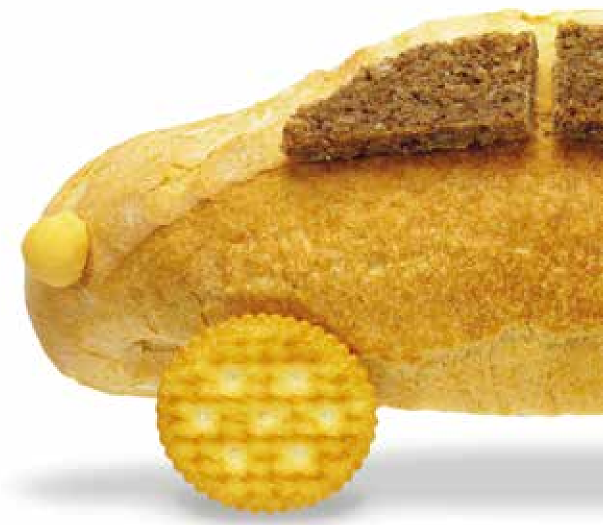
Autogrill S.p.A.

Annual Report

2014



Autogrill S.p.A.

2014 Separate Annual Report

Translation from the Italian original which remains the definitive version

Company bodies

Board of Directors[1]

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

Board of Statutory Auditors[9]

Chairman	Marco Rigotti [10]
Standing auditor	Luigi Biscozzi [10]
Standing auditor	Eugenio Colucci [10]
Alternate auditor	Giuseppe Angiolini [10]
Alternate auditor	Pierumberto Spanò [10]
Independent auditors [11]	KPMG S.p.A.

1. Elected by the annual general meeting of 28 May 2014; in office until approval of the 2016 financial statements
2. Appointed at the Board of Directors meeting of 28 May 2014
3. Powers assigned by law and the company's by-laws, particularly legal representation with individual signing authority
4. Powers of ordinary administration, with individual signing authority, as per Board resolution of 28 May 2014
5. Member of the Strategies and Investments Committee
6. Member of the Internal Control, Risks and Corporate Governance Committee
7. Member of the Related Party Transactions Committee
8. Member of the Human Resources Committee
9. Elected by the annual general meeting of 19 April 2012; in office until approval of the 2014 financial statements
10. Certified auditor
11. Engagement awarded by the shareholders' meeting of 27 April 2006, to expire on approval of the 2014 financial statements

E Executive director

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

L Lead Independent Director

Contents

1. Directors' report

Definitions and symbols

Revenue: in the directors' report this refers to operating revenue, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis.

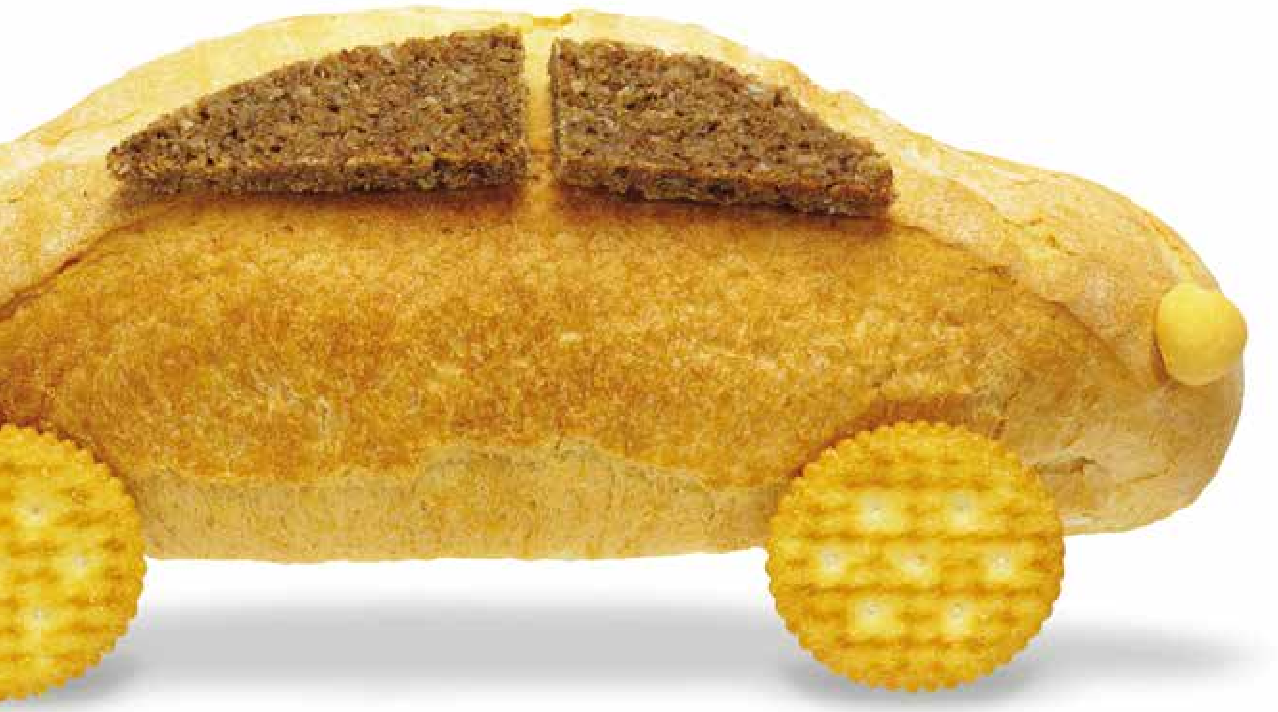
EBITDA: this is the sum of EBIT (earnings before interest and tax) and depreciation, amortization and impairment losses, and can be gleaned directly from the financial statements, as supplemented by the notes thereto. Because it is not defined in IFRS, it could differ from and therefore not be comparable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

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

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

1.1 Operations and strategy

Autogrill S.p.A. conducts Food & Beverage operations at major travel facilities (motorways, airports and railway stations), where it serves a local and international clientele.
Autogrill also works in other channels, with high street and shopping center locations, and temporary outlets during trade fairs and other events. Its offerings strongly reflect the local setting, with the use of mostly proprietary brands, as well as a more global reach through the use of well-known international brands under license.
The company's strategy is to ensure steady growth in value through expansion and diversification, constant product and concept innovation, and the improvement of service with a view to increasing the satisfaction of customers and concession grantors. In the airport and railway channels it pursues a growth strategy, while in the motorway channel its investments are becoming more targeted and selective.
Between 2005 and 2008 Autogrill diversified into the Travel Retail & Duty Free business through a series of acquisitions (Aldeasa, Alpha and World Duty Free) that were then integrated with each other in the following years.
On 1 October 2013 Autogrill S.p.A. demerged its Travel Retail & Duty Free business unit to World Duty Free S.p.A. (WDF S.p.A.), as approved by those companies' extraordinary general meetings on 6 June 2013. Since the demerger date, the two groups have worked separately and independently.
Listed on the Milan Stock Exchange, Autogrill S.p.A. heads up the world's leading provider of Food & Beverage services for people on the move. Through its subsidiaries, it operates in some 30 countries around the world, and is especially active in the United States, Canada, France, Switzerland, Belgium, Germany, the United Kingdom and Northern Europe.



1.2 Performance

1.2.1 General business context and traffic trends

In Italy, after three years of decline, motorway traffic showed a slight uptick of 0.9%.[1] Fuel prices at the pump decreased by an average of 2.9% with respect to the previous year.[2]
Italian airports, after two years of negative growth, enjoyed a 4.5% [3] increase in passenger traffic in comparison with 2013.

1.2.2 Income statement results

Condensed income statement [4]

(€m)	2014	% of revenue	2013	% of revenue	Change
Revenue	1,027.9	100.0%	1,090.2	100.0%	-5.7%
Other operating income	66.6	6.5%	90.1	8.3%	-26.1%
Total revenue and other operating income	**1,094.5**	**106.5%**	**1,180.3**	**108.3%**	**-7.3%**
Raw materials, supplies and goods	(493.0)	48.0%	(512.5)	47.0%	-3.8%
Personnel expense	(284.6)	27.7%	(305.3)	28.0%	-6.8%
Leases, rentals, concessions and royalties	(168.8)	16.4%	(178.5)	16.4%	-5.4%
Other operating expense	(120.3)	11.7%	(145.5)	13.3%	-17.3%
EBITDA	**27.8**	**2.7%**	**38.5**	**3.5%**	**-27.8%**
Depreciation, amortization and impairment losses	(50.0)	4.9%	(69.8)	6.4%	-28.4%
Operating loss (EBIT)	**(22.2)**	**2.2%**	**(31.3)**	**2.9%**	**-29.1%**
Net financial income (expense)	64.8	6.3%	207.1	19.0%	-68.7%
Impairment losses on financial assets	(28.3)	2.8%	(61.9)	5.7%	-54.3%
Pre-tax profit	**14.3**	**1.4%**	**113.9**	**10.4%**	**-87.4%**
Income tax	4.7	0.5%	(3.5)	0.3%	n.s.
Profit for the year	**19.0**	**1.8%**	**110.4**	**10.1%**	**-82.8%**

1. Source: AISCAT, January-December 2014
2. Source:Federazione Italiana Gestori Impianti Stradali Carburanti (www.figisc.it/prezzi-carburante.php)
3. Source: Assaeroporti, www.assaeroporti.com/statistiche
4. "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the income statement primarily because they do not include revenue from the sale of fuel and the related cost, the net amount of which is classified as "Other operating income" in accordance with Autogrill's protocol for the analysis of figures. This revenue came to € 3.2m in 2014 (€ 3.3m in 2013) and the cost to € 3.1m (€ 3.1m the previous year)

Revenue

Autogrill S.p.A. closed 2014 with revenue of € 1,027.9m, a decrease of 5.7% on the previous year's € 1,090.2m. Below is the breakdown by channel:

(€m)	2014	2013	Change
Revenue	1,027.9	1,090.2	-5.7%
Motorway	772.4	804.4	-4.0%
Airports	79.1	83.1	-4.8%
Other	144.3	173.3	-16.7%
Other sales *	**32.1**	**29.4**	**9.2%**

* Including sales to franchisees

In the **motorway** channel, sales decreased from € 804.4m in 2013 to € 772.4m (-4.0%). The trend is explained by the closure of 19 locations further to the outcome of the bidding process. On a like-for-like basis, with traffic up slightly (+0.9%), total sales dipped by 0.5% with respect to the previous year. In particular, prepared food and beverage sales were down by 1.7%, with a decrease for snacks and self service, and café sales remaining stable. Revenue from market purchases, on a like-for-like basis, rose by 3.1%; in this category, food sales increased by 4.4% thanks mainly to commercial promotions, while non-food was down by 0.1%. Sales of complementary goods (lottery tickets, newspapers & magazines and tobacco products) dropped by 0.8%. On a like-for-like basis, the average customer receipt was 1.8% higher than in 2013.

Revenue in the **airport** channel came to € 79.1m, compared with € 83.1m the previous year (-4.8%), due chiefly to the closure of locations at Bari Palese, Catania Fontanarossa, Florence Vespucci, and Naples Capodichino and to a reduced presence at Terminal 1 of Milan Malpensa.

In other channels revenue fell by 16.7%, from € 173.3m in 2013 to € 144.3m, as detailed below:

- **Railway stations and shipboard catering:** the decline in sales is due to Autogrill's departure from shipboard catering, which reduced revenue in this channel by € 11.9m. Sales at railway stations increased by 7.3%, thanks to new openings at Bari Centrale, Venice Santa Lucia, Verona, and Milan Bistrot;
- **Shopping centers and high streets:** revenue fell from € 110.6m in 2013 to € 93.5m (-15.5%) due to the closure of numerous locations, including Centro Giotto in Padua, Via Manzoni in Varese, Corso Europa in Milan, Viale delle Industrie in Corsico and Via del Corso in Rome;
- **Trade fairs and events:** revenue for the year came to € 15.3m, down by 11.6% on the previous year's € 17.3m, because of the small number of events and the closures at Lingotto (Turin) and Padova Fiere (Padua).

Other operating income

Other operating income in 2014 amounted to € 66.6m, down from € 90.1m the previous year. The steep decline mostly relates to the non-recurring income reported in 2013 (€ 13.8m for the waiver of pre-emption rights on the renewal of expiring subconcessions) and a decrease of € 4.4m in promotional contributions from suppliers, reflecting lower purchases as a result of the reduction in revenue.

Raw materials, supplies and goods

In 2014 the cost of product as a percentage of sales was 48%, up from 47% the previous year. This was caused by the increased weight of market and complementary goods in the sales mix.

Personnel expense

Personnel expense, at € 284.6m, decreased by 6.8% in absolute terms and by 0.3% as a percentage of sales. Within this item, the cost of sales personnel went down by € 13.8m due to the change in the scope of consolidation and the optimization of hours worked in relation to sales, which offset the increase in unit cost (+1.5%) due to the raises mandated in the national collective bargaining agreement.

Leases, rentals, concessions and royalties

These costs came to € 168.8m in 2014 (€ 178.5m the previous year) and were essentially unchanged as a percentage of sales. With operations streamlined through the closure of unprofitable locations, it was possible to offset the negative impact of contract renewals.

Other operating expense

Other operating expense in 2014 came to € 120.3m, compared with € 145.5m the previous year. At points of sale, other operating expense decreased by € 11m thanks to the optimization of costs for energy, cleaning, maintenance and advertising. At headquarters it declined by € 6.5m, due mainly to a decrease of € 6.1m for consulting.

EBITDA

EBITDA in 2014 came to € 27.8m, down from € 38.5m the previous year, and fell from 3.5% to 2.7% of revenue. The reduction is due essentially to the drop in non-recurring income, as mentioned above.
Efforts to optimize the main cost items, such as personnel expense, rentals and leases, and overheads, helped offset the decline in sales caused by the reduction in the Group's perimeter.

Depreciation, amortization and impairment losses

These came to € 50m, down from € 69.8m in 2013.
Depreciation went down as various concessions expired and the corresponding assets were relinquished free of charge in accordance with the contracts.
Impairment losses of € 3.7m were recognized on property, plant & equipment and intangible assets, compared with € 6.1m in 2013.

Net financial income

Net financial income came to € 64.8m, down from € 207.1m in 2013, due mainly to a reduction in dividends received from subsidiaries (€ 221m in 2013 compared with € 81m this year). In 2013, dividends included € 220m from World Duty Free Group S.A.U.

Impairment losses on financial assets

During the year, impairment losses were recognized on the investments in Autogrill Austria A.G., Holding de Participation Autogrill S.a.s., Autogrill Polska Sp.zo.o., HMSHost Ireland Ltd., and Autogrill Nederland B.V. for a total of € 28.3m.
The impairment loss on Nuova Sidap S.r.l., fully impaired in previous years in the amount of € 9.2m, was reversed after it was found to be fully recoverable.

Income tax

There was a net tax credit of € 4.7m in 2014 (compared with a net charge of € 3.5m the previous year), due to the offsetting of the current IRAP liability of € 5.6m against € 10.3m in deferred tax liabilities no longer due.

Profit for the year

The year closed with a profit of € 19m, down from € 110.4m in 2013.

1.2.3 Reclassified statement of financial position[5]

(€m)	31.12.2014	31.12.2013	Change
Intangible assets	120.6	118.6	2.0
Property, plant and equipment	172.0	180.1	(8.1)
Financial assets	572.5	611.7	(39.2)
A) Non-current assets	**865.1**	**910.4**	**(45.3)**
Inventories	56.9	46.4	10.5
Trade receivables	25.7	28.6	(2.9)
Other receivables	93.2	88.2	5.0
Trade payables	(207.1)	(215.9)	8.8
Other payables	(81.6)	(77.3)	(4.3)
B) Working capital	**(112.9)**	**(130.0)**	**17.1**
C) Invested capital, less current liabilities	**752.2**	**780.4**	**(28.2)**
D) Other non-current non-financial assets and liabilities	**(67.8)**	**(91.8)**	**24.0**
E) Assets available for sale	**12.3**	**-**	**12.3**
F) Net invested capital	**696.7**	**688.6**	**8.1**
G) Equity	**391.9**	**374.1**	**17.8**
Non-current financial liabilities	307.0	345.5	(38.5)
Non-current financial assets	(62.1)	(72.3)	10.2
H) Non-current financial indebtedness	**244.9**	**273.2**	**(28.3)**
Current financial liabilities	97.1	74.3	22.8
Cash and cash equivalents and current financial assets	(37.2)	(33.0)	(4.2)
I) Current net financial indebtedness	**59.9**	**41.3**	**18.6**
Net financial position (H+ I)	304.8	314.5	(9.7)
L) Total as in F)	**696.7**	**688.6**	**8.1**

The statement of financial position shows net invested capital roughly in line with the previous year.
Capital expenditure in 2014 came to € 44.9m (€ 34.6m the previous year), and was concentrated mostly on the upgrading and renovation of existing locations; the routine replacement of obsolete plant, equipment and furnishings; and investments underway at the new Duomo location in Milan.
The net financial position at 31 December 2014 decreased to € 304.8m, from € 314.5m the previous year.

5. "B) Working capital" includes the items "III. Other receivables", "IV. Trade receivables", "V. Inventories", "XIII. Trade payables", "XIV. Tax liabilities" and "XV. Other payables"
"D) Other non-current non-financial assets and liabilities" include the items "XI. Other receivables", "XV. Other payables", "XXI. Deferred tax liabilities", "XXII. Post-employment benefits and other employee benefits" and "XXIII. Provisions for risks and charges"
"Current financial liabilities" are comprised of "XVI. Bank loans and borrowings" and "XVII. Other financial liabilities"
"Cash and cash equivalents and current financial assets" include "I. Cash and cash equivalents" and "II. Other financial assets"

1.2.4 Performance of key subsidiaries

HMSHost Corporation

Through subsidiaries, this company oversees mostly Food & Beverage operations in North America, as well as at Schiphol Airport in Amsterdam and various airports in the Asia/Pacific area, Turkey and Russia.
Revenue by HMSHost dipped slightly to $ 2,704.7m ($ 2,759.4m the previous year).
EBITDA rose from $ 299.5m in 2013 to $ 308.4m (+3%), and from 10.9% to 11.4% of revenue.
The profit increased to $ 86.5m, from $ 76.9m the previous year (+12.4%).

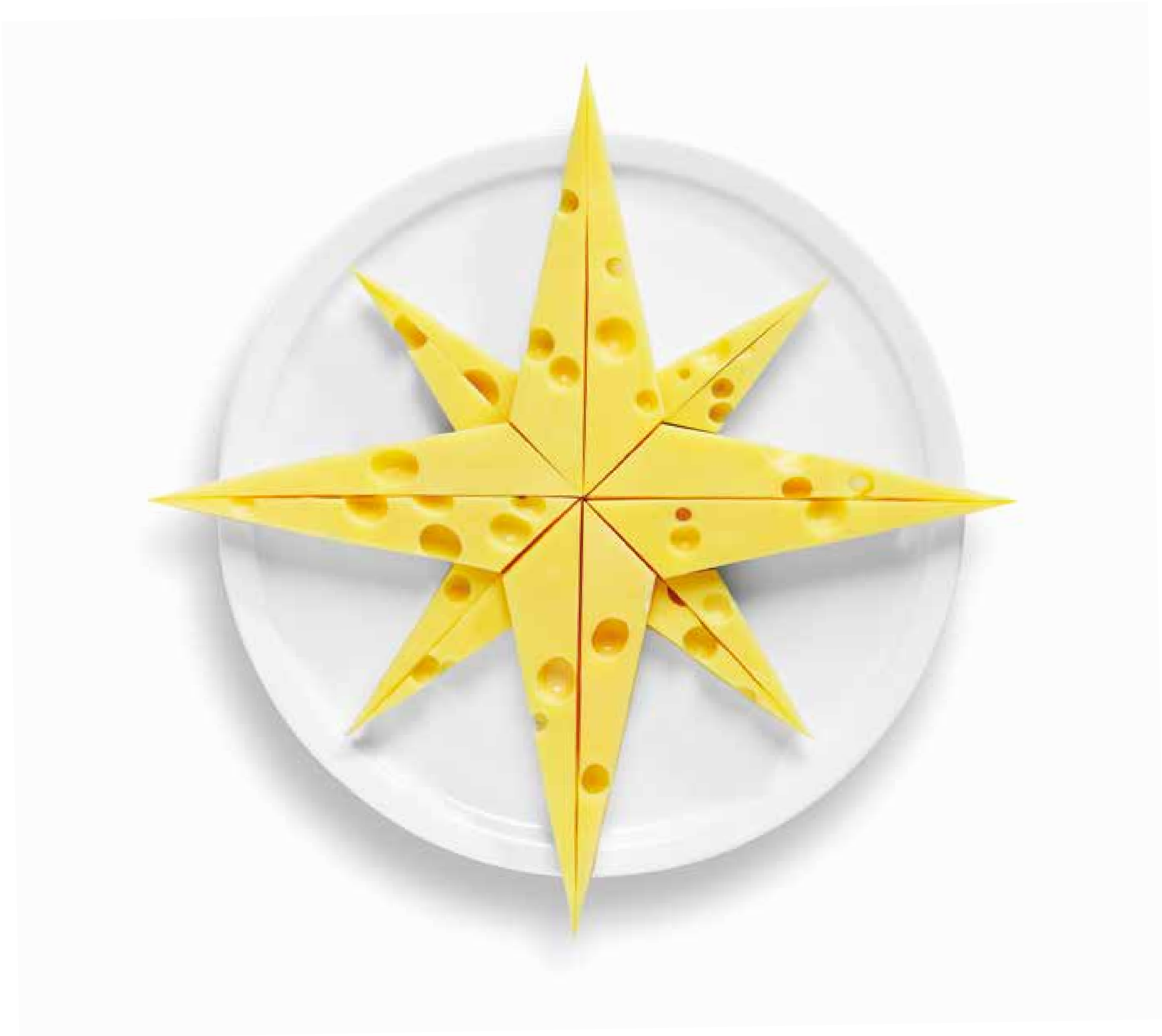
1.3 Outlook

Sales as of February 2015 were down by 10.0% on the previous year, due chiefly to the closure of locations during the course of 2014. On a like-for-like basis, total sales decreased by 2.4% and primary sales by 1.1%. In 2015 Autogrill will continue to develop new commercial ideas with a view to increasing sales, as well as cost-cutting initiatives and projects to boost efficiency.

Events after the reporting period

Since 31 December 2014, no events have occurred that would have entailed an adjustment to the figures reported or required additional disclosures.

In January 2015, Autogrill S.p.A. sold its subsidiaries Autogrill Catering UK Ltd., HMSHost Sweden A.B. and HMSHost Ireland Ltd. to HMSHost International B.V., a subsidiary of HMSHost Corporation. Autogrill has been paid in full for the sale.



1.4 Other information

1.4.1 Corporate social responsibility

For Autogrill, sustainability is a business philosophy. The company's commitment to sustainability began in 2005 with the publication of its first Sustainability Report, which cleared the way for the development of projects based on a sense of corporate responsibility. This year's Sustainability Report marks its tenth anniversary, symbolizing Autogrill's steady commitment to these themes.
The Afuture project, established in 2007 with the goal of building innovative Autogrill locations that would be both environmentally friendly and economically efficient, has evolved over the years into an international breeding ground for ideas, design concepts and best practices to be shared throughout the Group. The Afuture experience has allowed the business to grow and its people to achieve a greater awareness of sustainability issues, by better comprehending the value of this process.
In 2011 Autogrill decided to build on this concept by laying out goals for an even more sustainable approach to the business, in the form of the Afuture Roadmap (2012-2015) and guidelines for the constant improvement of performance. In 2012 it reinforced its monitoring efforts, and over the last two years it has moved forward with activities designed to improve sustainability on an ongoing basis.
In 2014, for the first time, the company developed an internal method for the materiality analysis of sustainability issues, aimed at determining which questions are significant for the sustainability of its business and for its stakeholders. Management took an active role in assigning significance to the various topics, considering the stakeholders' point of view and sharing conclusions. The resulting matrix consists of a horizontal axis representing the importance the company places on the various issues in terms of business success, and a vertical axis representing the concerns of stakeholders. The issues of greatest significance are those on which Autogrill will focus its attention in coming years. For details of the materiality analysis, see the 2014 Sustainability Report, published online at www.autogrill.com (Sustainability section).

Autogrill's policy for employees

A clear, structured policy concerning Autogrill's relations with its employees gives it a competitive edge, because employees are its human capital: the wealth of skills, competencies and qualifications that make the company stand out.
At any given location, in the act of serving a customer, each employee represents the company and its philosophy, its know-how and the way it treats the environment. By the same token, a satisfied customer is the best advertisement a company can have. That's why the relationship between Autogrill and its employees is a strategic asset, fundamental for the creation of value enjoyed by all parties. To make the most of the Autogrill's size by leveraging the skills and expertise found in different countries, over the last few years a European organizational model has been developed, leading to the creation and integration of regional and international teams.

Dialogue and engagement

"*Do You Feel Good?*" is an online survey to measure employee engagement that Autogrill has conducted annually since 2012. The survey involves countries in the European area, identifying issues in need of improvement and the most effective ways of getting employees more engaged in their work. After the results

are read and discussed, management is involved first-hand in developing a plan of action to be implemented at headquarters and locally, for each issue requiring attention.
Other feedback systems vary from country to country. In North America, for example, HMSHost provides a free 24/7 hotline that employees can call to discuss any topic of concern, as well as a web-based line where they can leave comments or complaints at any time.

Work-life balance

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

Health and safety

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

Autogrill and the environment

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

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

Waste management

In the United States, waste is being reduced—especially the proportion of non-recyclable waste—by implementing disposal and recycling systems at the back of stores. In France, 20 locations have set up bins where clients are actively involved in recycling PET bottles and aluminum cans, and the plastic parts of take-away packaging have been eliminated. In Italy Autogrill has its motorway locations served by the main waste collection specialists; in 2014 it launched a project to recycle the organic waste of the rest stops at Villoresi Est, Brianza Nord and Brianza Sud, just outside Milan, to fertilize a vegetable garden at the Bosco di Vanzago WWF nature reserve.

Energy and water management

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

Environmental certifications

Autogrill's possession of environmental certifications is a natural consequence of its commitment to the world around us.
The Villoresi Est rest stop in Italy, opened to the public in early 2013, has obtained "LEED® NC for RETAIL" (Gold level): the first time this standard has been achieved in Italy in the Food & Beverage business. This milestone is in addition to the fifteen LEED® certified rest stops in Canada (eleven Silver and four Gold), and the LEED® Silver certified rest stop on the Delaware Turnpike in the United States.
In Italy, ISO 14001 certification has been maintained for the environmental management systems of headquarters, the Brianza Sud location and the outlets at Caselle Turin airport, along with EMAS certification for HQ and Brianza Sud; both of these certifications were also obtained in 2014 by the Villoresi Est location.
In Spain, ISO 14001 certification has been maintained for the outlets inside the Telefonica building in Madrid.

Keeping tabs through the Sustainability Report

This year Autogrill publishes its tenth official Sustainability Report. It is based on the latest edition of the international guidelines set by the Global Reporting Initiative (GRI-G4 Core).
The Sustainability Report is public and is made available each year to the stakeholders. Since 2008 it has been submitted annually to the Board of Directors. The information provided in the Corporate Social Responsibility section is further detailed in that report, which can be downloaded from the Sustainability section at www.autogrill.com.

1.4.2 Main risks and uncertainties faced by Autogrill

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

Business risks

Exogenous factors: traffic statistics and propensity to consume

Autogrill's operations are influenced by traffic trends. Any factor with the potential to reduce traffic flows significantly in the countries and channels it serves is a threat to the production of value.
Exogenous (hence uncontrollable) factors that may affect the flow of traffic and travelers' propensity to consume include the general economic situation and its contributing trends—consumer confidence, inflation, unemployment and interest rates—along with rising fuel prices and, in general, the increase in the cost of transport.
Traffic and average spending may also be sensitive to other uncontrollable events, such as the spread of alternative means of travel; changes to laws and regulations that govern or in any case influence how the company operates in a given channel (this is especially relevant for airports); airline strategies and policies; strikes and political instability; acts or threats of terrorism; natural disasters; pandemics; and hostilities or wars.
The impact of this risk is mainly economic, leading to a reduction in sales and thus profitability. Autogrill's sales are also subject to seasonal fluctuations and are higher in the summer, when passenger traffic goes up. Therefore, should one of the above events occur in the summer, the negative impact could be amplified.

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

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

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

- constant revision of products and customer services, to keep them competitive in terms of quality and price and adapt them to consumers' different spending habits;
- regularly updated operating models to ensure the most efficient mix of technologies and human resources;
- focus on the profitability of sales, by cutting operating expense without sacrificing menus and catalogues or the quality of service;
- modulation of investments in order to limit the impact on cash flows.

Reputation

Autogrill's reputation with customers and with concession grantors and licensors is of great importance and is also a significant factor when grantors decide to award or renew concessions.
Damage to or loss of reputation is caused by the deterioration of perceived service, which can drive dissatisfied customers away, and by an inability to satisfy contractual commitments with concession grantors and licensors, which threatens good business relations and the prospect of extending contracts.

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

- the continuous monitoring of procedures and processes, both internally and by outside firms, to keep service efficient and customers and workers safe;
- portfolio reviews to ensure that brands, concepts and products remain appealing;

- the development of customer retention, initiatives and client satisfaction survey;
- training programs to ensure high standards of service.

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

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

The impact of these risks is increasingly influenced by the growing use of online information and communication channels (websites, social media, etc.). By making news spread ever faster and to potentially greater numbers of people, this phenomenon has led to a new area of concern: a company's "web reputation."

In response, Autogrill has implemented crisis prevention and management policies and developed a program for the effective communication of the brand's positioning, its reputation and the values it evokes, measured through specific KPI that include monitoring the consistency between its reputation offline and on the web.

Consumption habits

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

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

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

Concession fees

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

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

Over time, there have been changes in the competitive context and in the details of calls for tenders, so that in the case of new and/or extended contracts, the conditions set by the concession grantors may be less favorable than those valid today.

This risk might expose Autogrill to long-term losses in profitability, especially if it coincides with a wane in traffic or consumer confidence.

Some concession agreements restrict the operator's sphere of operations, e.g. by limiting the range of products that can be sold or how they are priced.

The need to comply with such limits could reduce or eliminate Autogrill's ability to adapt its product range and terms of sale to customers' changing needs and preferences, which, as mentioned above, is one of the key points of its commercial strategy.

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

Labor

Labor is a significant factor for Autogrill, whose business has a strong customer service component. The need to maintain service standards acceptable to customers and to the concession grantor, and the complexity of international labor laws, limit the flexibility of HR management.
Therefore, major increases in the cost per employee or more stringent regulations can have a significant impact on Autogrill's profitability.
This risk is mitigated through the constant review of operating procedures in order to make the most efficient use of labor, increase flexibility and reduce occupational hazards.

Regulatory compliance

The business in which Autogrill works is highly regulated in terms of operating practices and customer and worker safety, which involves personal protections as well as product quality. Any violation of such norms would not only expose the Group to legal consequences but could diminish its reputation with concession grantors and customers, possibly leading to reduced sales, the loss of existing contracts and/or the inability to compete for new ones.
To mitigate this risk, with the help of outside specialists, Autogrill stays constantly abreast of legal developments so it can adapt its processes, procedures and controls to the new requirements and bring personnel up to date. It also relies on constant monitoring and frequent audits of service quality with respect to contractual and legal obligations.
Further risks may arise from:

- legislative or regulatory changes in the channels served by the Group or the concession system. Concerning the motorway channel in Italy, in January 2015 the Ministry of Infrastructure and Transport and the Ministry of Economic Development enacted guidelines for the restructuring/streamlining of motorway rest areas. Under the plan, if certain minimum criteria are not satisfied (distance between rest areas, volume of fuel sold, and amount of food and beverage revenue), the number of rest areas can be reduced. It also confirms the possibility for gas stations to sell food and beverages directly. Because various aspects are still being determined, management is unable to assess the potential impact;
- the introduction of more restrictive procedures, regulations and controls that can influence consumers' propensity to buy, most typically in the airport channel. These risks are lessened by constantly monitoring consumer behavior when new rules come into force and by incorporating suitable measures into the business model.

Innovation

The company's ability to maintain a constant process of innovation for its business model, concepts, products and processes is key to offering a level of service and quality that keeps up with customers' demands.
The potential loss of such an ability would have a direct impact on sales performance and reputation.
Efforts to thwart the risk of reputation loss and regulatory non-compliance (concerning the quality of Food & Beverage preparation and service), and quality controls on raw materials mitigate this threat as well.

Financial risks

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

1.4.3 Corporate governance

All information on corporate governance is included in the Corporate Governance Report (prepared in accordance with art. 123-*bis* of the Consolidated Finance Act), available at Autogrill's headquarters and secondary office and online at www.autogrill.com (Governance/Corporate Governance Report section).

1.4.4 Management and coordination

At its meeting of 27 April 2004, the Board of Directors decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the indirect parent, Edizione S.r.l. (formerly Edizione Holding S.p.A.), pursuant to art. 2497-*bis* of the Italian Civil Code. Following Edizione S.r.l.'s transfer of its entire investment in Autogrill to its wholly-owned subsidiary Schematrentaquattro S.p.A. (formerly Schematrentaquattro S.r.l.), on 18 January 2007 the Board of Directors agreed that there were no conditions whereby Autogrill would be subject to the management and coordination of its parent, Schematrentaquattro S.p.A. Specifically, at those meetings the Board of Directors verified that there were no indicators of effective dominant influence by the controlling shareholders, given Autogrill's extensive managerial, organizational and administrative autonomy and the lack of instructions or directives from Schematrentaquattro S.p.A. or Edizione S.r.l. that might be evidence of management or coordination activities.

1.4.5 Related party transactions

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

1.4.6 Statement pursuant to art. 2.6.2(9) of the Regulations for Markets Organized and Managed by Borsa Italiana S.p.A.

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

1.4.7 Research and development

The company invests in innovation, product development, and improvements to the quality of its services and operating systems. It does not conduct technological research as such.

1.4.8 Treasury shares

The shareholders' meeting of 28 May 2014, after revoking the authorization granted on 6 June 2013 and pursuant to arts. 2357 *et seq.* of the Italian Civil Code, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.
At 31 December 2014 Autogrill S.p.A. owned 870,798 treasury shares (1,004,934 at the end of 2013), with a carrying amount of € 3,451k and an average carrying amount of € 3.96 per share. The decrease in the number of treasury shares is due to the exercise of stock options 2010 by some beneficiaries.
Autogrill S.p.A. does not own shares or other equity instruments representing the share capital of the ultimate parents, and did not at any time during the year, either directly or through subsidiaries, trust companies or other intermediaries.

1.4.9 Significant non-recurring events and transactions

In 2014, there were no significant non-recurring events or transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

1.4.10 Atypical or unusual transactions

In 2014 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

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

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

1.5 Shareholders' meeting

The Board of Directors, in accordance with art. 2364(2) of the Italian Civil Code and art. 21 of the by-laws, has decided to call shareholders' meeting within the extended deadline of 180 days after the end of the busines year, in consideration of Autogrill S.p.A.'s needs and obligations relating to the preparation of the consolidated financial statements.

1.6 Proposal for approval of the financial statements and allocation of the 2014 profit

Dear Shareholders,

The year ended 31 December 2014 closed with a profit of € 19,039,367.

Recommending, for all further details, consultation of the financial statements published and made available according to the protocol set by law, the Board of Directors submits for your approval the following

motion

In their meeting, the shareholders:
- having examined the 2014 financial statements which close with a profit of € 19,039,367;
- having noted, based on the company's 2014 financial statements, that the minimum legal reserve balance required by Italian Civil Code art. 2430 has been met;
- having acknowledged the reports of the Board of Statutory Auditors and of the independent auditors, KPMG S.p.A.;

hereby resolve

a) to approve the financial statements of Autogrill S.p.A. at and for the year ended 31 December 2014, showing a net profit of € 19,039,367;
b) to carry forward the net profit of € 19,039,367.

12 March 2015

The Board of Directors

2. Separate financial statements

2.1 Separate financial statements

2.1.1 Statement of financial position

Note	(€)	31.12.2014	Of which related parties	31.12.2013	Of which related parties
	ASSETS				
I	Cash and cash equivalents	24,064,150	-	25,631,831	-
II	Other financial assets	19,698,815	-	17,638,524	-
	Tax assets	277,236	-	277,236	-
III	Other receivables	92,952,795	15,964,447	87,964,074	19,132,656
IV	Trade receivables	25,674,295	1,366,829	28,626,657	1,082,317
V	Inventories	56,890,097	-	46,353,444	-
	Total current assets	**219,557,388**		**206,491,766**	
VI	Property, plant and equipment	171,964,075	-	180,093,944	-
VII	Goodwill	83,631,225	-	83,631,225	-
VIII	Other intangible assets	36,991,039	-	35,004,322	-
IX	Investments	565,905,158	-	601,415,275	-
X	Other financial assets	62,074,886	-	72,300,570	-
XI	Other receivables	9,989,390	-	5,631,639	-
	Total non-current assets	**930,555,773**		**978,076,975**	
XII	Assets available-for-sale	12,324,497	-	-	-
	TOTAL ASSETS	1,162,437,658		1,184,568,741	
	LIABILITIES AND EQUITY				
	LIABILITIES				
XIII	Trade payables	207,091,680	34,281,684	215,941,639	36,586,502
XIV	Tax liabilities	5,320,108	-	5,394,346	-
XV	Other payables	76,213,165	125,276	71,896,329	137,058
XVI	Bank loans and borrowings	62,307,565	-	43,558,112	-
XVII	Other financial liabilities	34,764,360	-	30,762,742	-
	Total current liabilities	**385,696,878**		**367,553,168**	
XVIII	Other payables	3,589,878	-	3,826,909	-
XIX	Loans, net of current portion	307,019,963	-	337,687,561	-
XX	Other financial liabilities non-current	-	-	7,774,955	-
XXI	Deferred tax liabilities	4,094,792	-	18,799,565	-
XXII	Post-employment benefits and other employee benefits	65,762,223	-	68,271,180	-
XXIII	Provisions for risks and charges	4,382,400	-	6,572,718	-
	Total non-current liabilities	**384,849,256**		**442,932,888**	
XXIV	EQUITY	391,891,524		374,082,685	
	TOTAL LIABILITIES AND EQUITY	1,162,437,658		1,184,568,741	

2.1.2 Income statement

Note	(€)	2014	Of which related parties	2013	Of which related parties
XXV	**Revenue**	**1,031,128,824**	**50,039**	**1,093,482,274**	**55,673**
XXVI	Other operating income	66,462,699	1,755,923	90,046,148	16,342,005
	Total revenue and other operating income	**1,097,591,523**		**1,183,528,422**	
XXVII	Raw materials, supplies and goods	495,994,798	-	515,679,154	-
XXVIII	Personnel expense	284,614,025	114,308	305,305,797	131,000
XXIX	Leases, rentals, concessions and royalties	168,801,240	78,412,466	178,520,943	77,156,014
XXX	Other operating expense	120,349,800	3,693,500	145,500,159	3,832,797
XXXI	Depreciation and amortization	50,034,415		69,778,600	
	Operating loss	**(22,202,755)**		**(31,256,231)**	
XXXII	Financial income	85,629,772	-	238,287,522	-
XXXIII	Financial expense	(20,813,482)	(1,383,592)	(31,198,365)	(1,380,698)
XXXIV	Impairment losses on financial assets	(28,255,547)	-	(61,900,000)	-
	Pre-tax profit	**14,357,988**		**113,932,926**	
XXXV	Income tax	4,681,379	-	(3,531,431)	-
	Profit for the year	**19,039,367**		**110,401,495**	

2.1.3 Statement of comprehensive income

Note	(€)	2014	2013
	Profit for the year	**19,039,367**	**110,401,495**
	Items of comprehensive income that will not be reclassified to profit or loss	(4,824,736)	236,042
XXVIII	Actuarial gains on defined benefit plans	(6,654,808)	325,575
XXXV	Tax on items that will not be reclassified to profit or loss	1,830,072	(89,533)
	Items that may be subsequently reclassified to profit or loss	2,976,855	4,716,545
XXXII	Effective portion of fair value change in cash flow hedges	5,047,894	5,404,130
XXXII	Net change in fair value of cash flow hedges reclassified to profit or loss	-	740,229
XXXII	Fair value gain on available-for-sale financial assets	(842,551)	261,885
XXXV	Tax on items that will be subsequently reclassified to profit or loss	(1,228,488)	(1,689,699)
	Total comprehensive income for the year	**17,191,486**	**115,354,082**

2.1.4 Statement of changes in equity

(€)	Share capital	Legal reserve	Hedging reserve	Other reserves and retained earnings	Available for sale financial assets reserve	Treasury shares reserve	Profit for the year	Equity
31.12.2012	132,288,000	26,457,600	(10,034,544)	553,443,854	-	(7,724,711)	(14,577,721)	679,852,478
Total comprehensive income (expense) for the year								
Profit for the year	-	-	-	-	-	-	110,401,495	110,401,495
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	4,454,660	-	-	-	-	4,454,660
Fair value gain on available-for-sale financial assets	-	-	-	-	261,885	-	-	261,885
Actuarial gains (losses) on defined benefit plans, net of the tax effect	-	-	-	236,042		-	-	236,042
Total comprehensive income (expense) for the year	-	-	4,454,660	236,042	261,885	-	110,401,495	115,354,082
Transactions with owners of the parent, recognised directly in equity								
Allocation of 2012 profit	-	-	-	(14,577,721)	-	-	14,577,721	-
Effects of Demerger	(63,600,000)	(12,720,000)	-	(351,757,208)	-	-		(428,077,208)
Effects of Demerger on treasury shares and on the share based payments reserve	-	-	-	2,795,767	-	3,742,347	-	6,538,114
Stock option	-	-	-	415,219	-	-	-	415,219
Total contributions by and distributions to owners of the parent	(63,600,000)	(12,720,000)	-	(363,123,943)	-	3,742,347	14,577,721	(421,123,875)
31.12.2013	68,688,000	13,737,600	(5,579,884)	190,555,953	261,885	(3,982,364)	110,401,495	374,082,684
Total comprehensive income (expense) for the year								
Profit for the year	-	-	-	-	-	-	19,039,367	19,039,367
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	3,659,723	-	-	-	-	3,659,723
Fair value gain on available-for-sale financial assets	-	-	-	-	(682,868)	-	-	(682,868)
Actuarial gains (losses) on defined benefit plans, net of the tax effect	-	-	-	(4,824,736)		-	-	(4,824,736)
Total comprehensive income (expense) for the year	-	-	3,659,723	(4,824,736)	(682,868)	-	19,039,367	17,191,486
Transactions with owners of the parent, recognised directly in equity								
Allocation of 2013 profit	-	-	-	110,401,495	-	-	(110,401,495)	-
Stock option	-	-	-	85,798	-	531,556	-	617,354
Total contributions by and distributions to owners of the parent	-	-	-	110,487,293	-	531,556	(110,401,495)	617,354
31.12.2014	68,688,000	13,737,600	(1,920,161)	296,218,510	(420,983)	(3,450,808)	19,039,367	391,891,524

2.1.5 Statement of cash flows

(€)	Full year 2014	Full year 2013
Opening net cash and cash equivalents	**12,073,719**	**2,655,704**
Pre-tax profit and net financial expense for the year	(22,202,755)	(31,256,231)
Amortization, depreciation and impairment losses on non-current assets, net of reversals	50,034,415	69,778,600
(Gain)/losses on disposal of non-current assets	(2,675,506)	(303,387)
Change in working capital	(21,490,442)	(35,753,661)
Net change in non-current non-financial assets and liabilities	(17,428,285)	(1,974,168)
Cash flows from operating activities	**(13,762,573)**	**491,153**
Taxes paid	(8,983,860)	(4,147,969)
Interest paid	(12,583,093)	(11,565,225)
Net cash flows from operating activities	**(35,329,526)**	**(15,222,041)**
Acquisition of property, plant and equipment and intangible assets	(39,020,950)	(42,470,345)
Proceeds from disposal of non-current assets	2,405,600	1,071,926
Acquisition in investments in subsidiaries	(5,100,000)	(9,033,547)
Dividends received	81,551,300	232,026,680
Net change in other non-current financial assets	1,731,961	19,272
Net cash flows used in investing activities	**41,567,911**	**181,613,986**
Net change in intercompany loans and borrowings	5,888,103	13,520,980
Repayment of non-current loans	(32,326,471)	(199,061,322)
Repayments of current loans, net of new loans	25,000,000	30,000,000
Excercise of stock options	523,180	-
Other cash flows *	(640,331)	(1,433,588)
Net cash flows used in financing activities	**(1,555,519)**	**(156,973,929)**
Cash flows for the year	**4,682,866**	**9,418,015**
Closing net cash and cash equivalents	**16,756,585**	**12,073,719**

* Includes dividend paid to non-controlling interests in subsidiaries

(€)	Full year 2014	Full year 2013
Opening - net cash and cash equivalents - balance as of 1 January 2014 and as of 1 January 2013	**12,073,719**	**2,655,704**
Cash and cash equivalents	25,631,831	31,007,638
Current account overdrafts	(13,558,112)	(28,351,934)
Closing - net cash and cash equivalents - balance as of 31 December 2014 and as of 31 December 2013	**16,756,585**	**12,073,719**
Cash and cash equivalents	24,064,150	25,631,831
Current account overdrafts	(7,307,565)	(13,558,112)

2.2 Notes to the financial statements

2.2.1 Accounting policies

Company operations

Autogrill S.p.A. operates in the Food & Beverage sector in Italy, and in other countries through its subsidiaries. Most of its business takes place at airports, motorway rest stops and railway stations by way of concession contracts.

Operations in Italy, performed by Autogrill S.p.A. and by its wholly-owned subsidiary Nuova Sidap S.r.l., consist mostly of catering for people on the move and quick-service restaurants in busy locations. Food & Beverage units along motorways also sell food and non-food products, and in some cases distribute fuel to the public.

General standards

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

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

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

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

- IFRS 10 Consolidated financial statements;
- IFRS 11 Joint arrangements;
- IFRS 12 Disclosure of interests in other entities;
- IAS 27 (2011) Separate financial statements;
- IAS 28 (2011) Investments in associates and joint ventures;
- Amendments to IFRS 10 Consolidated financial statements, IFRS 12 Disclosure of interests in other entities and IAS 27 Separate financial statements;
- Amendments to IAS 39 Financial instruments: novation of derivatives and continuation of hedge accounting;

- Amendments to IAS 36 Impairment of assets: recoverable amount disclosures for non-financial assets;
- Guide to the transition: amendments to IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements and IFRS 12 Disclosure of interests in other entities;
- Amendments to IAS 32 Financial instruments: Presentation – Offsetting financial assets and financial liabilities.

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

- Amendments to IAS 19 Employee benefits: employee contributions;
- Annual improvements to IFRS (2010-2012 cycle);
- Annual improvements to IFRS (2011-2013 cycle);
- Interpretation of IFRIC 21 – Levies.

The application of the standards and interpretations listed above should not affect the financial statements significantly or in any case to an extent requiring mention in these notes.

Structure, format and content of the separate financial statements

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

In accordance with IAS 1 and IAS 7, the formats used in the 2014 separate financial statements are as follows:

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

Accounting policies

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

Business combinations

Business combinations carried out since 1 January 2008

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

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

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

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

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

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

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

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

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

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

Business combinations carried out before 1 January 2004

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

Recognition of revenue and costs

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

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

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

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

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

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

Recognition of financial income and expense

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

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

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

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

Employee benefits

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

The company provides for post-employment benefits through defined-contribution and/or defined-benefit plans.

Post-employment benefit plans are formalized and non-formalized agreements whereby the company provides post-employment benefits to one or more employees.

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

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

Defined benefit plans may be unfunded or entirely or partly funded by contributions paid by the employer, and sometimes by the employee, to a company or fund which is legally separate from the company that pays the benefits.

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

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the company, the amount of the asset recognized is limited to the sum of any unrecognized cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. To establish the present value of these economic benefits, the minimum funding requirements applicable to any company plan are considered. An economic benefit is available to the company when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities. Actuarial valuations are made by actuaries external to the company. Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

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

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

Share-based payments

In the case of share-based payment transactions settled with equity instruments of the company, the grant-date fair value of the options granted to employees is recognized in personnel expense with a corresponding increase in equity ("Other reserves and retained earnings"), over the period in which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of incentives (options) for which the related service and non-market conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that will definitively vest. Likewise, when estimating the fair value of the options granted, all non-vesting conditions must be considered. There is no true-up for differences between expected and actual conditions. In the case of cash-settled share-based payment transactions (or those settled with equity or other financial instruments of a different entity), the fair value of the amount payable to employees is recognized as an expense with a corresponding increase in liabilities over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as employee benefit expenses in the income statement.

Income tax

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

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

For three-year period 2013-2015, Autogrill S.p.A. has joined the domestic tax consolidation scheme of the ultimate parent Edizione S.r.l. as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for payment in full of the amount corresponding to the IRES (corporate tax) rate times and the transferred profits or the losses if effectively utilized in accordance with tax law, as well as the transfer of any tax assets. The net current tax asset or liability for the year, in respect of IRES only, is therefore recognized as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "Other receivables" or "Other payables".

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

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or, for transactions other than business combinations, of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income.

Deferred tax liabilities are recognized on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the company is able to monitor the reversal of the temporary differences and they are unlikely to be reversed in the foreseeable future.

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

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

Non-current assets

Goodwill

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

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

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

Other intangible assets

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

The company reviews the estimated useful life and amortization method of these assets at each year-end and whenever there is evidence of possible impairment losses.

If impairment losses arise – determined in accordance with the section "Impairment losses on assets" – the asset is impaired accordingly.

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

Concessions, licenses, trademarks and similar rights	
Software licenses	3-6 years
License to sell state monopoly goods	Term of license
Brands	20 years
Other:	
Software	3-6 years
Other costs to be amortized	5 years or term of underlying contract

Property, plant and equipment

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

They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs to the extent that can reasonably be attributed to the asset.

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

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

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

Industrial buildings	33 years
Plant and machinery	3-12 years
Industrial and commercial equipment	3-5 years
Other	5-8 years
Furniture and fittings	5-10 years
Motor vehicles	4 years

Land is not depreciated.

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

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

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

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

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

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

Leased assets

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

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

Operating lease payments are calculated over the term of the lease. Benefits received or to be received, and those given or to be given, as incentives for taking out operating leases are also recognized on a straight-line basis for the entire duration of the lease (see section 2.2.8 - Operating leases).

Investments

Pursuant to IFRS 10, subsidiaries are companies for which the investor is exposed to or has rights to variable returns and is able to affect those returns through power over these investees.

Investments in subsidiaries are measured at cost adjusted for impairment losses, as described below.

Impairment losses on non-financial assets

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

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

The cash-generating units to which goodwill has been allocated are grouped so that the level of detection of impairment reflects the most detailed level at which goodwill is monitored for internal reporting purposes, anyway respecting the maximum limit of this aggregation that is the operating segment. Goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the synergies of the combination.

The recoverable amount is the higher of fair value less costs to sell and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Because the fair value of investments in subsidiaries cannot be readily determined, their recoverable amount is taken as their estimated value in use, calculated by discounting the cash flows associated with their forecast results.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, it is reduced to the recoverable amount. Impairment losses are recognized in the income statement.

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

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

Assets/liabilities held for sale

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

Non-current assets held for sale are shown in the statement of financial position separately from other assets/liabilities and are not offset.

Current assets and current and non-current liabilities

Inventories

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

Financial assets and liabilities

Trade and other receivables

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

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

Other financial assets

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

Subsequently, the financial assets that the company has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortized cost net of impairment losses.

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

Financial assets other than those held to maturity are classified as held for trading or available-for-sale and are measured at each year-end at fair value. If the financial assets are held for trading, gains and losses arising from changes in fair value are recognized in that year's income statement under financial income and expense.

Cash and cash equivalents

Cash and cash equivalents include cash and current accounts with banks and post offices, demand deposits, and other highly liquid short-term financial investments (maturity of three months or less on the acquisition date) that are immediately convertible to cash; they are stated at nominal amount as they are not subject to significant impairment risk.

Loans and borrowings

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

Trade payables

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

Derivative financial instruments and hedge accounting

Autogrill's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates.

To manage these risks the company uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. Company policy is to convert part of floating-rate debt into fixed-rate. The use of derivatives is governed by company policies approved by the Board of Directors, which establish precise written procedures concerning the use of derivatives in accordance with Autogrill's risk management strategies. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. The company does not use derivatives for purely trading purposes, but rather to hedge identified risks.

For further information see the policy described in section 2.2.5 - "Financial risk management".

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

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

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

Fair value changes are measured as described below.

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

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

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

Provisions for risks and charges

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

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

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

Share capital and treasury shares

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

Costs directly attributable to the issue of ordinary shares are deducted from net equity, net of the tax effects.

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

Foreign currency transactions

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

Use of estimates

The preparation of the separate financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, expense and income and the disclosure about contingent assets and liabilities at the reporting date. Actual results may differ. Estimates are used to determine the fair value of financial instruments, accruals to the allowance for impairment and for inventory write-down, depreciation, amortization, impairment losses on assets, employee benefits, tax, and other provisions. Estimates and assumptions are periodically reviewed and the effect of any change is immediately taken to the income statement in the current and future years.

2.2.2 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	31.12.2014	31.12.2013	Change
Bank and post office deposits	1,023	569	454
Cash and equivalents on hand	23,041	25,063	(2,022)
Total	**24,064**	**25,632**	**(1,568)**

"Bank and post office deposits" consist mainly of current accounts.

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

II. Other financial assets

Other financial assets are as follows:

(€k)	31.12.2014	31.12.2013	Change
Financial receivables from subsidiaries			
Autogrill Austria A.G.	4	2	2
Autogrill Deutschland GmbH	68	86	(18)
Autogrill Hellas E.P.E.	1	1	(0)
Nuova Sidap S.r.l.	345	17,485	(17,140)
Holding de Participations Autogrill S.a.s.	133	31	102
HMSHost Ireland Ltd.	-	1	(1)
Autogrill Nederland B.V.	6	14	(8)
Autogrill Polska Sp.zo.o.	9	-	9
Autogrill Catering UK Ltd.	19,107	1	19,106
Fair value of exchange rate hedging derivatives	26	18	8
Total	**19,699**	**17,639**	**2,060**

"Financial receivables from subsidiaries" consist of interest accrued on loans and of the loan granted to Autogrill Catering UK Ltd.

The principal changes with respect to the previous year are due to:

- the decrease in the short-term loan to the subsidiary Nuova Sidap S.r.l. upon contracting a new revolving credit facility of € 6,000k, maturing in 2016 and classified under other non-current financial assets (see note X);
- the reclassification to other current financial assets of the loan to Autogrill Catering UK Ltd., which became reimbursable at sight as a result of the company's sale to HMSHost International B.V. in January 2015, and was fully repaid the same month.

"Fair value of exchange rate hedging derivatives" refers to the fair value measurement of the derivatives entered into to hedge currency risk in relation to the forward currency sale in Polish zloty with a notional amount of Pln 9.3m (€ 2.2m), in connection with the intercompany loan.

III. Other receivables

"Other receivables" are shown in detail below:

(€k)	31.12.2014	31.12.2013	Change
Suppliers	46,994	48,499	(1,505)
Lease and concession advance payments	5,818	3,507	2,311
Inland revenue and government agencies	11,582	8,272	3,310
Receivables from credit card companies	217	201	16
Personnel	282	279	3
Other	28,060	27,206	854
Total	**92,953**	**87,964**	**4,989**

"Inland revenue and government agencies" consists of a VAT receivable of € 10,940k.

The heading "Other" mainly includes:

- € 12,467k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., due as a result of the retroactive recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (art. 2 of Law 201/2011);
- € 2,024k for the IRES refund requested by the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2004 to 2007 (Law 185/2008);
- € 5,242k due from the subsidiary Nuova Sidap S.r.l. (€ 3,423k for the Group-wide VAT settlement and the rest for services rendered).

IV. Trade receivables

Trade receivables of € 25,674k at 31 December 2014 are detailed below:

(€k)	31.12.2014	31.12.2013	Change
Third parties	22,971	26,777	(3,806)
Disputed receivables	4,487	3,534	953
Due from subsidiaries	3,023	2,782	241
Allowance for impairment	(4,807)	(4,466)	(341)
Total	**25,674**	**28,627**	**(2,953)**

"Third parties" refer mainly to catering service agreements and accounts with affiliated companies. The latter, amounting to € 6,607k at the end of the year, are secured by bank guarantees totaling € 4,249k.

"Disputed receivables" are accounts being pursued through the courts.

"Due from subsidiaries" relate to trade transactions with Group companies, specifically for the sale of goods and services to the subsidiary Nuova Sidap S.r.l.

The "Allowance for impairment" changed as follows:

Allowance for impairment at 31.12.2013	**4,466**
Allocations	435
Utilizations	(94)
Allowance for impairment at 31.12.2014	**4,807**

V. Inventories

Inventories consist of:

(€k)	31.12.2014	31.12.2013	Change
Food & Beverage items	30,167	30,266	(99)
State monopoly goods, lottery tickets and newspapers	25,204	14,476	10,728
Fuel and lubricants	65	75	(10)
Sundry merchandise and other items	1,454	1,536	(82)
Total	**56,890**	**46,353**	**10,537**

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

Balance at 31.12.2013	**280**
Accruals	-
Utilizations	(95)
Balance at 31.12.2014	**185**

The increase in "State monopoly goods, lottery tickets and newspapers" is due in part to a different trend in the purchasing of monopoly goods (instant lottery tickets) at the end of the year.

Non-current assets

VI. Property, plant and equipment

As follows:

(€k)	31.12.2014	31.12.2013	Change
Land and buildings	31,439	32,641	(1,202)
Leasehold improvements	38,562	40,284	(1,722)
Plant and machinery	10,515	13,516	(3,001)
Industrial and commercial equipment	32,812	40,762	(7,950)
Assets to be transferred free of charge	33,000	35,698	(2,698)
Other	2,218	2,055	163
Assets under construction and payments on account	23,418	15,138	8,280
Total	**171,964**	**180,094**	**(8,130)**

The table below summarizes movements in property, plant and equipment:

(€k)	31.12.2013 Gross amount	Accumulated depreciation & impairment losses	Carrying amount	Changes in gross carrying amount Increases	Decreases	Other movements	Total
Non-industrial land	5,426	-	**5,426**	-	-	-	-
Industrial land and buildings	47,626	(20,411)	**27,215**	561	(40)	7	528
Leasehold improvements	252,298	(212,014)	**40,284**	6,158	(31,504)	3,279	(22,067)
Plant and machinery	59,291	(45,775)	**13,516**	459	(1,385)	22	(904)
Industrial and commercial equipment	309,184	(268,422)	**40,762**	5,432	(11,069)	2,908	(2,729)
Assets to be transferred free of charge	204,185	(168,487)	**35,698**	3,828	(69,750)	3,338	(62,584)
Other	31,692	(29,637)	**2,055**	584	(746)	565	403
Assets under construction and payments on account	15,138	-	**15,138**	18,346	(24)	(10,042)	8,280
Total	**924,840**	**(744,746)**	**180,094**	**35,368**	**(114,518)**	**77**	**(79,073)**

(€k)	31.12.2012 Gross amount	Accumulated depreciation & impairment losses	Carrying amount	Changes in gross carrying amount Increases	Decreases	Other movements	Total
Non-industrial land	5,426	-	**5,426**	-	-	-	-
Industrial land and buildings	36,449	(19,305)	**17,144**	1,137	(116)	10,156	11,177
Leasehold improvements	252,519	(204,467)	**48,052**	6,148	(9,516)	3,147	(221)
Plant and machinery	55,731	(42,980)	**12,751**	1,551	(317)	2,326	3,560
Industrial and commercial equipment	300,932	(255,172)	**45,760**	5,370	(2,876)	5,758	8,252
Assets to be transferred free of charge	196,198	(144,284)	**51,914**	5,283	(13)	2,717	7,987
Other	30,944	(28,557)	**2,387**	192	(43)	599	748
Assets under construction and payments on account	31,086	-	**31,086**	9,387	62	(25,397)	(15,948)
Total	**909,285**	**(694,765)**	**214,520**	**29,068**	**(12,819)**	**(694)**	**15,555**

Depreciation/Impairment losses				31.12.2014		
Increase in depreciation	New impairment losses	Decreases	Total	Gross amount	Accumulated depreciation & impairment losses	Carrying amount
-	-	-	-	5,426	-	5,426
(1,796)	(29)	95	(1,730)	48,154	(22,141)	26,013
(10,218)	(785)	31,348	20,345	230,231	(191,669)	38,562
(2,728)	(776)	1,407	(2,097)	58,387	(47,872)	10,515
(14,087)	(1,439)	10,305	(5,221)	306,455	(273,643)	32,812
(9,202)	(577)	69,665	59,886	141,601	(108,601)	33,000
(927)	(50)	738	(239)	32,095	(29,877)	2,218
-	-	-	-	23,418	-	23,418
(38,958)	(3,656)	113,558	70,944	845,767	(673,803)	171,964

Depreciation/Impairment losses				31.12.2013		
Increase in depreciation	New impairment losses	Decreases	Total	Gross amount	Accumulated depreciation & impairment losses	Carrying amount
-	-	-	-	5,426	-	5,426
(1,000)	(155)	49	(1,106)	47,626	(20,411)	27,215
(14,124)	(2,839)	9,416	(7,547)	252,298	(212,014)	40,284
(2,813)	(273)	291	(2,795)	59,291	(45,775)	13,516
(15,269)	(521)	2,540	(13,250)	309,184	(268,422)	40,762
(21,950)	(2,258)	5	(24,203)	204,185	(168,487)	35,698
(1,116)	(6)	42	(1,080)	31,692	(29,637)	2,055
-	-	-	-	15,138	-	15,138
(56,272)	(6,052)	12,343	(49,981)	924,840	(744,746)	180,094

The increase of € 35,368k stems primarily from the modernization and renovation of stores and the replacement of obsolete plant, equipment and furnishings.

The increase in "Assets under construction and payments on account" is due mainly to investments underway at the new Duomo location in Milan.

Decreases for the year, totalling € 114,518k, refer chiefly to the free-of-charge transfer of assets built at motorway rest stops where the concessions have expired, in accordance with the concession contracts.

Impairment testing led to the recognition of € 3,656k in impairment losses. Impairment testing was based on estimated future cash flows (without considering any assumed efficiency gains), discounted at the weighted average cost of capital, which reflects the cost of money and the specific business risk.

VII. Goodwill

"Goodwill" shows a balance of € 83,631k, unchanged since the previous year.

The recoverability of goodwill is tested by estimating the value in use of the CGU (in this case the scope of activity of Autogrill S.p.A.), defined as the present value of estimated future cash flows discounted at a rate reflecting the specific risks of the CGU as of the measurement date.

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

Future cash flows have been estimated on the basis of the 2015 budget and forecasts for 2016-2019 (explicit forecast period). Cash flows beyond 2019 have been projected by extrapolating information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of the sector in which Autogrill works, and by using the perpetuity method to calculate terminal value.

The discount rate after taxes used in 2014 was 7.2% (7.5% the previous year); the reduction mainly reflects the decrease in the risk-free rate on Italian government bonds. To estimate cash flows for the period 2016-2019, management has made some assumptions including an estimate of road and airport traffic volumes, future sales, operating costs, investments, and changes in working capital.

In particular, internal estimates call for a moderate increase in motorway traffic for 2015 and subsequent years. The selective investment strategy is reflected in the lower expected renewal rate for expiring concessions with respect to historical trends. The reduced sphere of activity due to the assumed decrease in the number of renewals is offset by an expected improvement in the performance of locations whose contracts are renewed, as a result of renovation work. Operating costs, in particular rent, as a percentage of revenue has been revised in accordance with the expiration of leases and concession contracts.

Growth investments are correlated with the expiration of contracts, while maintenance investments are assumed to be consistent with historical trends.

On the basis of these assumptions, goodwill was found to be fully recoverable.

For the most significant assumptions used in the impairment tests, the rates at which the existing gap between the CGU's value in use and its carrying amount would no longer exist are 13.1% for the tax-free discount rate and -10.3% for the "g" rate.

Additional steps included:
- a sensitivity analysis, considering specific risk factors inherent to the plan;
- a comparison between the CGU's value in use for 2014 and 2013 with gap analysis.

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

VIII. Other intangible assets

As follows:

(€k)	31.12.2014	31.12.2013	Change
Concessions, licenses, trademarks and similar rights	17,533	18,920	(1,387)
Assets under development and payments on account	5,412	4,478	934
Other	14,046	11,606	2,440
Total	**36,991**	**35,004**	**1,987**

"Concessions, licenses, trademarks and similar rights" refer mainly to licenses for the sale of goods held under state monopoly and to proprietary brands.

"Assets under development and payments on account" refer to investments in new software that is not yet in use.

The item "Other" relates mainly to software programs produced as part of the company's IT development plan.

With the exception of goodwill, no intangible assets have an indefinite useful life.

Movements in other intangible assets are summarized below:

	31.12.2013			Changes in gross carrying amount			
(€k)	Gross amount	Accumulated amortization	Carrying amount	Increases	Decreases	Other movements	Total
Concessions, licenses, trademarks and similar rights	46,852	(27,932)	**18,920**	986	(1,065)	126	47
Assets under development and payments on account	4,478	-	**4,478**	4,800	(18)	(3,848)	934
Other	62,360	(50,754)	**11,606**	3,752	(32)	3,645	7,365
Total	**113,690**	**(78,686)**	**35,004**	**9,538**	**(1,115)**	**(77)**	**8,346**

	31.12.2012			Changes in gross carrying amount			
(€k)	Gross amount	Accumulated amortizzation	Carrying amount	Increases	Decreases	Other movements	Total
Concessions, licenses, trademarks and similar rights	47,106	(26,542)	**20,564**	896	(1,626)	476	(254)
Assets under development and payments on account	7,487	-	**7,487**	3,846	(154)	(6,701)	(3,009)
Other	54,642	(46,194)	**8,448**	815	(16)	6,919	7,718
Total	**109,235**	**(72,736)**	**36,499**	**5,557**	**(1,796)**	**694**	**4,455**

	Amortization/Impairment losses				31.12.2014		
	Increase in amortization	New impairment losses	Decreases	Total	Gross amount	Accumulated amortization & impairment losses	Carrying amount
	(2,433)	(31)	1,030	**(1,434)**	46,899	(29,366)	**17,533**
	-	-	-	**-**	5,412	-	**5,412**
	(4,956)	-	31	**(4,925)**	69,725	(55,679)	**14,046**
	(7,389)	**(31)**	**1,061**	**(6,359)**	**122,036**	**(85,045)**	**36,991**

	Amortization/Impairment losses				31.12.2013		
	Increase in amortization	New impairment losses	Decreases	Total	Gross amount	Accumulated amortization & impairment losses	Carrying amount
	(2,775)	(103)	1,488	**(1,390)**	46,852	(27,932)	**18,920**
	-	-	-	**-**	4,478	-	**4,478**
	(4,577)	-	17	**(4,560)**	62,360	(50,754)	**11,606**
	(7,352)	**(103)**	**1,505**	**(5,950)**	**113,690**	**(78,686)**	**35,004**

IX. Investments

Investments at 31 December 2014 were worth € 565,905k: € 565,885k in subsidiaries and € 20k in other companies (neither subsidiaries nor associates).

Movements during the year are shown below:

	31.12.2013		
(€k)	Cost	Impairment losses	Carrying amount
Nuova Sidap S.r.l.	9,253	(9,253)	-
Autogrill Austria A.G.	27,671	(26,093)	1,578
Autogrill Belux N.V.	46,375	-	46,375
Autogrill Catering UK Ltd.	2,851	-	2,851
Autogrill Czech S.r.o.	6,048	(3,031)	3,017
Autogrill D.o.o.	4,764	(4,764)	-
Autogrill Deutschland GmbH	35,435	-	35,435
Autogrill Iberia S.L.U.	47,629	(35,400)	12,229
Autogrill Hellas E.P.E.	4,791	(2,791)	2,000
HMSHost Corporation	217,453	-	217,453
Autogrill Polska Sp.zo.o.	4,805	(3,000)	1,805
Autogrill Schweiz A.G.	243,031	(102,950)	140,081
HMSHost Ireland Ltd.	13,500	(6,000)	7,500
HMSHost Sweden A.B.	6,005	-	6,005
Holding de Participations Autogrill S.a.s.	119,694	-	119,694
Autogrill Nederland B.V.	41,372	(36,000)	5,372
Others	20	-	20
Total	**830,697**	**(229,282)**	**601,415**

Increases/decreases

Increases refer to a share capital injection for the subsidiary Autogrill Austria A.G.

Of the decreases, € 12,325k concerns the reclassification to "Assets held for sale" of the carrying amount of Autogrill Catering UK Ltd., HMSHost Sweden A.B., and HMSHost Ireland Ltd., whose sale to a subsidiary of HMSHost Corporation was finalized in January 2015.

Impairment losses

The recoverable amount of investments is tested by estimating their value in use, defined as the present value of estimated future cash flows (based on the 2015 budget and projections for 2016-2019), discounted at a rate (from 5.1% to 11.1%) calculated using the capital assets pricing model and based to the extent possible on parameters observable in the market. Cash flows beyond 2019 have been projected by extrapolating information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of each company's sector and country of operation (from 1% to 2.1, consistently with medium- to long-term inflation forecasts by the International Monetary Fund).

Increases	Decreases	Impairment (losses)/reversals	31.12.2014 Cost	Impairment losses	Carrying amount
-	-	9,253	9,253	-	**9,253**
5,100	-	(1,800)	32,771	(27,893)	**4,878**
-	-	-	46,375	-	**46,375**
-	(2,851)	-	-	-	**-**
-	-	-	6,048	(3,031)	**3,017**
-	-	-	4,764	(4,764)	**-**
-	-	-	35,435	-	**35,435**
-	-	-	47,629	(35,400)	**12,229**
-	-	-	4,791	(2,791)	**2,000**
-	(30)	-	217,423	-	**217,423**
-	-	(1,805)	4,805	(4,805)	**-**
-	-	-	243,031	(102,950)	**140,081**
	(3,469)	(4,031)	10,031	(10,031)	**-**
-	(6,005)	-	-	-	**-**
-	-	(24,500)	119,694	(24,500)	**95,194**
-	-	(5,372)	41,372	(41,372)	**-**
-	-	-	20	-	**20**
5,100	**(12,355)**	**(28,255)**	**823,442**	**(257,537)**	**565,905**

Impairment testing (by means of discounting the cash flows from projected earnings) showed that the recoverable amounts of some of the above investments had fallen below their carrying amounts, which were therefore reduced accordingly. The combined impairment loss of € 37,508k was recognized in the income statement and refers to:

- Autogrill Austria A.G. for € 1,800k,
- Holding de Participations Autogrill S.a.s. for € 24,500k,
- Autogrill Polska Sp.zo.o. for € 1,805k,
- HMS Host Ireland Ltd. for € 4,031k,
- Autogrill Nederland B.V. for € 5,372k.

For unimpaired investments, an increase of one percentage point in the discount rate or a reduction of half a percentage point in the g rate would still produce a value in use that exceeds the carrying amount.

Cash flow analyses demonstrate that the loans granted by Autogrill S.p.A. are fully recoverable.

Reversals of impairment losses

An estimate of the recoverable amount of the investment in Nuova Sidap S.r.l. suggests that the cost incurred, € 9,253k, is fully recoverable. The impairment loss of that amount that was charged in previous years has therefore been reversed, with an offsetting entry in the income statement. An increase of one percentage point in the discount rate or a reduction of half a percentage point in the g rate would not have invalidated the reversal.

The following table provides key data on subsidiaries at 31 December 2014 (see the Annex for a full list of subsidiaries held indirectly):

Name	Registered office	Currency	Share capital/quota *	Number of shares/ quotas	Equity at 31.12.2014 *	2014 profit (loss) *	% held		Carrying amount (€) *
							Directly	Indirectly	
Nuova Sidap S.r.l.	Novara (Italy)	Euro	100,000	1	4,005	3,027	100.0	-	9,253
Autogrill Austria A.G.	Gottlesbrunn (Austria)	Euro	7,500,000	7,500,000	1,578	(3,743)	100.0	-	4,878
Autogrill Belux N.V.	Antwerp (Belgium)	Euro	10,000,000	8,882,601	16,426	1,126	99.999	0.001	46,375
Autogrill Catering UK Ltd.	Bedfont Lakes (UK)	Gbp	217,063	217,063	(7,386)	(2,609)	100.0	-	-
Autogrill Czech S.r.o.	Prague (Czech Republic)	Czk	154,463,000	-	52,457	2,921	100.0	-	3,017
Autogrill D.o.o.	Ljubljana (Slovenia)	Euro	1,342,670	-	903	87	100.0	-	-
Autogrill Deutschland GmbH	Munich (Germany)	Euro	205,000	1	22,821	655	100.0	-	35,435
Autogrill Iberia S.L.U.	Madrid (Spain)	Euro	7,000,000	7,000,000	14,816	(0)	100.0	-	12,229
Autogrill Hellas E.P.E.	Avlona Attikis (Greece)	Euro	3,696,330	123,211	2,688	570	100.0	-	2,000
HMSHost Corporation	Wilmington (Usa)	Usd	80	8,000	404,329	86,465	100.0	-	217,423
Autogrill Polska Sp.zo.o.	Katowice (Poland)	Pln	14,050,000	28,100	7,075	(2,032)	100.0	-	-
Autogrill Schweiz A.G.	Olten (Switzerland)	Chf	23,183,000	23,183	39,379	4,596	100.0	-	140,081
HMSHost Ireland Ltd.	Cork (Ireland)	Euro	13,600,000	13,600,000	1,113	391	100.0	-	-
HMSHost Sweden A.B.	Stockholm (Sweden)	Sek	2,500,000	25,000	60,912	13,511	100.0	-	-
Holding de Participations Autogrill S.a.s.	Marseille (France)	Euro	84,581,920	556,460	67,773	(7,258)	100.0	-	95,194
Autogrill Nederland B.V.	Oosterhout (The Nederlands)	Euro	41,371,500	82,743	14,850	(1,189)	100.0	-	-
Others									20
Total									**565,905**

* Amounts in local currency, in thousands

X. Other financial assets

These consist mainly of non-current loans due from Group companies analysed as follow:

(€k)	31.12.2014	31.12.2013	Change
Loans granted to subsidiaries:			
Nuova Sidap S.r.l.	6,000	-	6,000
Autogrill Austria A.G.	4,895	1,505	3,390
Autogrill Polska Sp.zo.o.	2,227	-	2,227
Autogrill Nederland B.V.	14,249	14,763	(514)
Holding de Participations Autogrill S.a.s.	24,636	30,832	(6,196)
Autogrill Hellas E.P.E.	1,853	1,296	557
HMSHost Ireland Ltd.	-	1,221	(1,221)
Autogrill Catering UK Ltd.	-	10,586	(10,586)
Guarantee deposits	1,562	1,504	58
Interest bearing sums with third parties	-	286	(286)
Other financial receivables from third parties	11	16	(5)
Other non-current financial assets	6,642	10,292	(3,650)
Total	**62,075**	**72,301**	**(10,226)**

All of these loans charge interest at market rates.

The principal changes in this item are due to:

- the reclassification to other current financial assets of the loan granted to Autogrill Catering UK Ltd., as the company was sold to a subsidiary of HMSHost Corporation (HMSHost International B.V.) and the loan was fully repaid in January 2015;
- the partial repayment of the loan granted to Holding de Participations Autogrill S.a.s. for € 6,196k;
- a new revolving credit facility with Nuova Sidap S.r.l. for € 6,000k;
- an increase of € 3,390k in loans to Autogrill Austria A.G.;
- a new loan of Pln 9,518k (€ 2,227k) to Autogrill Polska Sp.zo.o.

"Other non-current financial assets" cover the fair value of World Duty Free S.p.A. shares, calculated on the basis of market value (stock market price) at the end of the year, which was € 7.97 per share. At 31 December 2014 the company held 833,965 such shares, down from 1,124,934 at the end of 2013, due to the exercise of options by some of the plan's beneficiaries.

Because of changes made to the 2010 Stock Option Plan, the shares of World Duty Free S.p.A. held to service that plan are correlated with the liability for share-based payments. Therefore, in accordance with IAS 39 and its interpretations, the fair value adjustment of the investment is charged to profit or loss in order to reduce the accounting mismatch with the change in the fair value of the option implicit in the stock option cost, the effects of which are recognized in the income statement.

XI. Other receivables

Most of the balance of € 9,989k (€ 5,632k at 31 December 2013) consists of concession fees paid in advance, primarily for motorway Food & Beverage operations.

The change for the year is due largely to the increase for advance lease payments in advance on new concession contracts (€ 7,133k), further to contract renewals at 19 motorway rest stops, and the reclassification to current receivables of the amount pertaining to 2015 (€ 2,163k).

XII. Assets held for sale

Totalling € 12,324k, this item covers the carrying value of the investments in Autogrill Catering UK Ltd., HMSHost Sweden A.B., and HMSHost Ireland Ltd., whose sale to the indirect subsidiary HMSHost International B.V. was finalized in January 2015.

Current liabilities

XIII. Trade payables

These amount to € 207,092k, as follows:

(€k)	31.12.2014	31.12.2013	Change
Due to suppliers	206,366	214,283	(7,917)
Due to subsidiaries	726	1,659	(933)
Total	**207,092**	**215,942**	**(8,850)**

The amount due to suppliers went down as a result of the company's decreased turnover.

XIV. Tax liabilities

The balance of € 5,320k (€ 5,394k at 31 December 2013) is shown net of offsettable tax credits and refers chiefly to IRAP (regional business tax).

XV. Other payables

With a balance of € 76,213k (€ 71,896k at 31 December 2013), these are made up as follows:

(€k)	31.12.2014	31.12.2013	Change
Personnel expense	16,226	19,740	(3,514)
Due to suppliers for investments	14,657	9,218	5,439
Social security and defined contribution plans	13,055	14,692	(1,637)
Indirect taxes	1,855	1,668	187
Withholding taxes	4,667	7,172	(2,505)
Due to pension funds	4,741	3,607	1,134
Other	21,012	15,799	5,213
Total	**76,213**	**71,896**	**4,317**

The change in "Personnel expense" reflects the reduction in the workforce during the year, due primarily to Autogrill's departure from several locations.

The change in "Due to suppliers for investments" reflects the timing of expenditure for the upgrading of locations, which in 2014 was concentrated more heavily in the final quarter.

The caption "Other" includes promotional contributions from suppliers (€ 11,795k) pertaining to future years.

XVI. Bank loans and borrowings

This item amounts to € 62,308k, as follows:

(€k)	31.12.2014	31.12.2013	Change
Unsecured bank loans	55,000	30,000	25,000
Current account overdraft	7,308	13,558	(6,250)
Total	**62,308**	**43,558**	**18,750**

It consists of current account overdrafts and ultra short-term loans.

XVII. Other financial liabilities

These amount to € 34,764k, as follows:

(€k)	31.12.2014	31.12.2013	Change
Fair value of interest rate hedging derivatives	3,888	1,197	2,691
Loans received from:			
Autogrill Deutschland GmbH	8,718	10,264	(1,546)
Autogrill Belux N.V.	10,021	7,909	2,112
Autogrill Schweiz A.G.	10,402	8,555	1,847
HMSHost Sweden A.B.	-	1,696	(1,696)
Accrued expenses and deferred income for interest on loans	459	495	(36)
Fair value of currency hedging derivatives	1,043	336	707
Other financial accrued expenses and deferred income	233	311	(78)
Total	**34,764**	**30,763**	**4,001**

The item "Fair value of interest rate hedging derivatives" refers to the current portion of the fair value of interest rate swaps outstanding at 31 December 2014, with a notional value of € 120m. The change for the year reflects the reclassification of the fair value of derivatives from non-current to current, net of payments made.

"Fair value of currency hedging derivatives" refers to the fair value measurement of the derivatives entered into to hedge currency risk at 31 December 2014, in particular to the forward purchase and/or sale of currency, in connection with intercompany loans or deposit or intercompany dividends.

For further information on derivative financial instruments, see Section 2.2.5.2 - Financial risk management.

Non-current liabilities

XVIII. Other payables

In the amount of € 2,614k, "Other payables" concern the liability for share-based plans generated by the revision of the Stock Option Plan further to the proportional partial demerger of Autogrill S.p.A. in October 2013 and to the implementation of the new 2014 Phantom Stock Option Plan.

At 31 December 2014, this item also included the deferred compensation due to personnel under long-term incentive plans.

XIX. Loans, net of current portion

Amounting to € 307,020k (€ 337,688k at 31 December 2013), this item consists of € 308,571k in bank loans net of € 1,551k in charges and fees (€ 340,167k and € 3,714k at 31 December 2013).

Bank loans and borrowings at 31 December 2014 and 31 December 2013 are broken down in the table below:

		31.12.2014		31.12.2013	
Credit Line	Expiry	Amount (€k)	Drawdowns in €k *	Amount (€k)	Drawdowns in €k
Multicurrency Revolving Facility - Tranche 1	July 2016	88,571	88,571	88,571	88,571
Multicurrency Revolving Facility - Tranche 2 **	July 2016	411,429	220,000	411,429	251,596
2011 Syndicated line		**500,000**	**308,571**	**500,000**	**340,167**
Total lines of credit		**500,000**	**308,571**	**500,000**	**340,167**
Current portion			-		-
Total lines of credit net of current portion		**500,000**	**308,571**	**500,000**	**340,167**

* Drawdowns in currency are measured based on exchage rates at 31 December 2014 and 31 December 2013
** Tranche multicurrency

At 31 December 2014 the credit facilities maturing after one year had been drawn down by about 62%. Floating interest is charged on all bank loans. The average remaining term of bank loans and borrowings is one year and seven months, compared with two years and seven months at 31 December 2013.

Long-term loan agreements require regular monitoring of financial ratios relating to debt coverage and interest coverage.

Referring to the Autogrill Group as a whole, they call for maintenance of a leverage ratio (net debt/EBITDA) of 3.5 or less and an interest coverage ratio (EBITDA/net financial expense) of at least 4.5. For the calculation of these ratios, net debt, EBITDA and net financial expense are measured according to definitions in the loan contracts and therefore differ from the amounts in the financial statements or aggregation thereof.

At 31 December 2014, as in all previous observation periods, these covenants were fully satisfied.

On 12 March 2015, Autogrill S.p.A. contracted a new loan in the amount of € 600m. This is comprised of an amortizing term loan of € 200m and a revolving credit facility of € 400m, both maturing in March 2020. It will be used for the early reimbursement of the revolving credit facilities maturing in July 2016 and to finance the Group's operations.

XX. Other non-current financial liabilities

The decrease in "Other non-current financial liabilities" reflects the reclassification from non-current to current of the fair value of interest rate swaps maturing in 2015.

XXI. Deferred tax liabilities

These amount to € 4,095k, as follows:

	31.12.2014		31.12.2013		
(€k)	Temporary differences	Tax effect	Temporary differences	Tax effect	Change
Trade receivables	5,469	1,504	5,187	1,427	77
Property, plant and equipment and intangible assets	(30,976)	(8,399)	(36,939)	(10,419)	2,020
Investments	(30,477)	(8,381)	(54,433)	(14,970)	6,589
Total temporary differences on assets	**(55,984)**	**(15,276)**	**(86,185)**	**(23,962)**	**8,686**
Other payables	2,080	572	2,084	573	(1)
Post-employment benefits and other employee benefits	-	-	(7,174)	(1,973)	1,973
Provisions for risks and charges	4,568	1,255	6,853	2,066	(811)
Retained earnings	(139)	(38)	-	-	(38)
Hedging reserve (equity)	15,587	4,287	16,350	4,496	(209)
Recognitions of deferred tax assets on prior year tax loss carried forward	18,564	5,105	-	-	5,105
Total temporary differences on liabilities and equity	**40,660**	**11,181**	**18,113**	**5,162**	**6,019**
Total temporary differences		**(4,095)**		**(18,800)**	**14,705**

The decrease in deferred tax liabilities with respect to 2013 is due to the realignment of the value for tax purposes and the value for accounting purposes of various equity investments, and to the recognition of benefits for tax losses carried forward from prior years, in the amount of € 5,105k.

XXII. Defined benefit plans

At 31 December 2014 this item amounted to € 65,762k. Movements during the year were as follows:

(€k)	Change
Defined benefit plans at 01.01.2013	**72,309**
Current service costs	
Interest expense	1,899
Actuarial losses (gains) due to:	
- demographic assumptions	-
- financial assumptions	349
- experience adjustments	(674)
Benefits paid	(5,028)
Other	(585)
Defined benefit plans at 31.12.2013	**68,271**
Interest expense	1,573
Actuarial losses (gains) due to:	
- demographic assumptions	-
- financial assumptions	6,149
- experience adjustments	506
Benefits paid	(10,737)
Other	-
Defined benefit plans at 31.12.2014	**65,762**

The amounts recognized in the income statement for defined benefit plans, € 1,573k in 2014 (€ 1,899k the previous year), are listed under "Net financial expense".

At 31 December 2014, the gross liability for post-employment benefits (art. 2120 of the Italian Civil Code) was € 59,107k.

Below, the present value of plan obligations is reconciled with the liability recognized in 2014 and the previous three years:

(€k)	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Present value of plan obligations	59,107	68,596	47,239	65,113
Actuarial (gains) losses	6,655	(325)	25,070	(16,091)
Net liability recognised	**65,762**	**68,271**	**72,309**	**49,022**

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

	31.12.2014	31.12.2013
Discount rate	0.91%	2.5%
Inflation rate	0.6% for 2015 1.2% for 2016 1.5% for 2017 and 2018 2.0% from 2019 on	2.0%
Average frequency of termination	6.0%	6.0%
Average frequency of advances	2.0%	2.0%
Mortality table	IPS55	IPS55
Annual TFR increase	1.9% for 2015 2.4% for 2016 2.6% for 2017 and 2018 3.0% from 2019 on	3.0%

For 2014, the discount rate was based on the Iboxx Corporate AA 7- to 10-year index as of the measurement date. The selected yield was the one with a duration comparable to the assumed average remaining life of the employment contracts figuring in the calculation.

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

	Change	Increase	Decrease
Discount rate	+/- 0.25%	(1,286)	1,333
Inflation rate	+/- 0.25%	816	(801)
Turnover rate	+/- 1.00%	(510)	573

At the end of the year, the weighted average duration of the defined benefit obligation was 8.59 years.

XXIII. Provisions for risks and charges

These amounted to € 4,382k at the end of 2014. Movements during the year are shown below:

(€k)	31.12.2013	Accruals	Utilisations	Reversals	31.12.2014
Provision for other risks and charges	1,773	345	(171)	(838)	1,109
Provision for onerous contracts	1,564	1,211	-	(2,150)	625
Provision for legal disputes	3,236	653	(1,241)	-	2,648
Total	**6,573**	**2,209**	**(1,412)**	**(2,988)**	**4,382**

(€k)	31.12.2012	Accruals	Utilisations	Reversals	31.12.2013
Provision for other risks and charges	1,579	510	(182)	(134)	1,773
Provision for onerous contracts	1,928	-	-	(364)	1,564
Provision for legal disputes	2,655	1,520	(939)	-	3,236
Total	**6,162**	**2,030**	**(1,121)**	**(498)**	**6,573**

The "Provision for other risks and charges" mostly covers environmental risks and risks from the promotion of commercial initiatives.

The "Provision for onerous contracts" refers to long-term rental or concession agreements for commercial units that are not profitable enough to cover the rent.

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

XXIV. Equity

Equity at 31 December 2014 amounts to € 391,892k.

The shareholders' meeting of 28 May 2014 voted to carry forward the 2013 profit of € 110,401k.

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

				Summary of utilisations in the past three years:	
(€k)	31.12.2014	Eligibility for use	Amount available	For loss coverage	For other reasons
Share capital:	68,688	-	-	-	-
Income-related reserves:					
Legal reserve	13,738	A, B	-	-	-
Hedging reserve	(1,920)	-	(1,920)	-	-
Actuarial gains (losses) on defined benefit plans reserve	(8,631)	-	(8,631)	-	-
Financial assets reserve	(581)	-	(581)	-	-
Other reserves and retained earnings	305,009	A, B, C	305,009	-	39,024
Treasury shares reserve	(3,451)	-	-	-	-

Key:
A: for share capital increases
B: for loss coverage
C: for dividends

Share capital

At 31 December 2014 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares.

On 6 June 2013, the shareholders' meeting approved a change to art. 5 ("Share capital") of the company's by-laws which eliminates the nominal amount of shares.

During the extraordinary part of the shareholders' meeting of 20 April 2010 the shareholders authorized a share capital increase to service the Stock Option Plan approved on the same date, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441(5) and (8) of the Italian Civil Code and art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum nominal amount of € 1,040,000 (plus premium) to be carried out by no later than 30 May 2015 through the issue of up to 2,000,000 ordinary shares in one or more tranches. At 31 December 2014, options convertible into a maximum of 689,157 ordinary Autogrill shares were granted.

During the extraordinary part of the shareholders' meeting of 21 April 2011, the shareholders authorized a share capital increase to service the New Leadership Team Long Term Incentive Plan (L-LTIP) approved on the same date, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441(5) and (8) of the Italian Civil Code and art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum nominal amount of € 1,820,000 through the issue on or before 31 July 2018 of up to 3,500,000 ordinary shares with a nominal amount of € 0.52 each to be granted free of charge to the plan's beneficiaries.

On 6 June 2013 the shareholders' meeting approved the proportional partial demerger of Autogrill S.p.A. As a result, some changes were made to the Stock Option Plan approved on 20 April 2010.

See the section "Information on incentive plans for directors and executives with strategic responsibilities" for a description of these plans.

Legal reserve

The "Legal reserve" amounts to € 13,738k and was built from company profits until it reached 20% of the share capital, in accordance with art. 2430 of the Italian Civil Code.

Hedging reserve

The "Hedging reserve," amounting to € -1,920k (€ -5,580k at 31 December 2013), corresponds to the effective portion of the fair value of derivatives designated as cash flow hedges.

The net decrease of € 3,660k refers principally to the fair value of cash flow hedges (€ 5,048k), net of the tax effect (€ 1,388k).

Other reserves and retained earnings

These amount to € 296,219k (€ 190,556k for 2013). The change primarily concerns an increase of € 110,401k for allocation of the 2013 profit, as resolved by the shareholders' meeting of 28 May 2014.

Other reserves and retained earnings also include the amount of actuarial gains and losses arising from the remeasurement of the liability for defined benefit plans (TFR, Italian post-employment benefits), net of the tax effect. The change in "Other reserves and retained earnings" relating to defined benefit plans amounts to € 6,655k, net of the tax effect of € 1,830k.

Treasury shares

At 31 December 2014, the company owned 870,798 treasury shares (1,004,934 at the end of 2013) with a carrying amount of € 3,451k and an average carrying amount of € 3.96 per share.

The reduction in the number of treasury shares is due to the exercise of options by various beneficiaries under the 2010 Stock Option Plan.

Other comprehensive income

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

	2014			2013		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Actuarial gains (losses) on defined benefit plans	(6,655)	1,830	**(4,825)**	326	(90)	**236**
Items of comprehensive income that will not be reclassified to profit or loss	**(6,655)**	**1,830**	**(4,825)**	**326**	**(90)**	**236**
Effective portion of the fair value change of derivatives designated as cash flow hedges	5,048	(1,388)	**3,660**	5,404	(1,486)	**3,918**
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	**-**	740	(204)	**536**
Fair value gain on available-for-sale financial assets	(843)	159	**(684)**	262	-	**262**
Items that may be subsequently reclassified to profit or loss	**4,205**	**(1,229)**	**2,976**	**6,406**	**(1,690)**	**4,716**

2.2.3 Notes to the income statement

XXV. Revenue

Revenue decreased to € 1,031,129k and can be broken down as follows:

(€k)	2014	2013	Change
Food & beverage and retail sales	995,788	1,060,799	(65,011)
Fuel sales	3,234	3,272	(38)
Sales to affiliates, third parties and subsidiaries	32,107	29,411	2,696
Total	**1,031,129**	**1,093,482**	**(62,353)**

The reduction in "Food & beverage and retail sales" is due primarily to the smaller number of locations during the year.

Food & beverage and retail sales are comprised chiefly of catering revenue of € 568,138k (€ 616,958k the previous year), sales of retail goods for € 162,523k (€ 163,704k in 2013), and sales of tobacco products, newspapers & magazines, and lottery tickets for € 265,039k (€ 280,036k the previous year).

XXVI. Other operating income

"Other operating income" of € 66,463k was made up as follows:

(€k)	2014	2013	Change
Bonuses from suppliers	42,180	47,115	(4,935)
Income from business leases	4,335	5,071	(736)
Affiliation fees	3,705	4,000	(295)
Gains on sales of property, plant and equipment	2,868	619	2,249
Other revenue	13,375	33,241	(19,866)
Total	**66,463**	**90,046**	**(23,583)**

The decrease reflects the presence, in 2013 only, of non-recurring income from having waived the right of pre-emption on the renewal of expiring subconcessions, classified as "Other revenue" in the amount of € 13.8m.

XXVII. Raw materials, supplies and goods

The cost of "Raw materials, supplies and goods" decreased by € 19,685k, consistently with the reduction in sales:

(€k)	2014	2013	Change
Total purchases relating to food & beverage and retail sales:	**466,751**	**488,169**	**(21,418)**
- merchandise and ingredients	221,381	229,620	(8,239)
- state monopoly products, newspapers and lottery tickets	242,238	255,370	(13,132)
- fuel for resale	3,132	3,179	(47)
Products for sale to affiliates, third parties and subsidiaries	29,244	27,511	1,733
Total	**495,995**	**515,680**	**(19,685)**

XXVIII. Personnel expense

This item came to € 284,614k, as follows:

(€k)	2014	2013	Change
Wages and salaries	200,196	217,639	(17,443)
Social security contributions	63,525	67,012	(3,487)
Employee benefits	13,925	15,083	(1,158)
Other costs	6,968	5,572	1,396
Total	**284,614**	**305,306**	**(20,692)**

The change in "Personnel expense" is due mainly to the reduction in staff as a result of the smaller number of locations operated.

The year's share of the cost of the Stock Option Plans came to € 397k. See the section "Information on incentive plans for directors and executives with strategic responsibilities" for a description of these plans.

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

	31.12.2014			31.12.2013		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	60	-	**60**	63	-	**63**
Junior managers	467	5	**472**	521	6	**527**
White collars	608	118	**726**	714	141	**855**
Blue collars	2,726	5,011	**7,737**	3,169	5,528	**8,697**
Total	**3,861**	**5,134**	**8,995**	**4,467**	**5,675**	**10,142**

The above figures include 17 white collar employees and 3 executives seconded to Italian and foreign subsidiaries.

The average headcount, expressed in terms of equivalent full-time employees, was 7,389 in 2014 (8,598 the previous year). The decrease is due chiefly to the lower number of locations operated.

XXIX. Leases, rentals, concessions and royalties

These came to € 168,801k, as follows:

(€k)	2014	2013	Change
Leases, rentals and concessions	167,242	176,887	(9,645)
Royalties for use of brands	1,559	1,634	(75)
Total	**168,801**	**178,521**	**(9,720)**

Most of the change in this item reflects the lower number of locations operated in Italy, due to the lapse of around 19 rest area contracts and the Group's departure from unprofitable locations at airports, high streets and trade fairs.

XXX. Other operating expense

Amounting to € 120,350k, this item showed a decrease on 2013 as shown in the table below:

(€k)	2014	2013	Change
Utilities	33,310	36,962	(3,652)
Maintenance	14,252	15,622	(1,370)
Cleaning and disinfestations	18,344	19,559	(1,215)
Consulting and professional services	8,834	14,644	(5,810)
Commissions on credit card payments	1,420	1,390	30
Storage and transport	11,745	12,618	(873)
Advertising	5,812	6,934	(1,122)
Travel expenses	4,038	4,440	(402)
Telephone and postal charges	1,950	2,275	(325)
Equipment hire and lease	2,680	3,168	(488)
Insurance	1,861	1,824	37
Surveillance	985	1,583	(598)
Transport of valuables	1,462	1,667	(205)
Banking services	1,127	985	142
Sundry materials	2,836	3,468	(632)
Other services	3,085	6,197	(3,112)
Costs for materials and services	**113,741**	**133,336**	**(19,595)**
Impairment losses on receivables	**435**	**280**	**155**
For legal disputes	653	1,520	(867)
For onerous contracts	(937)	(364)	(573)
For other risks	(493)	376	(869)
Provisions for risks	**(777)**	**1,532**	**(2,309)**
Indirect and local taxes	**6,628**	**7,074**	**(446)**
Losses on disposals	192	316	(124)
Other charges	131	2,962	(2,831)
Other operating expense	**323**	**3,278**	**(2,955)**
Total	**120,350**	**145,500**	**(25,150)**

The most significant reductions concerned external services such as utilities, maintenance and cleaning, due to the smaller number of locations operated; the cost of consulting and professional services also declined.

XXXI. Depreciation, amortization and impairment losses

The total of € 50,034k is broken down below:

(€k)	2014	2013	Change
Other intangible assets	7,390	7,353	37
Property, plant and machinery	29,755	34,321	(4,566)
Assets to be transferred free of charge	9,202	21,950	(12,748)
Total amortization/depreciation	**46,347**	**63,624**	**(17,277)**
Impairment losses on property, plant and machinery	3,687	6,155	(2,468)
Total	**50,034**	**69,779**	**(19,745)**

Depreciation went down mainly because various concessions expired and the corresponding assets were relinquished free of charge in accordance with the contracts.

XXXII. Financial income

Financial income amounted to € 85,630k, as follows:

(€k)	2014	2013	Change
Dividends from subsidiaries	81,551	221,285	(139,734)
Interest from subsidiaries	1,772	2,393	(621)
Bank interest income	84	6,013	(5,929)
Ineffective portion of hedging instruments	46	46	-
Exchange rate gains	2,038	8,292	(6,254)
Other financial income	139	259	(120)
Total	**85,630**	**238,288**	**(152,658)**

"Dividends from subsidiaries" consist of the following dividends received:

- HMSHost Corporation for € 80,321k ($ 100,000k);
- Autogrill Schweiz A.G. for € 1,230k (Chf 1,500k).

In 2013, dividends were received principally from World Duty Free Group S.A.U. (€ 220,000k).

"Interest from subsidiaries" stems from the financing provided by Autogrill S.p.A. to subsidiaries.

The decrease in "Bank interest income" is explained by a non-recurring sum received in 2013.

Net exchange rate gains amount to € 2,038k and refer primarily to bank loans in British pounds.

XXXIII. Financial expense

"Financial expense" of € 20,813k is detailed below:

(€k)	2014	2013	Change
Interest expense	8,216	11,783	(3,567)
Exchange rate losses	2,800	7,576	(4,776)
Financial expense on post-employment benefits	1,573	1,899	(326)
Interest paid to subsidiaries	110	281	(171)
Commissions	144	1,122	(978)
Other financial expense	7,970	8,537	(567)
Total	**20,813**	**31,198**	**(10,385)**

The decrease in interest expense is due primarily to the reduced exposure to bank loans.

Most of the amount shown for "Other financial expense" concerns rate spreads on interest rate hedges.

XXXIV. Impairment losses on financial assets

This item in 2014 amounts to € 28,256k and refers to impairment losses and reversal of impairment losses for equity investments, as described in note IX, Investments.

XXXV. Income tax

Income tax amounts to € 4,681k, compared with a negative € 3,531k in 2013, and consists of:

- current taxes for IRAP of € 5,607k (€ 6,692 the previous year),
- taxes on dividends of € 3,815k,
- net deferred tax assets of € 8,998k, comprised of temporary differences reversed in 2014 (€ 9,358k) and negative temporary differences for the year (€ 360k).

Deferred tax assets have also been recognized on tax losses carried forward in the amount of € 5,105k, given the existence of temporary differences that will lead to taxable income in future years.

The following table reconciles effective tax and theoretical tax charge for 2014. Theoretical tax charge has been calculated at the tax rates currently enacted.

(€k)	2014 IRES 27.5%	2014 IRAP 3.9%	2014 Total 31.4%	2013 IRES 27.5%	2013 IRAP 3.9%	2013 Total 31.4%
Pre-tax profit			**10,477**			**113,933**
Theoretical tax charge	**2,881**	**409**	**3,290**	**31,332**	**4,443**	**35,775**
Permanent differences:						
- Personnel expense	-	6,383	6,383	-	6,746	6,746
- Dividends and other financial items	(21,305)	(2,528)	(23,833)	(59,461)	(8,077)	(67,538)
- Impairment losses on equity investments	8,837	1,253	10,090	17,023	2,414	19,437
- Other	2,007	(71)	1,936	1,896	399	2,295
Net effect of unrecognised tax losses for the period	7,768		7,768	8,830	-	8,830
- Increase in regional tax rate	-	333	333	-	351	351
Reversal of previous years' temporary differences	(2,652)	(144)	(2,796)	(1,852)	447	(1,405)
Taxed temporary differences deductible in future years	2,464	(28)	2,436	2,832	(31)	2,801
Current taxes	**-**	**5,607**	**5,607**	**600**	**6,692**	**7,292**
Adjustment of prior years' provision for temporary differences	-	-	-	(2,504)	-	(2,504)
Taxes paid on dividends	3,815	-	3,815	-	-	-
Reversal net temporary differences for the period	(9,358)	-	(9,358)	-	-	-
Net temporary differences	188	172	360	(841)	(416)	(1,257)
Effect of recognised tax losses	(5,105)	-	(5,105)	-	-	-
Income tax	**(10,460)**	**5,779**	**(4,681)**	**(2,745)**	**6,276**	**3,531**

2.2.4 Net financial position

The net financial position at the end of 2014 and 2013 is detailed below:

Note	(€m)		31.12.2014	31.12.2013	Change
I	A)	Cash on hand	(24.1)	(25.6)	1.5
	B)	**Cash and cash equivalents**	**(24.1)**	**(25.6)**	**1.5**
II	**C)**	**Current financial assets**	**(13.0)**	**(17.6)**	**4.6**
	D)	Bank loans and borrowings, current	7.3	13.6	(6.3)
	E)	Other financial liabilities	89.7	60.6	29.1
XVI-XVII	**F)**	**Current financial indebtedness (D + E)**	**97.0**	**74.2**	**22.8**
	G)	**Net current financial indebtedness (B + C + F)**	**59.9**	**31.0**	**28.9**
XIX	H)	Bank loans and borrowings, net of current portion	307.0	345.5	(38.5)
	I)	**Non-current financial indebtedness**	**307.0**	**345.5**	**(38.5)**
	J)	**Net financial indebtedness (G + I) ***	**366.9**	**376.5**	**(9.6)**
X		**Non-current financial assets**	**(62.0)**	**(62.0)**	**-**
		Net financial indebtedness	**304.9**	**314.5**	**(9.6)**

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

Making a strong contribution to the net financial position is the dividend of $ 100m (€ 80m) received from HMSHost Corporation in December 2014, which counterbalanced the absorption of cash by operating activities.

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

2.2.5 Financial instruments - fair value and risk management

2.2.5.1 Fair value

The following tables break down assets and liabilities by category at 31 December 2014 and 2013 and financial instruments measured at fair value by measurement method. The different levels are defined as follows:

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

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

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

	31.12.2014		
	Carrying amount		
(€k)	Fair value-hedging instruments	Loans and receivables	Available-for-sale
Financial assets measured at fair value			
Other investments			12,324
Fair value of interest rate hedging derivatives			
Fair value of currency hedging derivatives	26		
	26	**-**	**12,324**
Financial assets not measured at fair value			
Cash and cash equivalents		24,064	
Trade receivables		25,674	
Other current assets *		53,266	
Other non-current assets		269	
Other financial assets (current)		19,594	
Other financial assets (non-current)		55,432	
	-	**178,300**	**-**
Financial liabilities measured at fair value			
Fair value of interest rate hedging derivatives	3,888		
Fair value of currency hedging derivatives	1,043		
	4,930	**-**	**-**
Financial liabilities not measured at fair value			
Bank overdrafts			
Unsecured current bank loans and borrowings			
Finance leases			
Financial liabilities due to others			
Trade payables			
Other payables			
	-	**-**	**-**

* The fair value of "Other current assets" does not include the receivables from tax authorities and personnel

31.12.2014					
Carrying amount		Fair value			
Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	12,324	6,643	30,915		37,558
	-				-
	26		26		26
-	12,350	6,643	30,941	-	37,584
	24,064				-
	25,674				-
	53,266				-
	269				-
	19,594				-
	55,432				-
-	178,300	-	-	-	-
	3,888		3,888		3,888
	1,043		1,043		1,043
-	4,930	-	4,930	-	4,930
62,308	62,308				-
307,020	307,020		309,632		309,632
	-				-
29,096	29,096				-
207,092	207,092				-
17,847	17,847				-
623,362	623,362	-	309,632	-	309,632

	31.12.2013		
	Carrying amount		
(€k)	Fair value-hedging instruments	Loans and receivables	Available-for-sale
Financial assets measured at fair value			
Other investments			10,292
Fair value of interest rate hedging derivatives			
Fair value of currency hedging derivatives	18		
	18	**-**	**10,292**
Financial assets not measured at fair value			
Cash and cash equivalents		25,632	
Trade receivables		28,627	
Other current assets *		57,129	
Other non-current assets		269	
Other financial assets (current)		17,571	
Other financial assets (non-current)		62,009	
	-	**191,236**	-
Financial liabilities measured at fair value			
Fair value of interest rate hedging derivatives	9,308		
Fair value of currency hedging derivatives	336		
	9,644	-	-
Financial liabilities not measured at fair value			
Bank overdrafts			
Unsecured current bank loans and borrowings			
Finance leases			
Financial liabilities due to others			
Bonds			
Trade payables			
Other payables			
	-	-	-

* The fair value of "Other current assets" does not include the receivables from tax authorities and personnel

31.12.2013					
Carrying amount		Fair value			
Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	10,292	10,292			10,292
	-				-
	18		18		18
-	10,310	10,292	18	-	10,310
	25,632				-
	28,627				-
	57,129				-
	269				-
	17,571				-
	62,009				-
-	191,236	-	-	-	-
	9,308		9,308		9,308
	336		336		336
-	9,644	-	9,644	-	9,644
43,558	43,558				
337,688	337,688		340,261		340,261
	-				-
28,089	28,089				-
	-				-
215,942	215,942				-
16,898	16,898				-
642,174	642,174	-	340,261	-	340,261

In 2014 there were no transfers between different hierarchical levels.

Where the hierarchical level is not specified, the carrying amount approximates fair value.

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

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

For level 2, the specific valuation techniques are as follows:
- the fair value of interest rate swaps has been estimated considering the present value of future cash flows based on observable yield curves. This fair value takes into account the credit risk of the counterparty determined based on observable market data. It also takes into account the credit risk of the Group, calculated on the basis of credit and other financial ratios and benchmarking. The adjustments to the aforementioned risks are considered not significant at 31 December 2014;
- the fair value of loans and borrowings and bonds was estimated by discounting future cash flows at a risk-free market interest rate gross of a spread determined on the basis of the Group's credit risk, financial ratios and benchmarking.

2.2.5.2 Financial risk management

Autogrill S.p.A. is exposed to the following risks from the use of financial instruments:
- market risk;
- credit risk;
- liquidity risk.

The overall responsibility for the creation and supervision of the company's risk management system lies with the Board of Directors, which has set up the Control, Risk and Corporate Governance Committee. The committee is responsible for looking into matters concerning Autogrill's control and risk management system and helping the Board of Directors reached informed decisions on these issues.

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

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

Market risk

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

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

Interest rate risk

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

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

At 31 December 2014, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) was about 50%.

When applying the policy and procedures described above, interest rate risk management instruments were accounted for as cash flow hedges, and thus recognized as financial assets and liabilities with a specific balancing entry in the hedging reserve under equity. With regard to the instruments that tested effective, in 2014 Autogrill recognized a fair value gain of € 3,693k (net of the tax effect).

The details of interest rate swaps outstanding at 31 December 2014 are as follows:

Underlying	Notional amount (in currency)	Expiry	Average fixed rate paid	Floating rate received	Fair value (€k)
RCF € 500m	€k 120,000	24.06.2015	4.66%	Euribor 3 months	(3,888)

A hypothetical unfavorable change of 1% in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2014 would increase net financial expense by € 2,378k.

Currency risk

The Group operates in countries with functional currencies other than the euro. In these countries, the procurement policy dictates that raw material purchases and other operating expense be conducted in the same currencies, thereby minimizing currency risk. Such risk remains with respect to intercompany loans, when granted to subsidiaries that use non-euro currencies. Under these circumstances, the objective of currency risk management is to neutralize some of this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the euro. The derivatives used for these hedges are mainly bank loans contracted in the same currency, and to a minor degree, forward currency sales and purchases.

The transactions shown below are stated at their current amount and any change is charged to the income statement, against corresponding changes in the amount of the related assets or liabilities.

The fair value of currency hedge outstanding at 31 December 2014 is as follows:

Notional amount (currency/000)		Expiry	Spot rate	Forward rate	Fair value (€k)
CHF	30,000	27.04.2015	1.219	1.2189	(345)
CHF	30,000	27.04.2015	1.219	1.2187	(340)
CHF	5,500	23.01.2015	1.202	1.2010	(5)
CHF	7,000	23.01.2015	1.201	1.2009	(6)
CHF	1,500	23.01.2015	1.202	1.2010	(1)
CHF	1,500	23.01.2015	1.204	1.2035	(1)
GBP	14,800	13.01.2015	0.793	0.7935	(345)
PLN	5,300	23.01.2015	4.215	4.2285	14
PLN	4,000	23.01.2015	4.212	4.2260	12

Credit risk

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

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

Exposure at 31 December 2014 and 31 December 2013 was as follows:

(€k)	31.12.2014	31.12.2013	Change
Cash and cash equivalents	1,022	569	453
Other current financial assets	32,023	27,930	4,093
Trade receivables	25,674	28,627	(2,953)
Other current receivables	66,338	64,863	1,475
Other non-current financial assets	55,432	62,009	(6,577)
Other non-current receivables	9,720	5,363	4,357
Total	**190,209**	**189,361**	**848**

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

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

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

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

Other current and non-current financial assets stem mainly from loans granted to direct and indirect subsidiaries.

The geographical breakdown is as follows:

Current financial assets

	(€k)	%
France	120	0.6%
Italy	345	1.8%
Great Britain	19,061	97.3%
Germany	68	0.3%
Total	**19,594**	**100.0%**

Non-current financial assets

	(€k)	%
The Netherlands	14,248	25.7%
Italy	7,573	13.7%
Poland	2,227	4.0%
France	24,636	44.4%
Greece	1,853	3.3%
Austria	4,895	8.8%
Total	**55,432**	**100.0%**

Trade receivables are mainly governed by affiliation contracts with motorway partners and others under special agreements. The company's business model, focused on the final consumer, means that trade receivables are not materially significant in that sales are generally settled in cash. Affiliation entails the supply of merchandise and the payment of royalties for the operation of stores in Italy.

Motorway partnerships involve the sharing of expenses and capital expenditure on shared concession areas.

The following table shows the aging of invoiced trade receivables by class of debtor at 31 December 2014.

(€k)	Incidence on total receivables	Receivables	Overdue	1-3 months	3-6 months	6 months-1 year	Over 1 year
Affiliates	20%	5,152	3,978	265	-	3,713	-
Special agreements	18%	4,573	1,776	1,382	-	394	-
Motorway partners	26%	6,682	4,813	712	-	4,101	-
Intercompany	14%	3,682	2	2	-	1	-
Other	22%	5,586	1,966	996	-	969	-
Total		**25,675**	**12,535**	**3,357**	**-**	**9,178**	**-**

First-demand bank guarantees are required on entering into affiliation agreements to cover exposure. At 31 December 2014 these guarantees amounted to € 4,249k.

All current receivables are analyzed monthly to determine potential collection problems, any action to be taken, and the adequacy of the allowance for impairment. The allowance for impairment is deemed sufficient with respect to existing credit risk.

There is no significant concentration of credit risk: the top 10 customers account for 29% of total trade receivables, and the largest customer (Tamoil Italia S.p.A.) for 5%.

Liquidity risk

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

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

The elements that make up the company's liquidity are the resources generated or used in operating and investing activities, the characteristics of its debt, and financial market conditions.

Autogrill S.p.A. has acted promptly to ensure adequate financial coverage with respect to amounts and maturities, and has no significant imminent payments to meet on existing loans.

Exposure and maturity data at the end of 2014 and 2013 were as follows:

31.12.2014								
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current account overdrafts	7,308	**7,308**	7,308	-	-	-	-	-
Lease payments due to others	363,571	**363,571**	55,000	-	-	308,571	-	-
Trade payables	206,365	**206,365**	206,365	-	-	-		-
Due to suppliers for investments	14,657	**14,657**	14,657	-	-	-	-	-
Total	**591,901**	**591,901**	**283,330**	**-**	**-**	**308,571**	**-**	**-**

	31.12.2013							
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current account overdrafts	13,558	**13,558**	13,558	-	-	-	-	-
Lease payments due to others	370,167	**310,167**	30,000	-	-	-	310,167	-
Trade payables	214,282	**214,282**		-	-	-	-	-
Due to suppliers for investments	9,218	**9,218**	9,218	-	-	-	-	-
Total	**607,225**	**547,225**	**52,776**	**-**	**-**	**-**	**310,167**	**-**

The loan contracts outstanding for Autogrill S.p.A. at 31 December 2014 require the satisfaction of certain financial ratios, specifically, the leverage ratio (net debt/EBITDA) and interest coverage ratio (EBITDA/net financial expense).

These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole.

On 12 March 2015 Autogrill S.p.A. contracted a new loan in the amount of € 600m. This is comprised of an amortizing term loan of € 200m and a revolving credit facility of € 400m, both maturing in March 2020. It will be used for the early reimbursement of the revolving credit facilities maturing in July 2016 and to finance the Group's operations.

As for exposure to trade payables, there is no significant concentration of suppliers: the top six account for 40% of the total, the largest (Autostrade per l'Italia S.p.A.) for 15.7%, and the second largest (Lotterie Nazionali S.r.l.) for 10.9%.

2.2.6 Seasonal patterns

The company's performance is correlated with travel trends. Business activity is above average in the second half of the year, mainly due to summer holiday traffic.

2.2.7 Guarantees and commitments

Guarantees and commitments

Guarantees given and commitments assumed come to € 206,923k, as follows:

(€k)	31.12.2014	31.12.2013	Change
Sureties and personal guarantees in favour of third parties	183,948	171,353	12,595
Sureties and personal guarantees in favour of subsidiaries	2,201	92,847	(90,646)
Other commitments and guarantees	20,774	20,141	633
Total	**206,923**	**284,341**	**(77,418)**

Sureties and personal guarantees in favor of third parties have been issued in accordance with customary market practice.

Sureties and personal guarantees in favor of subsidiaries were issued to financial backers of direct or indirect subsidiaries; the significant change since 31 December 2013 is due to the fact that Autogrill S.p.A. is no longer the guarantor, on behalf of HMSHost Corporation and in favor of Liberty Mutual Insurance Company, of the insurance policies issued by Liberty Mutual Insurance Company.

Other commitments and guarantees refer to the value of third-party assets used by the company.

2.2.8 Operating leases

For the purposes of these financial statements, operating leases are defined as the various kinds of contract through which the company carries out its core business.

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

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

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

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

Access concession

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

Area concession

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

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

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

Service concession

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

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

Business lease and commercial lease

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

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

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

Sub-contract

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

The table below gives details by due date of the company's future minimum lease payments at the end of the year, showing those concerning operations sub-leased to others:

	2014		
Years (€m)	Total minimum lease payments	Minimum sub-lease payments	Net minimum lease payments
2015	104.9	3.1	101.8
2016	84.0	2.5	81.5
2017	69.4	2.4	67.0
2018	57.5	1.7	55.8
2019	49.2	1.3	47.9
Subsequent years	314.6	5.5	309.1
Total	**679.6**	**16.5**	**663.1**

2.2.9 Other information

Related-party transactions

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

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

In 2014 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.p.A.

Transactions with Edizione S.r.l.

Income statement (€k)	2014	2013	Change
Other operating income	92	90	2
Personnel expense	114	131	(17)
Other operating expense	78	40	38

Statement of financial position (€k)	31.12.2014	31.12.2013	Change
Other receivables	14,753	14,595	158
Other payables	126	137	(11)

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

"Personnel expense" refers to the accrual at 31 December 2014 for fees due to a director of Autogrill S.p.A., to be recharged to Edizione S.r.l. where he serves as executive manager.

The heading "Other receivables" also includes:

- € 12,467k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., due as a result of the retroactive recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (art. 2 of Law 201/2011);
- € 2,024k for the IRES refund requested by the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2004 to 2007 (Law 185/2008).

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

"Other payables" include the directors' fees accrued at 31 December 2014.

Transactions with related companies

Income statement (€k)	Atlantia Group 2014	Atlantia Group 2013	Gemina Group * 2014	Gemina Group * 2013	Benetton Group S.r.l. (formerly Bencom S.r.l.) 2014	Benetton Group S.r.l. (formerly Bencom S.r.l.) 2013
Revenue	39	13	-	34	-	-
Other operating income	1,061	15,855	-	-	393	391
Other operating expense	3,462	3,615	-	33	-	-
Leases, rentals, concessions and royalties	78,412	68,702	-	8,454	-	-
Financial income	-	-	-	-	-	-
Financial expense	1,384	1,381	-	-	-	-

* The figures refer to 30 November 2013

Statement of financial position (€k)	Atlantia Group 31.12.2014	Atlantia Group 31.12.2013	Gemina Group 31.12.2014	Gemina Group 31.12.2013	Benetton Group S.r.l. (formerly Bencom S.r.l.) 31.12.2014	Benetton Group S.r.l. (formerly Bencom S.r.l.) 31.12.2013
Trade receivables	1,032	750	-	-	329	327
Other receivables	1,058	1,758	-	-	-	-
Financial receivables	-	-	-	-	-	-
Trade payables	34,216	36,545	-	-	-	-
Other payables	-	-	-	-	-	-
Financial payables	-	-	-	-	-	-

	Verde Sport S.p.A.		Edizione Property S.p.A.		World Duty Free Group		Olimpias S.p.A.	
	2014	2013	2014	2013	2014	2013	2014	2013
	11	9	-	-	-	-	-	-
	-	6	5	-	205	-	-	-
	45	65	-	-	28	4	80	76
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

	Verde Sport S.p.A.		Edizione Property S.p.A.		World Duty Free Group		Olimpias S.p.A.	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	1	5	5	-	-	-	-	-
	-	-	-	-	153	2,780	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	1	66	41
	-	-	-	-	-1	-	-	-
	-	-	-	-	-	-	-	-

In detail:

Atlantia Group: "Other operating income" refers mostly to fees for cleaning services at rest stops, co-marketing fees for customer discounts and promotions, and commissions on sales of Viacards (automatic toll collection cards).

Most of the change on the previous year relates to the inclusion in 2013 only of non-recurring income from having waived the right of pre-emption on the renewal of expiring subconcessions (€ 13.8m).

"Other receivables" originate from the same transactions.

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

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

"Trade payables" originate from the same transactions.

"Financial expense" reflects interest accrued at the annual rate of 5.30% in relation to the revised payment schedule for concession fees.

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

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

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

Benetton Group S.r.l. (formerly Bencom S.r.l.): "Other operating income" refers to lease payment and related charges for the sublet of premises in Via Dante, Milan. All liabilities are current; the receivable from Benetton Group S.r.l. (Bencom S.r.l.) will be settled in installments until the sub-lease expires in April 2017.

World Duty Free Group: "Other income" refers mainly to the provision of legal, corporate and administrative services under a contract with World Duty Free S.p.A.

"Other receivables" originate from the same transactions.

Transactions with subsidiaries

Transactions with Autogrill S.p.A.'s subsidiaries, summarized in the table below, are both financial and commercial in nature and are conducted at arm's length.

The amounts shown refer to transactions carried out in 2013 and 2014 and to asset and liability balances at 31 December 2013 and 31 December 2014.

Income statement (€k)	Autogrill Austria A.G. 2014	Autogrill Austria A.G. 2013	Autogrill Belux N.V. 2014	Autogrill Belux N.V. 2013	Autogrill Schweiz A.G. 2014	Autogrill Schweiz A.G. 2013	Autogrill Czech S.r.o. 2014	Autogrill Czech S.r.o. 2013	Autogrill Deutschland GmbH 2014	Autogrill Deutschland GmbH 2013
Revenue	37	54	-	-	6	-	79	141	-	-
Other operating income	71	67	233	251	1,532	1,718	2	1	436	232
Other operating expense	-	-	1,257	927	177	159	-	(1)	3	(1)
Leases, rentals and concessions	-	-	-	-	-	-	-	-	-	-
Financial income	42	28	-	-	1,230	1,285	-	-	-	-
Financial expense	-	-	33	13	11	5	-	-	37	24

Statement of financial position (€k)	Autogrill Austria A.G. 31.12.2014	Autogrill Austria A.G. 31.12.2013	Autogrill Belux N.V. 31.12.2014	Autogrill Belux N.V. 31.12.2013	Autogrill Schweiz A.G. 31.12.2014	Autogrill Schweiz A.G. 31.12.2013	Autogrill Czech S.r.o. 31.12.2014	Autogrill Czech S.r.o. 31.12.2013	Autogrill Deutschland GmbH 31.12.2014	Autogrill Deutschland GmbH 31.12.2013
Trade receivables	37	120	-	-	271	4	-	26	-	(1)
Other receivables	149	1,507	150	203	240	562	2	2	178	263
Financial receivables	4,899	-	-	-	-	-	-	-	68	86
Trade payables	-	131	-	-	-	-	-	-	-	-
Other payables	7	-	730	852	414	624	3	23	43	286
Financial payables	-	-	10,021	7,909	10,402	8,555	-	-	8,718	10,264

Income statement (€k)	HMSHost Ireland Ltd. 2014	HMSHost Ireland Ltd. 2013	Autogrill Nederland B.V. 2014	Autogrill Nederland B.V. 2013	Autogrill Polska Sp.z.o.o. 2014	Autogrill Polska Sp.z.o.o. 2013	HMSHost Sweden A.B. 2014	HMSHost Sweden A.B. 2013
Revenue	-	-	-	-	1	-	-	-
Other operating income	19	18	24	31	264	176	3	1
Other operating expense	-	-	98	99	-	-	-	-
Leases, rentals and concessions	-	-	-	-	-	-	-	-
Financial income	13	32	318	320	61	31	-	-
Financial expense	-	-	-	-	-	-	17	22

Statement of financial position (€k)	HMSHost Ireland Ltd. 31.12.2014	HMSHost Ireland Ltd. 31.12.2013	Autogrill Nederland B.V. 31.12.2014	Autogrill Nederland B.V. 31.12.2013	Autogrill Polska Sp.z.o.o. 31.12.2014	Autogrill Polska Sp.z.o.o. 31.12.2013	HMSHost Sweden A.B. 31.12.2014	HMSHost Sweden A.B. 31.12.2013
Trade receivables	-	-	-	-	-	169	-	-
Other receivables	3	25	13	22	73	29	5	3
Financial receivables	-	1,222	14,255	14,777	2,236	-	-	-
Trade payables	-	-	-	-	-	-	-	-
Other payables	-	-	71	451	3	13	18	-
Financial payables	-	-	-	-	-	-	-	1,696

* The figures refer from 1 October 2013 to 30 December 2013

	HMSHost Egypt Catering & Services Ltd.		Autogrill Iberia S.L.U.		World Duty Free Group *		Autogrill Côté France S.a.s.		Autogrill Hellas E.P.E.	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	-	-	-	-	-	-	2	-	86	51
	1	-	455	436	-	1,454	1,936	1,901	3	14
	-	-	178	136	-	1,033	767	700	3	3
	-	-	2	-	-	-	-	-	-	-
	-	-	11	16	-	220,654	760	853	40	39
	-	-	-	-	-	-	-	-	-	-

	HMSHost Egypt Catering & Services Ltd.		Autogrill Iberia S.L.U.		World Duty Free Group		Autogrill Côté France S.a.s.		Autogrill Hellas E.P.E.	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	-	-	-	-	-	-	2	-	31	66
	2	2	250	349	-	-	1,057	1,254	5	46
	-	-	-	-	-	-	24,769	30,863	1,854	1,297
	-	-	1	1	-	-	-	-	-	-
	-	-	122	469	-	-	379	1,549	13	36
	-	-	-	-	-	-	-	-	-	-

	Autogrill D.o.o.		Autogrill Catering UK Ltd.		HMSHost Corporation		Nuova Sidap S.r.l.	
	2014	2013	2014	2013	2014	2013	2014	2013
	7	13	-	-	1	-	16,553	13,134
	3	2	31	45	624	413	1,919	5,491
	-	-	1	-	171	52	1,603	4,963
	-	-	-	-	-	-	-	-
	-	5	454	198	80,321	150	72	66
	-	-	-	-	-	217	11	-

	Autogrill D.o.o.		Autogrill Catering UK Ltd.		HMSHost Corporation		Nuova Sidap S.r.l.	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	-	-	-	-	1	-	2,682	2,443
	2	1	16	86	490	190	5,242	924
	-	-	19,107	10,587	-	-	6,345	17,485
	-	-	-	-	-	-	1,170	4,836
	4	18	17	-	171	51	760	-
	-	-	-	-	-	-	-	-

Summary of related-party transactions as a percentage of financial statement figures:

	2014		
(€k)	Edizione S.r.l. and other related companies and subsidiaries	Autogrill S.p.A.	%
Revenue	16,821	1,031,129	2%
Other operating income	9,313	66,463	14%
Personnel expense	114	284,614	-
Other operating expense	7,951	120,350	7%
Leases, rentals and concessions	78,415	168,801	46%
Financial income	83,324	85,630	97%
Financial expense	1,493	20,813	7%

	31.12.2014		
(€k)	Edizione S.r.l. and other related companies and subsidiaries	Autogrill S.p.A.	%
Trade receivables	4,391	25,674	17%
Other receivables	23,844	102,942	23%
Financial receivables	73,532	81,774	90%
Trade payables	35,453	207,092	17%
Other payables	2,881	79,803	4%
Financial payables	29,141	341,784	9%

Remuneration of directors and executives with strategic responsibilities

The following remuneration was paid to members of the Board of Directors and to executives with strategic responsibilities during the year ended 31 December 2014:

Name	Office held	Term of office	Remuneration (€)	Bonuses and other incentives (€)	Non-monetary benefits (€)	Other fees (€)
Gilberto Benetton	Chairman	2014–2016	57,200			
Tondato Da Ruos Gianmario	CEO	2014–2016	517,200	200,000	13,541	401,099
Alessandro Benetton	Director	2014–2016	56,000			
Paolo Roverato	Director	2014–2016	114,308			
Gianni Mion	Director	2014–2016	86,054			
Tommaso Barracco	Director	2014–2016	86,654			
Stefano Orlando	Director	2014–2016	93,799			
Massimo Fasanella d'Amore di Ruffano	Director	2014–2016	85,780			
Carolyn Dittmeier	Director	2014–2016	81,035			
Arnaldo Camuffo	Director	from 2011 to 28.05.2014	38,438			
Marco Jesi	Director	from 2011 to 28.05.2014	37,238			
Marco Mangiagalli	Director	from 2011 to 28.05.2014	37,838			
Alfredo Malguzzi	Director	from 2011 to 28.05.2014	39,038			
Neriman Ülsever	Director	from 28.05.2014 to 2016	33,326			
Francesco Chiappetta	Director	from 28.05.2014 to 2016	48,816			
Ernesto Albanese	Director	from 28.05.2014 to 2016	33,326			
Giorgina Gallo	Director	from 28.05.2014 to 2016	55,961			
Total directors			**1,502,011**	**200,000**	**13,541**	**401,099**
Managers with strategic responsibilities				636,869	201,400	3,799,363
Total			**1,502,011**	**836,869**	**214,941**	**4,200,462**

The CEO's remuneration includes his executive salary from Autogrill S.p.A., shown under "Other fees," and the amounts accrued under the long-term incentive plan.

The CEO's contract states that if he resigns with just cause or is dismissed by the Company without just cause, the Company will top up the standard indemnity in lieu of notice (provided for in the national collective managers' contract for the commercial sector) with a further indemnity such that the total amount is no lower than € 2m.

In 2010, the CEO received 425,000 options under the 2010 Stock Option Plan; 330,073 of the options vested on 20 April 2014. In 2012, the CEO received 225,000 options under the "Leadership Team Long Term Incentive Plan Autogrill (L-LTIP)." In addition, on 16 July 2014, he received 883,495 options under "Wave 1" and 565,217 options under "Wave 2" of the Phantom Stock Option 2014 Plan, described below.

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

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

Statutory auditors' fees

Statutory auditors' fees are as follows:

Name	Office held	Term of office	Fees (€k)	Other fees (€k)
Marco Giuseppe Maria Rigotti	Chairman	19.04.2012–31.12.2014	86,193	-
Luigi Biscozzi	Standing auditor	01.01.2012–31.12.2014	57,200	25,011
Eugenio Colucci	Standing auditor	01.01.2012–31.12.2014	55,000	16,859
Total Statutory Auditors			**198,393**	**41,871**

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

Independent auditors' fees for audit and other services

Type of services	Service provider	Recipient	Fees (€k)
Auditing	KPMG S.p.A.	Autogrill S.p.A.	314
Attestation	KPMG S.p.A.	Autogrill S.p.A.	90
Other services	KPMG S.p.A.	Autogrill S.p.A.	16
	KPMG Advisory S.p.A.	Autogrill S.p.A.	32

Incentive plans for directors and executives with strategic responsibilities

2010 Stock Option Plan

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

The extraordinary shareholders' meeting of 20 April 2010 also approved a share capital increase against payment to service the plan, valid whether subscribed in full or in part, and excluding subscription rights pursuant to art. 2441(5) and (8) of the Italian Civil Code and art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum nominal amount of € 1,040,000 (plus share premium), to be carried out no later than 30 May 2015 through the issue of up to 2,000,000 ordinary Autogrill shares in one or more tranches.

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

The number of options vested will then correspond to a percentage of the options assigned, ranging from 30% for a terminal value of € 11 per share to 100% for a terminal value of € 17 per share or higher. For each beneficiary there is also a "theoretical maximum capital gain" by virtue of which, regardless of other estimates, the number of options exercisable will be limited to the ratio "theoretical maximum capital gain"/(fair value – strike price) [6]. The plan does not allow beneficiaries to request cash payments in alternative to the assignment of shares.

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

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

On 26 January 2012, the Board of Directors approved the assignment to a new beneficiary of 120,000 incentive instruments known as "stock appreciation rights," which can be exercised between 20 April 2014 and 30 April 2015 at a price of € 7.83 per share. These instruments, which allow the payment of a cash benefit (capital gain) instead of the right to acquire shares of the Company, work in a manner consistent with the 2010 Stock Option Plan.

6. As defined by art. 9(4) of Presidential Decree 917 of 22 December 1986

Changes to the Stock Option Plan 2010

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

- the plan's beneficiaries are entitled, jointly or severally upon achieving the defined performance objectives, to receive one ordinary Autogrill share and one ordinary World Duty Free S.p.A. share for every vested option against payment of the strike price;
- the strike price is split proportionally between the Autogrill S.p.A. share price and the World Duty Free S.p.A. share price on the basis of the average official stock market price of the two securities during the first 30 days following the listing of World Duty Free S.p.A. The strike price of Autogrill shares is between € 3.50 and € 4.17, while the strike price for World Duty Free shares is between € 4.33 and € 5.17, depending on the beneficiary and the strike price originally set for each;
- the deadline for exercising the options has been extended from 20 April 2015 to 30 April 2018, without altering the start date of 20 April 2014.

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

As a result of the demerger and the changes made to the plan, the average fair value of the options outstanding at 31 December 2014 was € 0.96 for Autogrill S.p.A. shares and € 3.23 for World Duty Free S.p.A. shares.

For the year, the total costs recognized in relation to the payment plan based on Autogrill shares amounted to € 124k.

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

Between 20 April 2014 and 31 December 2014, 134,136 Autogrill S.p.A. options and 290,969 World Duty Free S.p.A. options were exercised by various beneficiaries. The CEO has exercised 156,833 World Duty Free S.p.A. options.

Movements during the period are shown below:

	Autogrill shares		World Duty Free shares	
	Number of options	Fair value existing options (€)	Number of options	Fair value existing options (€)
Vested options at 20 April 2014	823,293	0.95	823,293	3.99
Options exercized in 2014	(134,136)	(0.95)	(290,969)	(4.38)
Vested options at 31 December 2014	689,157	0.96	532,324	3.23

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

New Leadership Team Long Term Incentive Plan (L-LTIP)

During the ordinary and extraordinary Annual General Meeting of 21 April 2011, the shareholders approved a new share-based incentive plan for the Group's top management. In addition to cash incentives, Autogrill's New Leadership Team Long Term Incentive Plan (L-LTIP) envisages the free assignment of ordinary Autogrill shares subject to certain conditions, including the achievement of specified performance targets during the three-year periods 2011-2013 ("Wave 1") and 2012-2014 ("Wave 2").

The shares assigned may be treasury shares or newly issued shares, subsequent to a share capital increase reserved to the plan's beneficiaries. To this end, the Board of Directors was granted the power, for a period of five years from the date of the shareholders' approval, to increase share capital in one or more tranches through the issue of up to 3,500,000 ordinary shares to be assigned free of charge to the beneficiaries.

Specifically, the plan calls for the assignment of rights (called "units") to receive free Autogrill shares through the exercise of options; the rights are conditional, free of charge and not transferable inter vivos. The number of units assigned depends on the category of beneficiary, and the conversion factor from units to options is calculated by applying an individual coefficient taking account of the beneficiary's position on the pay scale. For each beneficiary, there is a limit to the number of options that may be assigned, based on the level of remuneration. The plan does not allow for cash payments in alternative to the assignment of shares.

The Board of Directors has determined that at the end of the period 2011-2013 and for the period 2012-2014, the company had not reached the minimum performance targets required for the implementation of Wave 1 and Wave 2 of the plan. Therefore, no costs or provisions were recognized for Wave 1 and for Wave 2 as of 31 December 2014.

Thorough information on the plan is provided in the Information Document prepared in accordance with art. 84-*bis* (1) and Annex 3A (Schedule 7) of Consob Regulation 11971/1999, which is available to the public at www.autogrill.com.

2014 Phantom Stock Option Plan

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

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

On 16 July 2014, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined.

Under Wave 1 (vesting period from 16 July 2014 to 15 July 2016), a total of 3,268,995 options were assigned, 883,495 of which to the Chief Executive Officer.

Under Wave 2 (vesting period from 16 July 2014 to 15 July 2017), a total of 2,864,467 options were assigned, 565,217 of which to the Chief Executive Officer.

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

For 2014, the total costs recognized for this plan amounted to € 893k.

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

2.2.10 Significant non-recurring events and transactions

In 2014, there were no significant non-recurring events or transactions as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

2.2.11 Atypical or unusual transactions

In 2014 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

2.2.12 Events after the reporting period

Since 31 December 2014, no events have occurred that would have entailed an adjustment to the figures reported or required additional disclosures.

In January 2015, Autogrill S.p.A. sold its subsidiaries Autogrill Catering UK Ltd., HMSHost Sweden A.B., and HMSHost Ireland Ltd. to HMSHost International B.V., a subsidiary of HMSHost Corporation.

Autogrill has been paid in full for the sale.

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

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

2.2.14 Authorization for publication

The Board of Directors authorized the publication of these draft financial statements at its meeting of 12 March 2015.

The shareholders' meeting called to approve the separate financial statements may request changes thereto.

Annexes

List of investments held directly and indirectly in subsidiaries and associates

Company	Registered office	Currency	Share/quota capital	% held at 31.12.2014	Shareholders/quota holders
Parent:					
Autogrill S.p.A.	Novara	Euro	68,688,000	50.100%	Schematrentaquattro S.p.A.
Subsidiaries:					
Nuova Sidap S.r.l.	Novara	Euro	100,000	100.000%	Autogrill S.p.A.
Autogrill Austria A.G.	Gottlesbrunn	Euro	7,500,000	100.000%	Autogrill S.p.A.
Autogrill Czech S.r.o.	Prague	Czk	154,463,000	100.000%	Autogrill S.p.A.
Autogrill D.o.o.	Ljubljana	Euro	1,342,670	100.000%	Autogrill S.p.A.
Autogrill Hellas E.P.E.	Avlonas	Euro	3,696,330	100.000%	Autogrill S.p.A.
Autogrill Polska Sp.zo.o.	Katowice	Pln	14,050,000	100.000%	Autogrill S.p.A.
Autogrill Iberia S.L.U.	Madrid	Euro	7,000,000	100.000%	Autogrill S.p.A.
HMSHost Ireland Ltd.	Cork	Euro	13,600,000	100.000%	Autogrill S.p.A.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000%	Autogrill S.p.A.
Autogrill Deutschland GmbH	Munich	Euro	205,000	100.000%	Autogrill S.p.A.
Autogrill Catering UK Ltd.	London	Gbp	217,063	100.000%	Autogrill S.p.A.
Restair UK Ltd. (in liquidation)	London	Gbp	1	100.000%	Autogrill Catering UK Ltd.
Autogrill Belux N.V.	Antwerp	Euro	10,000,000	99.990%	Autogrill S.p.A.
				0.010%	AC Restaurants & Hotels Beheer N.V.
AC Restaurants & Hotels Beheer N.V.	Antwerp	Euro	3,250,000	99.990%	Autogrill Belux N.V.
				0.010%	Autogrill Nederland B.V.
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	100.000%	Autogrill S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	Chf	1,500,000	54.330%	Autogrill Schweiz A.G.
Autogrill Nederland B.V.	Oosterhout	Euro	41,371,500	100.000%	Autogrill S.p.A
Autogrill Nederland Hotels B.V.	Oosterhout	Euro	1,500,000	100.000%	Autogrill Nederland B.V.
Autogrill Nederland Hotel Amsterdam B.V.	Oosterhout	Euro	150,000	100.000%	Autogrill Nederland B.V.
Holding de Participations Autogrill S.a.s.	Marseille	Euro	84,581,920	100.000%	Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Euro	2,207,344	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Côté France S.a.s.	Marseille	Euro	31,579,526	100.000%	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest)	Marseille	Euro	288,000	50.005%	Autogrill Côté France S.a.s.
Société Porte de Champagne S.A. (SPC)	Perrogney-les-Fontaines	Euro	153,600	53.440%	Autogrill Côté France S.a.s.

Company	Registered office	Currency	Share/quota capital	% held at 31.12.2014	Shareholders/quota holders
Société de Restauration de Bourgogne S.a.s. (Sorebo)	Marseille	Euro	144,000	50.000%	Autogrill Côté France S.a.s.
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	Euro	1,440,000	70.000%	Autogrill Côté France S.a.s.
Volcarest S.A.	Champs	Euro	1,050,144	50.000%	Autogrill Côté France S.a.s.
Autogrill Restauration Services S.a.s.	Marseille	Euro	15,394,500	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill Gares Métropoles S.àr.l.	Marseille	Euro	4,500,000	100.000%	Autogrill Restauration Services S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	Euro	2,337,000	100.000%	Holding de Participations Autogrill S.a.s.
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	Marseille	Euro	8,000	100.000%	Autogrill Côté France S.a.s.
Autogrill Commercial Catering France S.àr.l. (in liquidation)	Marseille	Euro	361,088	100.000%	Holding de Participations Autogrill S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	Euro	375,000	100.000%	Autogrill Côté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	Euro	375,000	100.000%	Autogrill Restauration Carrousel S.a.s.
Carestel Nord S.àr.l. (in liquidation)	Marseille	Euro	76,225	99.800%	Autogrill Commercial Catering France S.a.s.
HMSHost Corporation	Delaware	Usd	-	100.000%	Autogrill S.p.A.
HMSHost International, Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMSHost USA, LLC	Delaware	Usd	-	100.000%	HMSHost Corporation
Host International, Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMSHost Tollroads Inc.	Delaware	Usd	-	100.000%	HMSHost Corporation
HMS Airport Terminal Services, Inc.	Delaware	Usd	1,000	100.000%	Host International, Inc.
Host International of Maryland, Inc.	Maryland	Usd	1,000	100.000%	Host International, Inc.
Michigan Host, Inc.	Delaware	Usd	1,000	100.000%	Host International, Inc.
Host Services of New York, Inc.	Delaware	Usd	1,000	100.000%	Host International, Inc.
Host International of Kansas, Inc.	Kansas	Usd	1,000	100.000%	Host International, Inc.
Host Services Inc.	Texas	Usd	-	100.000%	Host International, Inc.
HMSHost USA, Inc.	Delaware	Usd	-	100.000%	Host International, Inc.
Anton Airfood of Cincinnati, Inc.	Kentucky	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood, Inc.	Delaware	Usd	1,000	100.000%	HMSHost Corporation
Anton Airfood of Texas, Inc.	Texas	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Newark, Inc.	New Jersey	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of JFK, Inc.	New York	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Minnesota, Inc.	Minnesota	Usd	-	100.000%	Anton Airfood, Inc.
Palm Springs AAI, Inc.	California	Usd	-	100.000%	Anton Airfood, Inc.
Fresno AAI, Inc.	California	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Seattle, Inc.	Washington	Usd	-	100.000%	Anton Airfood, Inc.
Anton Airfood of Tulsa, Inc.	Oklahoma	Usd	-	100.000%	Anton Airfood, Inc.
Islip AAI, Inc.	New York	Usd	-	100.000%	Anton Airfood, Inc.
Host International (Poland) Sp.zo.o. (in liquidation)	Warsaw	Usd	-	100.000%	Host International, Inc.
Shenzhen Host Catering Company, Ltd. (in liquidation)	Shenzhen	Usd	-	100.000%	Host International, Inc.
Host Services Pty, Ltd.	North Cairns	Aud	6,252,872	100.000%	Host International, Inc.

Company	Registered office	Currency	Share/quota capital	% held at 31.12.2014	Shareholders/quota holders
Host International of Canada, Ltd.	Vancouver	Cad	75,351,237	100.000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol, B.V.	Haarlemmermeer	Euro	45,400	100.000%	HMSHost International B.V.
Marriott Airport Concessions Pty, Ltd.	North Cairns	Aud	3,910,102	100.000%	Host International, Inc.
HMSHost Services India Private, Ltd.	Balgalore	Inr	668,441,680	99.990%	Host International, Inc.
				0.010%	HMSHost International, Inc.
HMSHost Singapore Private, Ltd.	Singapore	Sgd	8,470,896	100.000%	Host International, Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	Myr	-	100.000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd.	Shanghai	Cny	-	100.000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	Euro	18,090	100.000%	Host International, Inc.
HMSHost Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	Trl	50,000	100.000%	HMSHost International B.V.
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	Euro	5,000,000	70.000%	HMSHost International B.V.
HMSHost (Shanghai) Catering Management Co., Ltd.	Shanghai	Rmb	7,140,000	100.000%	HMSHost International B.V.
HMSHost Hospitality Services Bharath Private, Ltd.	Karnataka	Inr	500,000	99.000%	HMSHost Services India Private Ltd
				1.000%	Host International, Inc.
NAG B.V.	Haarlemmermeer	Euro	100	60.000%	HMSHost International B.V.
Autogrill Russia LLC	St. Petersburg	Rub	10,000	100.000%	NAG B.V.
HMSHost Finland Oy	Helsinki	Euro	2,500	100.000%	HMSHost International B.V.
Host - Chelsea Joint Venture #3	Texas	Usd	-	63.800%	Host International, Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	-	90.000%	Host International, Inc.
Host/Diversified Joint Venture	Michigan	Usd	63	90.000%	Host International, Inc.
Airside C F&B Joint Venture	Florida	Usd	-	70.000%	Host International, Inc.
Host of Kahului Joint Venture Company	Hawaii	Usd	-	90.000%	Host International, Inc.
Host/Coffee Star Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Southwest Florida Airport Joint Venture	Florida	Usd	-	78.000%	Host International, Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	-	90.000%	Host International, Inc.
Host/Forum Joint Venture	Baltimore	Usd	-	70.000%	Host International, Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.000%	Host International, Inc.
Host/Java Star Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Host & Garrett Joint Venture	Mississippi	Usd	-	75.000%	Host International, Inc.
Tinsley/Host - Tampa Joint Venture Company	Florida	Usd	-	49.000%	Host International, Inc.
Host-Chelsea Joint Venture #1	Texas	Usd	-	65.000%	Host International, Inc.
Host-Tinsley Joint Venture	Florida	Usd	-	84.000%	Host International, Inc.
Host/Tarra Enterprises Joint Venture	Florida	Usd	-	75.000%	Host International, Inc.
Host/LJA Joint Venture	Missouri	Usd	-	85.000%	Host International, Inc.
Seattle Restaurant Associates	Olympia	Usd	-	70.000%	Host International, Inc.
Bay Area Restaurant Group	California	Usd	-	49.000%	Host International, Inc.
Islip Airport Joint Venture	New York	Usd	-	50.000%	Anton Airfood, Inc.
HMSHost Coffee Partners Joint Venture	Texas	Usd	-	50.010%	Host International, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	Usd	-	60.000%	Host International, Inc.
Host/Howell - Mickens Joint Venture	Texas	Usd	-	65.000%	Host International, Inc.

Company	Registered office	Currency	Share/quota capital	% held at 31.12.2014	Shareholders/quota holders
Miami Airport FB Partners Joint Venture	Florida	Usd	-	70.000%	Host International, Inc.
HSTA JV	Atlanta	Usd	-	60.000%	Host International, Inc.
Host PJJD Jacksonville Joint Venture	Florida	Usd	-	51.000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	Usd	-	75.000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	-	90.000%	Host International, Inc.
HMS - D/FW Airport Joint Venture	Texas	Usd	-	65.000%	Host International, Inc.
HMS - Dallas Fort Worth Airport Joint Venture No. II	Texas	Usd	-	75.000%	Host International, Inc.
Host-Prose Joint Venture III	Richmond	Usd	-	51.000%	Host International, Inc.
Host Adevco Joint Venture	Arkansas	Usd	-	70.000%	Host International, Inc.
Host Shellis Atlanta Joint Venture	Atlanta	Usd	-	70.000%	Host International, Inc.
Host-TFC-RSL, LLC	Kentucky	Usd	-	65.000%	Host International, Inc.
Host-Chelsea Joint Venture #4	Texas	Usd	-	63.000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	Usd	-	65.000%	Host WAB SAN FB, LLC
Host GRL LIH F&B, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	Usd	-	75.000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	Usd	-	95.000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host H8 Terminal E F&B, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	Usd	-	51.000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB	Delaware	Usd	-	65.000%	Host International, Inc.
Host Havana LAX F&B, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
Host-CTI DEN F&B II, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host TCC BHM F&B LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host Lee JAX FB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host/DFW AF, LLC	Delaware	Usd	-	50.010%	Host International, Inc.
Host Havana LAX TBIT FB, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host Houston 8 IAH Terminal B, LLC	Delaware	Usd	-	60.000%	Host International, Inc.
HHL Cole's LAX F&B, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host CMS LAX TBIT F&B, LLC	Delaware	Usd	-	70.000%	Host International, Inc.
Host WAB SAN FB, LLC	Delaware	Usd	-	95.000%	Host International, Inc.
Host JQE RDU Prime, LLC	Delaware	Usd	-	85.000%	Host International, Inc.
Host Howell Terminal A F&B, LLC	Delaware	Usd	-	65.000%	Host International, Inc.
Host MCA TEI FLL FB, LLC	Delaware	Usd	-	76.000%	Host International, Inc.
Host MCA SRQ FB, LLC	Delaware	Usd	-	90.000%	Host International, Inc.
HOST ECI ORD FB, LLC	Delaware	Usd	-	51.000%	Host International, Inc.
WDFG TAC ATL Retail, LLC	Delaware	Usd	-	86.000%	Host International, Inc.
Host MGV IAD FB, LLC	Delaware	Usd	-	65.000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
HMSHost Family Restaurants, Inc.	Maryland	Usd	2,000	100.000%	Host International, Inc.
SMSI Travel Centres, Inc.	Vancouver	Cad	10,800,100	100.000%	Host International of Canada, Ltd.

Company	Registered office	Currency	Share/quota capital	% held at 31.12.2014	Shareholders/quota holders
HMSHost Family Restaurants, LLC	Delaware	Usd	-	100.000%	HMSHost Family Restaurants, Inc.
HMSHost Motorways L.P.	Winnipeg	Cad	-	99.9999%	SMSI Travel Centres, Inc.
				0.0001%	HMSHost Motorways, Inc.
HMSHost Motorways, Inc.	Vancouver	Cad	-	100.000%	SMSI Travel Centres, Inc.
HK Travel Centres GP, Inc.	Toronto	Cad	-	51.000%	HMSHost Motorways, Inc.
HK Travel Centres L.P.	Winnipeg	Cad	-	50.9999%	HMSHost Motorways L.P.
				0.0001%	HK Travel Centres GP, Inc.
Host of Hartford, Ltd.	Connecticut	Usd	-	75.000%	Host International, Inc.
Host Solai MDW FB LLC	Delaware	Usd	-	67.000%	Host International, Inc.
PT Autogrill Taurus Gemilang Indonesia	Jakarta	Euro	1,000,000	49.000%	HMSHost International B.V.
Host D&D STL FB, LLC	Missouri	Usd	-	75.000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	Usd	-	80.000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	Usd	-	55.000%	Host International, Inc.
Host-DMV DTW FB, LLC (in liquidation)	Michigan	Usd	-	79.000%	Host International, Inc.
HMSHost Nederland B.V.	Haarlemmermeer	Euro	100	100.000%	HMSHost International B.V.
Associates:					
Caresquick N.V.	Antwerp	Euro	3,300,000	50.000%	Autogrill Belux N.V.
Autogrill Middle East, LLC	Abu Dhabi	Aed	100,000	49.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	Myr	250,000	49.000%	Host International, Inc.
HKSC Opco L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
HKSC Developments L.P.	Winnipeg	Cad	-	49.000%	HMSHost Motorways LP
Host Kilmer Service Centres, Inc.	Toronto	Cad	100	100.000%	HKSC Developments LP

Statement by the CEO and manager in charge of financial reporting

Statement about the separate financial statements pursuant to art. 81-*ter* of Consob Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Gianmario Tondato Da Ruos as Chief Executive Officer and Alberto De Vecchi as Manager in charge of financial reporting of Autogrill S.p.A., hereby declare, including in accordance with art. 154-*bis* (3) and (4) of Legislative Decree no. 58 of 24 February 1998:
    - the adequacy of, in relation to the characteristics of the business; and
    - due compliance with the administrative and accounting procedures for the preparation of the separate financial statements during the course of 2014.

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

3. We also confirm that:
    3.1 the separate financial statements:
    a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;
    b) correspond to the ledgers and accounting entries;
    c) give a true and fair view of the issuer's financial position, results of operations and cash flows;
    3.2 the directors' report includes a reliable description of the performance and financial position of the company, along with the main risks and uncertainties to which it is exposed.

Milan, 12 March 2015

Gianmario Tondato Da Ruos
Chief Executive Officer

Alberto De Vecchi
Manager in Charge of Financial Reporting

Independent Auditors' Report

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Autogrill S.p.A.

1 We have audited the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2014, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards recommended by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

Reference should be made to the report dated 3 April 2014 for our opinion the prior year separate financial statements, which included the corresponding figures presented for comparative purposes.

3 In our opinion, the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2014 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of Autogrill S.p.A. as at 31 December 2014, the results of its operations and its cash flows for the year then ended.

4 The directors of Autogrill S.p.A. are responsible for the preparation of a directors' report on the financial statements and a report on the corporate governance and shareholding structure in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with

the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2014.

Milan, 9 April 2015

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director

Board of Statutory Auditors' Report

Dear Shareholders,

This report, prepared in accordance with art. 153 of Legislative Decree 58/1998 ("Consolidated Finance Act" or "TUF") and taking account of the applicable Consob recommendations, presents the supervisory activities and findings of the Board of Statutory Auditors of Autogrill S.p.A. ("Autogrill" or the "Company").

The separate financial statements for 2014 close with a profit of € 19.0m, compared with a profit of € 110.4m in the previous year. At the consolidated level, the Group's portion of the profit for the year came to € 25.1m versus € 87.9m in the prior year.

The report of the independent auditors KPMG S.p.A. on Autogrill S.p.A.'s separate financial statements for the year ended 31 December 2014, issued on 9 April 2015, was unqualified. KPMG's opinion on the Autogrill Group's 2014 consolidated financial statements, issued on the same date, was also unqualified.

1. Supervisory activities performed and information received.

During the year ended 31 December 2014 we performed the supervisory activities required by law, taking account of the recommendations provided by Consob (particularly Circular 1025564 of 6 April 2001) and of the rules of conduct advised by the Italian Accounting Profession.
To that end, during the year we:

- held 13 meetings, which were generally attended by all statutory auditors in office;
- attended, generally as a board, the 11 meetings of the Board of Directors;
- attended, generally as a board, the 10 meetings of the control, risks and Corporate Governance Committee;
- attended, generally through the participation of the chairman or another statutory auditor, the 10 meetings of the strategies and investments committee;
- attended, generally through the participation of the chairman or another statutory auditor, the 6 meetings of the human resources committee;
- attended, generally through the participation of the chairman or another auditor, the 7 meetings of the related party transactions committee;
- attended, as a board, the ordinary shareholders' meeting held to approve the 2013 financial statements and renew the Board of Directors;
- maintained an open channel of communication and held periodic meetings with the independent auditors, to share data and information relevant to our respective assignments;
- maintained an open channel of communication and held periodic meetings with the internal audit director and the enterprise risk management department;
- met with the Board of Statutory Auditors of the only Italian subsidiary, leading to no findings of note.

During the Board of Directors' meetings, we were informed of the activities of the Company and the Group it heads, and of the transactions of the greatest significance for financial position and results of operations undertaken by the Company and the Group, as well as those in which Autogrill and the Group may have an interest on their own or third parties' behalf.
The information in question was gathered through audits and directly from the chief executive officer and department heads, and through attendance at the meetings of the internal control, risks and corporate governance committee and the other advisory committees.
No irregularities were encountered through our meetings and contacts with the independent auditors.

In the course of our activities, in 2014:

- we received no complaints pursuant to art. 2408 of the Italian Civil Code;
- no statements/reports were received.

In accordance with the law, during the year we prepared the opinions for the Board of Directors relating to the compensation of directors holding special offices.

The Company is responsible for the management and coordination of the Group it heads and prepares the Group's consolidated financial statements. The one Italian subsidiary has duly disclosed its status as subject to Autogrill's management and coordination.

Although Autogrill is controlled by Schematrentaquattro S.r.l. (itself a subsidiary of Edizione S.r.l.), it is not subject to its management and coordination because, as stated in the corporate governance report, Autogrill has "extensive managerial organizational and administrative autonomy, with no instructions or directives on the part of Schematrentaquattro S.r.l. or Edizione S.r.l. that might be evidence of management or coordination on the part of controlling shareholders." This conclusion is not affected by the fact that a few representatives of Edizione S.r.l. serve on Autogrill's Board.

With the necessary conditions satisfied, the Board of Directors has opted to convene the shareholders' meeting for approval of the 2014 financial statements by the extended deadline allowed by Italian Civil Code art. 2364 and art. 21 of the Company's by-laws. The financial statement documentation will in any case be made available to the public well before the deadline set by art. 154-*ter* of the Consolidated Finance Act (120 days from the close of the year). As explained in the directors' report, this decision was made in order to fulfil the obligations linked to the preparation of the consolidated financial statements by Autogrill S.p.A.

2. Key events; related party transactions.

In 2014 there were no transactions with a major impact on the financial position and results of operations conducted by the Company or the Group that were beyond the scope of ordinary operations and that are therefore emphasized in the directors' report.

In general, the board confirms that Autogrill has complied with laws, by-laws and sound management principles.

The Board has not found or been notified by the independent auditors or the head of internal audit of atypical or unusual transactions as defined by the Consob Communication of 6 April 2001 and Consob Communication DEM/6064293 of 28 July 2006 carried out with third parties, related parties or other companies in the Group. Nor in 2014 were there any significant non-recurring events or transactions, as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006.

Regarding related party transactions, we have ensured that the Company's procedure is compliant with the principles laid down by Consob and that said procedure has been duly followed, including by attending the meetings of the related party transactions committee appointed by the Board of Directors. Based on the procedure (revised by the Board of Directors on 13 May 2014), which can be consulted on the Company's website, resolutions on the compensation of directors and other executives with strategic responsibilities are exempt from the standard rules, provided that certain conditions are met.

In light of the specificity of the Group's business, it becomes particularly important that "Ordinary related party transactions" include those transactions "carried out in the course of ordinary business and related financial activities and that are (…) carried out in terms similar to those usually applied to transactions with unrelated parties of similar nature, risk and size", to the extent that "the terms defined as a result of the Company's participation in competitive bidding are considered similar to those usually applied to transactions with unrelated parties provided the Company's bid was determined as a result of predetermined corporate policies

applicable to all cases of participation in tenders, including those called by related parties, calling for minimum levels of profitability and which have been approved by the Company's Board of Directors, pursuant to and in accordance with Autogrill's RPT Procedures". We monitored the implementation of this part of the procedure.
In the directors' report and notes, the directors have reported on the ordinary and immaterial transactions carried out with related parties indicating their nature and amount. That information is sufficient, also taking account of the size of the transactions.
For our part, we have discerned no violation of laws or by-laws or transactions initiated by the directors that are manifestly imprudent, risky, in potential conflict of interest, contrary to the resolutions of the shareholders, or otherwise liable to comprise the Company's financial soundness.

3. Performance for the year, financial position.

As mentioned above, the profit attributable to the owners of the parent amounted to € 25.1m, with respect to a profit of € 87.9m the previous year.
The notes to the consolidated financial statements contain all the information on financial position and results of operations as regards the partial demerger completed in 2013.
The consolidated net financial position was a negative € 693.3m at the end of 2014 versus € 672.7m at the end of 2013. More in detail, the result reflects the positive impact of the operating cash flow (€ 223.5m), offset by the net investments made in the year (€ 175.9m).
The current consolidated net financial position was positive for € 54.5m at the end of 2014 versus € 64.3m at the end of 2013.
Net investments in 2014 amounted to € 196.4m versus € 162.6m in the prior year. These investments, an essential part of the Group's business, were made in HMSHost Nord America (€ 78.8m), HMSHost International (€ 36.8m) and Europe (€ 74.0m – of which € 38.0m in Italy). Contributions to EBITDA can be broken down as follows: HMSHost Nord America ($ 268.9m); HMSHost International ($ 46.7m); and Europe, € 99.6m (€ 61.9 of which from Italy).
Consolidated equity attributable to the owners of the parent went from € 413.6m at the end of 2013 to € 458.5m at the end of 2014.
The Group's loans and bond issues call for compliance with covenants, described in the notes to the financial statements. The directors pointed out in the report on operations that none of the covenants were breached in 2014.

4. Organizational structure, internal control and risk management system, accounting system.

We have verified that the Company's organizational structure is adequate to its size, business structure and objectives, and does not hinder compliance with applicable laws.
In 2014 the Company reinforced its internal control and risk management system, meaning the set of rules, procedures and organizational structures designed to facilitate sound, proper management that is in line with company objectives through an adequate system of identification, measurement, management and monitoring of the principal risks. On various occasions the Board of Directors was involved in these activities, which also concerned the group companies of strategic significance.
The Chief Executive Officer, in his capacity as director in charge of the internal control and risk management system, defines the means and methods of the risk management system to reflect the guidelines set by the Board of Directors, and ensures that it is distributed throughout the Group with the appropriate guidance and coordination. The organizational units are responsible for the entire systematic process of identifying, measuring, managing and monitoring risks and for determining suitable countermeasures.
These efforts are overseen by the group's internal audit department which, in accordance with Borsa Italiana's new Corporate Governance Code, since January 2013 reports directly to the Board of Directors, and by the

group's enterprise risk management department, which assists the chief executive officer and the organizational units in the activities described above.
The internal control system is defined by the Company's Code of Conduct as the set of instruments designed to orient, manage and oversee the Company's operations in order to foster the efficacy and efficiency of the business, ensure compliance with laws and in-house procedures, protect the Company's assets, and minimize impending risks. It is organized into three levels of control, the last of which consists of the group internal audit department, which answers directly to the Board of Directors while coordinating its activities closely with the director in charge of the internal control and risk management system.
The head of internal audit, who has no ties to operating units, reports frequently to the internal control, risks and corporate governance committee, presenting the annual plan of work and reporting periodically on the activities performed. The board of statutory auditors, including in its capacity as internal control committee established pursuant to art. 19 of Legislative Decree 39/2010, maintains ongoing dialogue with the head of internal audit and ensures that his work is effective.
Internal audit activities have revealed no significant problems with the definition or implementation of the internal control and risk management system that might seriously compromise the achievement of an acceptable overall risk profile.
Existing policies and procedures concern numerous topics relating to financial reporting and the disclosure of inside information to the market, the investment policy, corporate governance, the internal control system of subsidiaries, internal dealing, appointment of the independent auditors, internal auditing, and other matters discussed in this report. The basis of the system is the Groups' Code of Conduct.
Toward this end, a revision of the Code of Conduct, deemed appropriate by us, was begun but not completed during the year.
Regarding the continuous disclosure obligations pursuant to art. 114(2) TUF, Autogrill's procedure for the disclosure of inside information makes the chairmen and chief executive officers of the key subsidiaries (i.e. the direct subsidiaries of Autogrill and the subholding companies) responsible for its correct implementation, and requires all of Autogrill's direct and indirect subsidiaries to report insider information promptly to the chief executive officer of the parent. The key subsidiaries, in addition to adopting this procedure, must appoint an officer in charge of its implementation and enforcement both internally and at their own subsidiaries.
On the subject of risk management, the Company uses the enterprise risk management method described in the report on corporate governance and ownership structure. We view the use of this approach in a positive light and hope that it will be further reinforced, as well as expanded to all lines of business in order to strengthen their operations.
The directors' report describes the risks faced by the Company, including for the purposes of art. 19(1)(b) of Legislative Decree 39/2010.
The Company has adopted the organizational and management model for the prevention of criminal offenses envisaged by Legislative Decree 231/2001, concerning corporate liability for offenses committed by employees and other staff, which is regularly updated to reflect changes in the law. We have met with the compliance committee, comprised of an external expert and the internal audit director, as well as, beginning 12 December 2013, the Chairman of the Board of Statutory Auditors who is willing to serve for the period he is in office as part of the Board of Statutory Auditors. The compliance committee has found no deficiencies or circumstances that would compromise the internal control and risk management system as they pertain to corporate liability pursuant to Legislative Decree 231/2001.
The Company has complied with all data protection obligations as stated in Legislative Decree 196/2003, and has drawn up the data protection document required by law.
With particular reference to administrative activities, in the report on corporate governance and ownership structure the Board of Directors describes the main characteristics of the existing risk

management and internal control systems in relation to the financial reporting process, in keeping with art. 123-*bis* TUF.

The Company is compliant with Law 262/2005 and has named a manager in charge of financial reporting, recommended by the control, risks and corporate governance committee and approved by the board of statutory auditors. The Board of Directors has adopted regulations for the manager in charge of financial reporting, which, inter alia:

- grant him sufficient powers and means, including financial and human resources, and the authority to execute, modify or terminate any agreement he deems necessary, useful or appropriate for fulfilling his duties; give him due access to the information deemed relevant for fulfilling his duties, at Autogrill S.p.A. and at other group companies; empower him to impart any instructions to group companies, within the confines of the decisions made by their boards and officers and of the responsibilities held by each subsidiary, and have them adopt any measure, procedure or conduct deemed useful that will put him in a position to fulfil his duties; and grant him the same powers of inspection and control held by the statutory auditors and the independent auditors, at Autogrill and the other group companies, but within the confines of his duties and responsibilities, and as regards the group's foreign subsidiaries, within the confines of local law;
- require him to report his activities to the Board of Directors, at least every six months, indicating any problems encountered during the period and the measures taken or planned to overcome them; to inform the chairman of the Board of Directors of circumstances so serious that they might warrant the board's urgent decision; to ensure that the control, risks and corporate governance committee, the board of statutory auditors, the independent auditors, the compliance committee as per Legislative Decree 231/01, and the director in charge of the internal control and risk management system are kept duly informed of his work;
- require the boards and officers of the key subsidiaries to make sure they have adopted a suitable system of control for administrative and accounting processes that will generate the information transmitted to the parent for purposes of drawing up the consolidated financial statements and to constantly monitor its adequacy and effective use, and to ensure that appropriate administrative and accounting procedures are followed including on the basis of his guidelines; these bodies must also, with assistance from internal audit departments or independent external parties, conduct audits to obtain evidence of the due application of such procedures and of the related controls, including at his request, and periodically report to Autogrill S.p.A. attesting to the adequacy and due application of said procedures.

As mentioned above, there are numerous accounting policies and procedures applicable to the Group as a whole.

The manager in charge of financial reporting evaluates the accounting internal control system. In his annual report to the Board of Directors he has found no weaknesses that would significantly compromise the reliability of accounting and financial disclosures. The ordinary irregularities encountered have already been subject to corrective measures, thus minimizing exposure to risk and ensuring the complete adequacy of the process in all of its stages.

Regarding art. 36 of Consob's market regulations (requiring formalities in respect of subsidiaries formed or governed according to the laws of non-European Union countries that figure significantly in the consolidated financial statements), the two group companies to which this provision applies (HMSHost Corp. and Host International Inc., unchanged with respect to the prior year) have suitable procedures in place for the regular transmission to Autogrill's management and to the parent's independent auditor of information related to the statement of financial position, results of operations and cash flows for the preparation of the consolidated financial statements.

We note that the Company exercised the opt-out clause provided in arts. 70 and 71 of the Issuers Regulations which grants the option to waive the mandatory publication of information documents relating to mergers, spin-offs, share capital increases through in-kind transfers, acquisitions and disposals.

Independent auditors

The accounts of all group companies are fully audited (sometimes with reference only to the reporting packages prepared for the consolidation) by companies in the KPMG network, which was appointed on 27 April 2006 and whose assignment will expire with approval of the 2014 financial statements, by virtue of the extension to the period 2012-2014 pursuant to art. 17 of Legislative Decree 39/2010.
On 9 April 2015 the independent auditors provided us with the report required by art. 19 of Legislative Decree 39/2010, which notes no significant shortcomings in the internal control system concerning the financial reporting process.
In the notes to the separate and the consolidated financial statements, the directors have provided details of the fees allocated to the independent auditors and to the entities in its network, as reported in the table below:

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent's auditors	Parent	314
	Parent's auditors	Subsidiaries	51
	Parent's auditors network	Subsidiaries	1,754
Attestation	Parent's auditors	Parent	90
	Parent's auditors	Subsidiaries	26
	Parent's auditors network	Subsidiaries	881
Other services	Parent's auditors	Parent	16
	Parent's auditors	Subsidiaries	7
	Parent's auditors network	Parent	32
	Parent's auditors network	Subsidiaries	18

We would like to point out that no questions have arisen regarding the independence of the independent auditing firm and that we have received its confirmation of independence in accordance with art. 17(9)(a) of Legislative Decree 39/2010.
In this regard, in November 2012 the Company revised the group procedure for the appointment of external auditors by Autogrill and its subsidiaries. The new procedure makes the independent auditors firm responsible for auditing the subsidiaries as well as the parent, and governs the assignment of additional tasks to that auditors to prevent it from having assignments that are incompatible with auditing, as defined by law, or in any case prejudicial to its independence.

5. Corporate governance

Detailed information on how Autogrill has implemented the corporate governance principles approved by Borsa Italiana (laid down in the Corporate Governance Code, referred to hereinafter as the "Code") is provided by the directors in the annual corporate governance report, approved on 12 March 2015 and attached to the financial statements.
That report is compliant with art. 123-*bis* TUF. The independent auditors, in their reports, have confirmed that the directors' report and the disclosures pursuant to paragraph 1 letters c), d), f), l) and m) and paragraph 2 letter b) of art. 123-*bis* TUF presented in the corporate governance report are consistent with the separate and the consolidated financial statements.

In December 2012 the Board of Directors adopted the new Corporate Governance Code approved by Borsa Italiana in December 2011 and made some changes to its governance system, including the addition of its own code containing the "minimum rules" of governance that the Company undertakes to observe (the "Autogrill Code"), although the board may continue to adopt solutions on a case-by-case basis that go above and beyond those rules.
Between December 2014 and February 2015 the Board of Directors amended the Autogrill Code largely to reflect the changes found in the version of the Corporate Governance Code approved by Borsa Italiana in July 2014.
In some cases the "minimum rules" found in the Autogrill Code are exceeded by the board's standard practices, which form the basis of the corporate governance report, although in some instances the report also refers to the Autogrill Code (published in full in the Governance section of the Company's website www.autogrill.com under "regulations and procedures").
The following remarks make reference, in general, to the sources listed above.
The chief executive officer is the person primarily responsible for running the business, and the only executive member of the Board of Directors. The board, a majority of whose members are independent, is involved–including through the work of its committees–in decisions concerning a number of areas, such as strategies and investments, budgeting, strategic/industrial/financial planning, corporate governance (including remuneration), and the internal control and risk management system.
During the year the Company verified the true independence of the directors qualifying as such, in accordance with the Corporate Governance Code; likewise, it ascertained the continued independence of the statutory auditors, according to the provisions of the same Code.
With regard to the maximum number of directorships and statutory auditorships that may be held in other companies, on 22 January 2015 the Board of Directors resolved to confirm the guideline approved on 12 December 2007 and confirmed on 13 February 2014, explaining the reasons why it was deemed unnecessary to take into account the participation in board committees.
The annual report on corporate governance and ownership structure contains information about the induction initiatives completed in 2014 following the renewal of the Board of Directors. We reiterate our view that this type of activity is key to increasing the efficacy of the non-executive directors, as well as the statutory auditors, and hope that other initiatives will be undertaken in 2015, including in light of the appointment of the new Board of Statutory Auditors during the shareholders' meeting called to approve the 2014 annual report.

6. Conclusions.

Through direct inspection and information provided by the independent auditors and the manager in charge of financial reporting, we have verified compliance with laws regarding the preparation and reservation of the Autogrill Group's consolidated financial statements, of Autogrill S.p.A.'s separate financial statements and of the corresponding directors' reports. During the course of our audit work, no matters arose that might have required reporting to the supervisory authorities or mention in this report.
In their report issued pursuant to arts. 14 and 16 of Legislative Decree 39 of 27 January 2010, the independent auditors gave an unqualified opinion of the separate and the consolidated financial statements for 2014. Both the separate and the consolidated financial statements come with statement of the manager in charge of financial reporting and chief executive officer required by art. 154-*bis* TUF.
The general meeting called to approve the financial statements for FY 2014 is also asked to vote on other matters within its sphere of authority, including the appointment of the Board of Statutory Auditors, the financial audit assignment for the period 2015-2023 (please refer to the motivated opinion prepared by us in

accordance with the law), authorization to buy and sell treasury shares and the remuneration report. The directors are not proposing the payment of a dividend this year.
On the basis of our work during the year, we find no reason not to approve the financial statements at 31 December 2014 and the motions presented by the Board of Directors.

Milan, 10 April 2015

Statutory Auditors of Autogrill S.p.A.
Marco Rigotti
Luigi Biscozzi
Eugenio Colucci

Autogrill S.p.A.

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