Services Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
HMS-Airport Terminal Services Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
HMS-Airport Terminal Services	Bethesda	USD	125,000,000	100.000	HMS-Airport Terminal Services Inc
HMS B&L Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
HMS Holdings Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
HMS Host Family Restaurants Inc	Bethesda	USD	125,000,000	100.000	HMS Holdings Inc
HMS Host Family Restaurants LLC	Bethesda	USD	125,000,000	100.000	HMS Host Family Inc
Gladieux Corporation	Bethesda	USD	125,000,000	100.000	HMS Holdings Inc
Host (Malaysia) Sdn Bhd	Kuala Lumpur	MYR	100,000	100.000	Host International Inc
Host Gifts Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Host International of Canada Ltd	Vancouver	CAD	4,600,000	100.000	Host International Inc
Host International of Canada (RD) Ltd	Toronto	CAD	1	100.000	Host International of Canada Ltd
SMSI Travel Centres Inc	Toronto	CAD	1	100.000	Host International of Canada Ltd
Host International of Kansas Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Host International of Maryland Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
HMS Host USA Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Host International (Poland) Sp zo o, in liquidazione	Warsaw	PLN	6,557,600	100.000	HMS Host USA Inc
Host of Holland BV	Haarlemmermeer	€	90,756	100.000	Host International Inc
Horeca Exploitatie Maatschappij Schiphol BV	Schiphol	€	45,378	100.000	Host of Holland BV
Host Services (France) Sas	Paris	€	38,115	100.000	Host International Inc
Host Services Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Host Services of New York Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Host Services Pty Ltd	North Cairns	AUD	12	100.000	Host International Inc
Las Vegas Terminal Restaurants Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Marriott Airport Concessions Pty Ltd	Tullamarine	AUD	999,998	100.000	Host International Inc
Michigan Host Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Shenzen Host Catering Company Ltd	Shenzen	USD	2,500,000	100.000	Host International Inc
The Gift Collection Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
Turnpike Restaurants Inc	Bethesda	USD	125,000,000	100.000	Host International Inc
AAI Investments Inc	Bethesda	USD	100,000,000	100.000	Autogrill Group Inc
Anton Airfood Inc (AAI)	Washington	USD	1,000	95.000	AAI Investments Inc

Company name	Registered office	Currency	Share capital	%	Shareholders
AAI Terminal 7 Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
AAI Terminal One Inc	Washington	USD	200	100.000	Anton Airfood Inc
Airport Architects Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Anton Airfood JFK Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Anton Airfood of Bakersfield Inc, in liquidat.	Washington	USD	1,000	100.000	Anton Airfood Inc
Anton Airfood of Cincinnati Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Anton Airfood of Minnesota Inc	Washington	USD	10	100.000	Anton Airfood Inc
Anton Airfood of New York Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Anton Airfood of North Carolina Inc	Washington	USD	10	100.000	Anton Airfood Inc
Anton Airfood of Ohio Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Anton Airfood of Rhode Island Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Anton Airfood of Texas Inc	Washington	USD	100,000	100.000	Anton Airfood Inc
Anton Airfood of Virginia Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Palm Springs AAI Inc	Washington	USD	1,000	100.000	Anton Airfood Inc
Lee Airport Concession Inc	Washington	USD	1,600	25.000	Anton Airfood Inc
Anton Airfood of Boise, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Anton Airfood of Tulsa, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
AAI Islip, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Fresno AAI, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Anton Airfood of Newark, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc
Anton Airfood of Seattle, Inc.	Washington	USD	n.d.	100.000	Anton Airfood Inc

Companies valued by the net equity method:

Company name	Registered office	Currency	Share capital	%	Shareholders
Union Services Sarl	Luxembourg	€	51,000	20.000	Autogrill Europe Nord-Ouest SA
				10.000	Autogrill Finance SA
Dewina Host Sdn Bhd	Kuala Lumpur	MYR	250,000	49.000	Host International Inc
HMSC-AIAL Ltd	Aukland	NZD	111,900	50.000	Host International Inc

Autogrill S.p.A.

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Share capital ***€132 288 000 fully paid up***
Tax code – Registered no. (Novara): ***03091940266***
Member of Novara CCI: ***188902 REA***
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