Autogrill Group
2008 Report and Accounts

Autogrill Group

Annual Report and Accounts 2008

"Cultural diversity?
Wealth to make the most of"

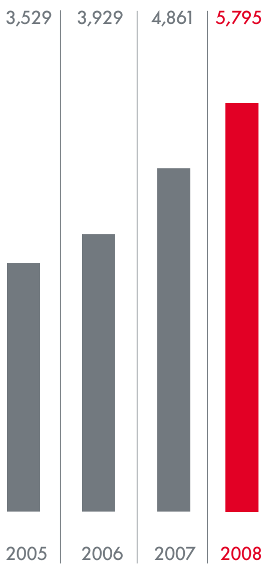
"Environmental sustainability?
A commitment to future generations, a competitive advantage for the business"

"Professional advancement?
An individual challenge, value for the community"

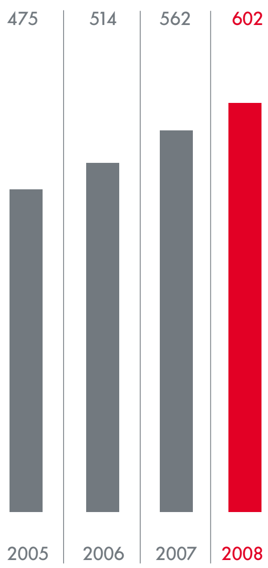
"Focus on the consumer?
An attitude that is a natural part of everyday operations"

Highlights

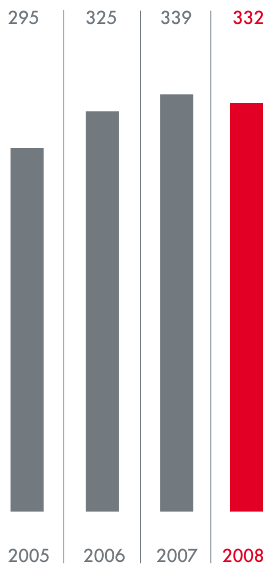
Revenue
(€ million)



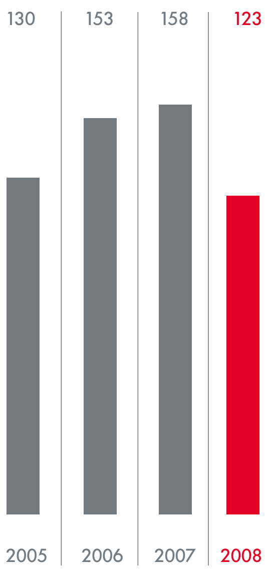
EBITDA
(€ million)



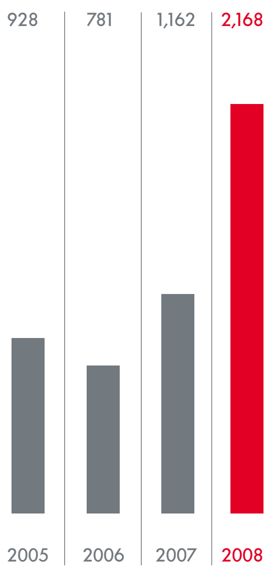
EBIT
(€ million)



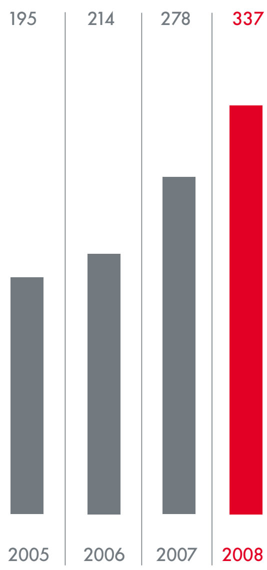
Group net profit
(€ million)



Net financial indebtedness
(€ million)



Capex
(€ million)



Profile

Autogrill is the world's leading provider of food & beverage and retail services for travellers. Present in 43 countries with over 70,000 employees, it manages more than 5,500 points of sale in over 1,200 locations.

Autogrill serves people on the move and operates primarily under concession agreements, which allow the Group to plan medium to long-term operations.

Food & beverage, travel retail & duty-free, and flight are the Group's three business sectors. Food & beverage is its historical business and is well developed mainly in North America and Europe. Travel retail has become highly strategic with the recent acquisitions of Aldeasa, Alpha Group and World Duty Free Europe, and is concentrated mostly in Europe, with a significant presence in the Middle East, the Americas and Asia. The flight business serves airlines and operates from the U.K., Central Europe, Australia and the Middle East.

Airports and motorways are the Group's principal business channels, followed by railway stations and a selective presence in shopping centres, trade fairs, museums, and high streets.

With its portfolio of more than 350 international and local brands, managed directly or under license, and the complementary nature of its food & beverage and retail offerings, Autogrill positions itself as a global service provider to customers and landlords. In-flight has developed out of its own complimentary range of services to airlines as well as other airport users.

Autogrill, listed on the Milan Stock Exchange, is controlled indirectly by Edizione S.r.l. (the Benetton family's investment arm) which holds 59.3% of the share capital.

Strategy

Autogrill is a company on the move. Growing non-stop over the years through acquisitions and successful bids for contracts, it has taken the lead in the concession business - first in food & beverage and later in travel retail & duty-free - and is now a global service provider for travellers.

Leadership consolidation, also thanks to the integration and reorganisation process launched after the most recent acquisitions, is the foundation of the Group strategy today.

The concentration of travel retail operations in Europe generates major synergies that will strengthen the Group's competitive position with the creation of a single retail company.

Renewal and expansion of the contract portfolio, leading to new, more diversified offerings, will also strengthen Autogrill's hold in the food & beverage sector.

The Group's next step is to develop by renewing and extending major contracts, pursuing new commercial agreements and joint ventures, and monitoring new markets to take advantage of growth opportunities.

Specific plans by segment:

Food & Beverage
- » consolidation in Europe and North America, in the Group's traditional channels
- » growth in travel channels where the Group's presence is still limited
- » assessment of development opportunities in specific regions

Travel Retail & Duty-Free
- » business concentration into a single company
- » greater competitiveness in key markets

In-Flight
- » consolidation in the main markets

The concession business

The Group has food & beverage and travel retail operations mostly in airports, motorways, and railway stations under concession contracts.

In this kind of arrangement the concession grantor allows the operator to provide commercial services in a given space and for a set amount of time, in exchange for a rent, and in many cases for construction or renovation work as well.
The process for awarding a concession varies depending on circumstances. Most are awarded through competitive bidding, but in some cases they are negotiated directly.

The terms of the contract - duration of the concession, the rent and required investments - vary according to the business channel and type of business.

Motorway locations usually require more investment than airports, because the concession covers the entire building rather than single points of sale. Thus, for a motorway concession, the rents are generally lower and the average length of the concession is longer - from 10 to 25 years, with peaks of more than 30 - compared with 5-10 years for an airport contract.

In the same channel, contract duration can also vary by type of business. Food & beverage requires investment in equipment, so concessions are generally longer with lower rents.

The rent may be fixed or variable (indexed to revenue or profitability), or a combination of both.

The criteria for evaluating bids can differ according to the sales channel, type of business and country. The main criteria are usually:

» the quality of the business proposition
» the brand portfolio
» the design and layout of the venues
» the operator's expertise and track record
» the financial commitments assumed in terms of investments and rents.

The flight sector has a different business model, based on contracts arranged directly with the airline.

Autogrill's market

The traveller services market depends on traffic trends, which in turn are influenced by GDP. This means that the Group's core market, though linked to the performance of the economy in the short to medium term, is in the long term more closely aligned to lifestyle changes and the development of transport systems and infrastructure.

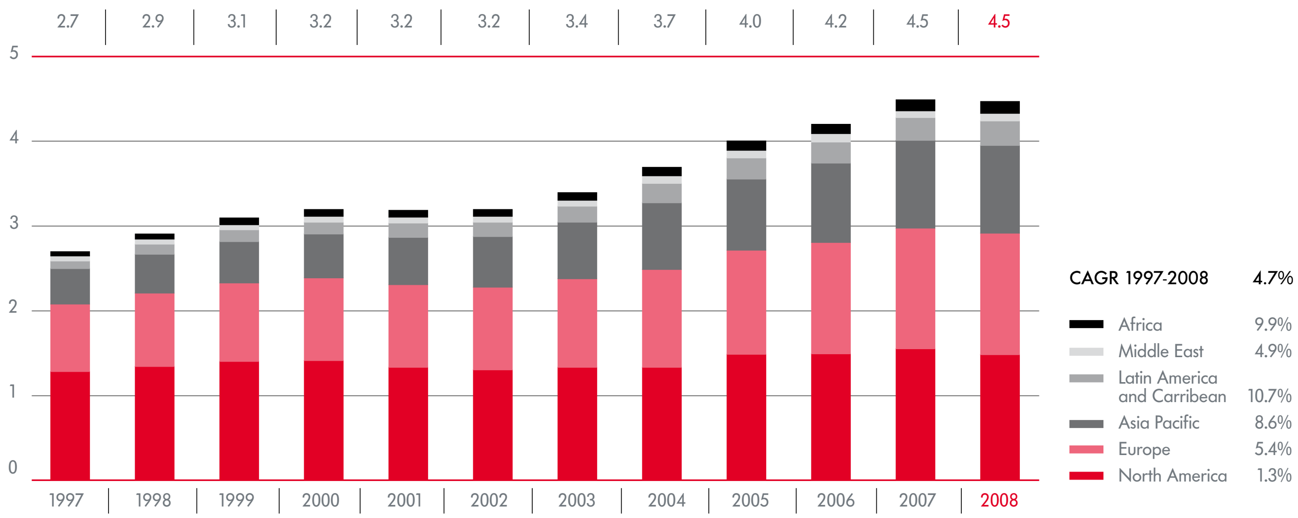
The more developed countries, where traffic growth reflects rising household income and the spread of new and cheaper means of transport (e.g. mass car ownership and low-cost airlines), have recently been joined by newly industrialised countries with their inherent transnational spirit and a young population influenced by Western lifestyles.

With the costant ebb and flow of demand, the flexibility to operate across the travel industry helps the Group adapt to different geographical locations and cultures and to adjust its products and services to the evolving needs and aspirations of its consumers and partners.

Airports

In 2008 world traffic exceeded 4.4 billion passengers, broadly in line with the previous year (-0.2%), bringing the average annual increase to more than 4.5% since 1997[1]. This is a fast-growing industry, despite the slowdown in 2001-2002 following 9/11 and in 2007-2008 due to the global financial crisis.

Passengers total growth - Figures by geographical region 1997-2008[1] (billion passengers)



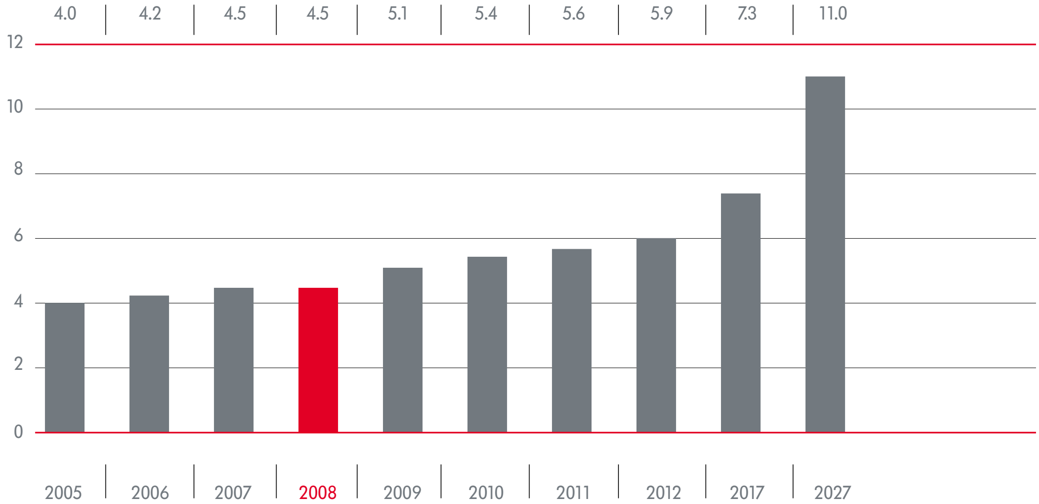
The sector is highly concentrated, with the three main geographical regions accounting for over 88% of world airport traffic: North America (33%), with an average annual growth rate since 1997 of 1.3%; Europe (which accounts for more than 32% of world traffic), with average annual growth of 5.4% from 1997 to 2008 and Asia (with a share of over 23%), which shows the fastest growth of all with a rate topping 8%.

Forecasts now available through 2027[2] predict an average annual growth rate of 3% to 5% until 2009-2010, when the number of passengers per year is forecast to exceed 5 billion. After a slowdown in 2009 due to the international financial crisis, the pace should pick up again in 2010. In the following 17 years average annual traffic growth is expected to settle at around 4%, as the markets of many countries mature, reaching 11 billion passengers a year by 2027.

[1] Source: A.C.I. Global Traffic Forecast 2006-2025 (Executive Summary Edition 2007) and A.C.I. Worldwide Airport Traffic Statistics, 2008

[2] Source: A.C.I. Global Traffic Forecast 2008-2027 (2008 Edition)

Projection of world passenger traffic (billion passengers)



Motorways

Particularly in Europe, the car remains the most used means of transport, given the region's small size compared with other continents and its extensive road network along with the absence or inadequacy of alternative transport channels.
Over the last decade the highest rates of growth have been seen in Spain and Belgium (over 4% and 5% respectively), against an average of 1% to 3% for France, Germany and Italy.
In the US and Japan, where the motorway networks are comparable to Europe's in terms of infrastructure but not extension or use, traffic grew, but not as fast as in Europe.
In 2008, motorway traffic was hit in the first six months by soaring fuel costs, which mainly affected the leisure component and in the second half by the financial crisis and its impact on commercial traffic. In North America, traffic shrank by 4% in the areas served by the Group[1]; in Italy the decline was 0.7%[2].
In the coming years, we are likely to see investment in upgrading the main arteries of the larger western countries (e.g., in Europe, the north-south and east-west corridors and the construction of road networks in the main central and eastern regions) and accelerated expenditure for basic infrastructure in emerging countries.
Forecasts for the next three to four years are for traffic growth of between 1% and 2%[3] in Europe and North America.

Railway stations[4]

Europe is the region where railway stations are, and will increasingly tend to be, a valid alternative to other channels thanks to shorter distances and the development of the high-speed network.

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

1 Figures source: F.H.W.A., Federal Highway Administration, figures updated to December 2008
2 Figures source: A.I.S.C.A.T., November 2008
3 Figures source: Autogrill restatement based on A.I.S.C.A.T. and Bureau of Transportation Statistics figures
4 Figures source: A.T.O.C., Association of Train Operating Companies and European Union - Energy & Transport

Business segments

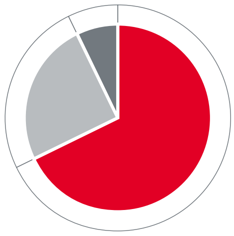
Food & beverage is the foundation on which the Group was built and for the concession market in general. Travel retail was subsequently developed to complement food & beverage, in order to offer greater service to travellers. Flight provides catering and retail services directly to airlines.

The size of the global travel retail & duty-free market is some $37bn[1], while food & beverage grosses €15 to 20bn[2] and flight around €7bn[3]. The size of the travel retail & duty-free market reflects a series of factors: the significant developments in transport infrastructure and services, an increase in per capita income resulting in new demands and new products for the traveller and the significant savings offered by duty-free shopping at airports.

Offering food & beverage and retail together, first in Italy and then in North America, enabled the Group to follow changes in customer profiles and to respond to demand with a uniform range of offerings (low-cost convenience items likely to be purchased repeatedly on impulse).

In 2005, recognising the business opportunity to cater more widely to travellers' needs by complementing its food & beverage operations with a new sector - travel retail & duty-free - the Group acquired approximately 50% of Aldeasa. Expansion in this sector continued in 2007 with the purchase of Alpha Group, which also marked the Group's debut in the flight business and again in 2008 with the acquisition of the remaining shares in Aldeasa and the outright acquisition of World Duty Free Europe.

Revenue 2008 by business segment



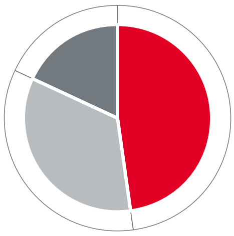
Food & Beverage	68%
Travel Retail & Duty-Free	25%
In-Flight	7%

Food & Beverage

Autogrill first set up food & beverage operations along Italian motorways, expanding into other countries in the second half of the 1990s. The Group developed mainly through acquisitions, soon becoming one of the largest European food & beverage operators, with a presence in the railway channel as well. In 1999, with the acquisition of North American airport and motorway leader HMSHost, Autogrill became the world's number one provider of food & beverage services for travellers. A series of acquisitions and new contracts then strengthened the Group's position, by expanding its presence in geographical areas and channels where it had previously been less active (European airports) and giving it a foothold in new markets (motorways in Eastern Europe).

The food & beverage offerings are geared primarily to domestic travellers and are strongly influenced by the local palate, which is catered for with proprietary and licensed brands. The breadth of the brand portfolio and the ability to develop menus reflecting the local identity of each location is a key competitive advantage. Proprietary brands and recipes prevail in Europe, where cuisine is strongly linked to customs and traditions, while most North American offerings are under license.
Autogrill's principal markets are Europe and North America, serving mostly motorways in the former and airports in the latter. In some European countries the Group operates at railway stations, but to a relatively minor extent. There are also food & beverage outlets in other places of transit, such as shopping centres, trade fairs, museums, and high streets.

Food & Beverage Revenue 2008 by geographical region



North America and Pacific region*	48%
Italy	34%
Other countries	18%

[1] Source: Generation, 2008 preliminary figures
[2] Group estimates based on Gira figures
[3] Group estimates
* Refers to HMSHost activities in North America, in Schiphol airport in The Netherlands and in some airports in Asia and Pacific region

In North America (United States and Canada), food & beverage is operated by HMSHost, which also serves Amsterdam Schiphol Airport in the Netherlands and a number of airports in Asia and the Pacific; in Italy by the Autogrill Italy division, and in other European countries - Austria, Belgium, Denmark, France, Germany, the UK, Greece, Ireland, Luxembourg, the Netherlands, the Czech Republic, Poland, Spain, Slovenia, Sweden, and Switzerland - by Autogrill's foreign subsidiaries.

Location Food & Beverage by geographical region

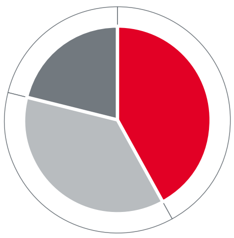
	North America and Pacific region*	Italy	Other countries	Total
Motorways	101	374	233	**708**
Airports	98	13	27	**138**
Railway stations		16	41	**57**
Towns		35	3	**38**
Shopping malls	17	77	23	**117**
Trade fairs		17		**17**
Other channels			1	**1**
Total	216	532	328	1,076

* Refers to HMSHost activities in North America, in Schiphol airport (The Netherlands) and in some airports in Asia and Pacific region

Travel Retail & Duty-Free

With the acquisition of Aldeasa, Alpha Group and World Duty Free Europe, Autogrill has become one of the world's leading airport retail operators.

Travel Retail & Duty-Free Revenue 2008 by geographical region



The travel retail & duty-free business serves a mostly international clientele, with a core range of products consisting primarily of fragrances and cosmetics, spirits, tobacco products and confectionery. The decision to use specific brands at a given location depends on recognition (where relevant, as in Spain), endorsement strategies (e.g. specialised departments or corners for luxury clothing or cosmetics brands), or concepts zones developed to feature a category of goods to best advantage. The resulting "shop-in-shops" provide a unique and engaging shopping experience across product categories that would otherwise be separate. Similar to department stores in their layout, they combined duty-free or travel retail savings against high street prices, with the prestige of premium brand stores.

Europe is the principal market, with a strong presence in the UK and Spain, followed by the Middle East, the Americas and Asia. Airports are basically the sole business channel[1].

The Group's travel retail & duty-free stores in the UK are operated by WDF which includes World Duty Free and Alpha's UK retail business. In Spain, other European countries, the Middle East, the Americas and Asia, travel retail and duty-free stores are operated by Aldeasa, which also operates Alpha's international retail business.
The process of global integration of the Group's business in this sector began as soon as the acquisitions were complete and will be finished in 2009, when the retail business will be brought under a single roof.

[1] The travel retail & duty-free segment also includes the operations located inside museums (Aldeasa), which represented about 1% of the 2008 segment revenue

Travel Retail & Duty-Free locations by geographical region

	Spain	United Kingdom	Other countries	Total
Airports	22	18	33	73
Buildings and museum	31		9	40
Total	53	18	42	113

In-Flight

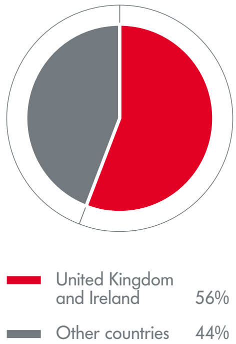
Autogrill has operated in the flight business since 2007 following the acquisition of Alpha Group. Alpha Flight, a leader of the in-flight meals and snacks market, provides catering and retail services to over 100 airlines, including American Airlines, British Airways, Delta Airlines, Emirates and Ryanair in 11 countries of Europe, the Middle East, the USA and Australia.

Alpha Flight's traditional stronghold is the United Kingdom and Ireland, which accounted for over half of its operations in 2008. In recent years, the company has reduced its dependence on a single geographical region, through targeted development projects that have gradually expanded its presence abroad.

In-Flight locations by geographical region

	United Kingdom and Ireland	Other countries	Total
In-Flight	23	42	65
Total	23	42	65

In-Flight Revenue 2008 by geographical region



FOOD & BEVERAGE

Autogrill

HMSHost

CHANNELS

AIRPORTS

MOTORWAYS

RAILWAY STATIONS

SHOPPING MALLS, TOWNS AND TRADE FAIRS

TRAVEL RETAIL & DUTY-FREE

Aldeasa

World Duty Free

CHANNELS

AIRPORTS

PORTS

BUILDING & MUSEUMS

FLIGHT

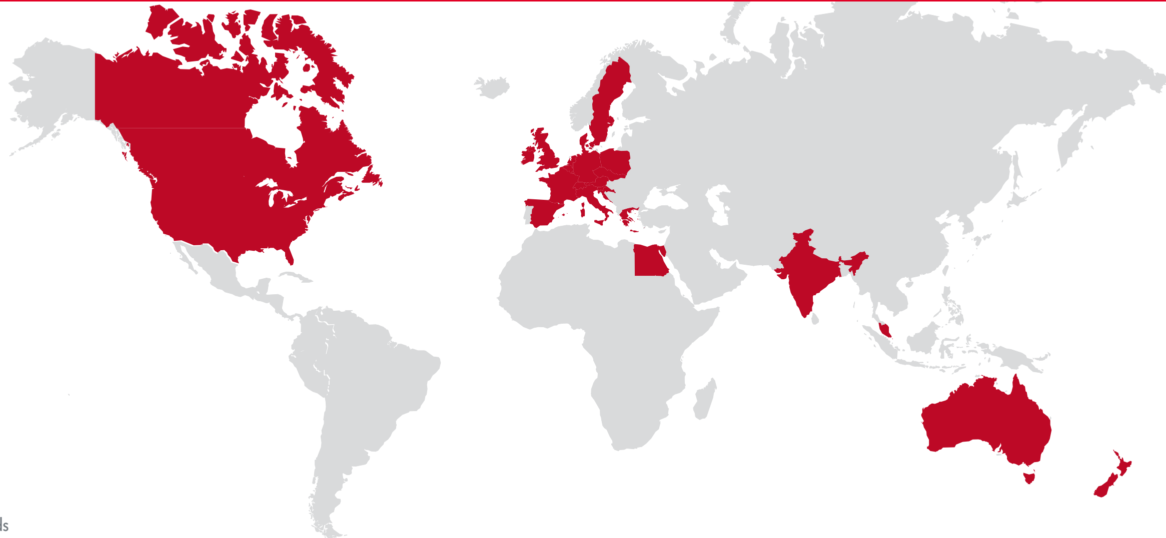
Alpha Flight

CHANNELS

AIRPORTS

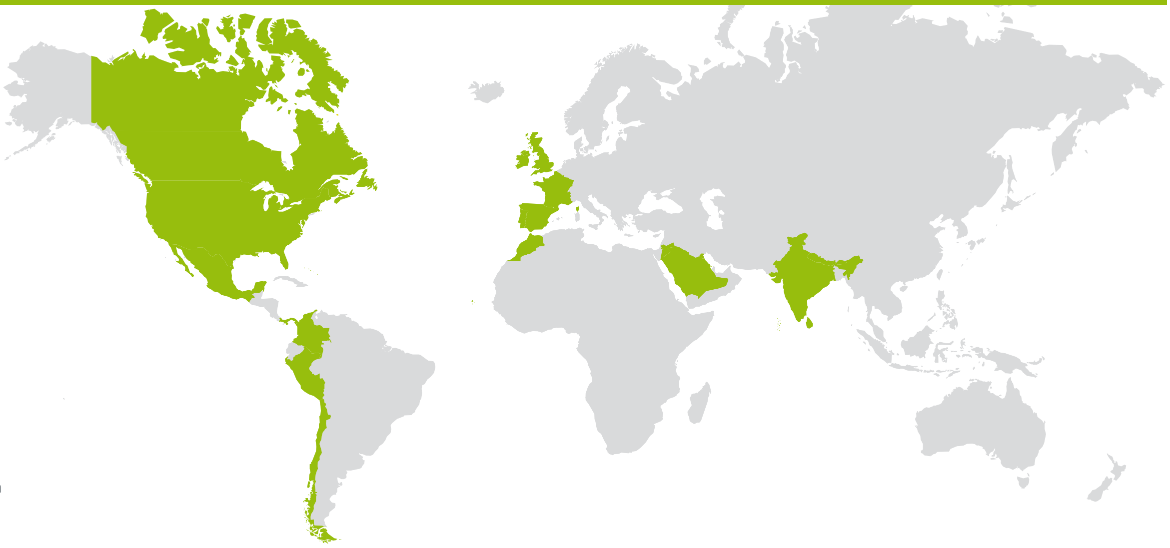
COUNTRIES

Australia
Austria
Belgium
Canada
Czech Republic
Denmark
Egypt
France
Germany
Greece
India
Ireland
Italy
Luxembourg
Malaysia
New Zealand
Poland
Singapore
Slovenia
Spain
Sweden
Switzerland
The Netherlands
United Kingdom
USA



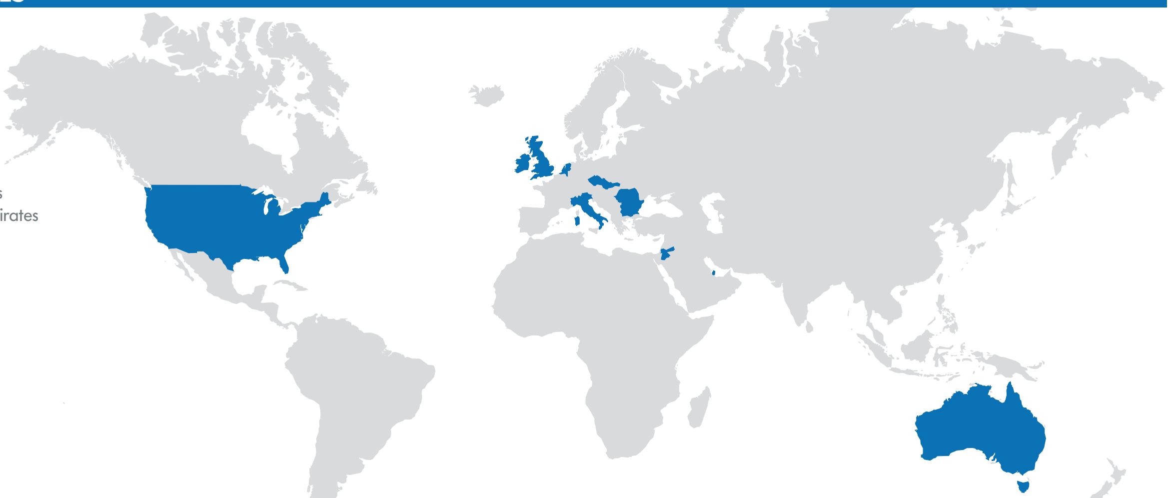
COUNTRIES

Canada
Cape Verde
Chile
Colombia
Dutch Antilles
France
India
Ireland
Jordan
Kuwait
Maldives
Mexico
Morocco
Nepal
Panama
Peru
Portugal
Saudi Arabia
Spain
Sri Lanka
United Kingdom
USA



COUNTRIES

Australia
Bulgaria
Czech Republic
Ireland
Italy
Jordan
Romania
The Netherlands
United Arab Emirates
United Kingdom
USA



The brands

The Autogrill brand was created in 1977 following the merger of three catering divisions: Alemagna, Motta and Pavesi, which were all providers of high quality motorway catering services in Italy. Today it is the core brand of the organisation, uniting its various businesses, and features strongly in the Group's corporate communications.

Brand portfolio

The diversity and wealth of the Group's brands and products are a testament to its unique business model and are one of its greatest strengths. By combining the wide range of food & beverage and travel retail & duty-free formulas with the brands in its portfolio, the Group not only meets but anticipates the needs of consumers, while creating an ideal package for every kind of location and concession agreement.

Autogrill's branding strategy is based on the development of a broad, diversified portfolio of catering and travel retail & duty-free brands appreciated by travellers and landlords alike. The breadth of the offer reflects the geographical and cultural variety of Autogrill's markets and the different consumption patterns across different countries and continents.

The Group's portfolio includes more than 350 international and local brands, both proprietary and under license. Autogrill follows a country-based approach to building its portfolio, including global brands, national chains, and concepts developed internally. It relies on its skills and experience to create innovative formulas in step with the latest trends, while continuing to acquire new licenses to keep the offer fresh and up-to-date.

Autogrill's track record of outperforming market growth and of winning and renewing concessions are solid evidence of its strong brand portfolio - a key success factor for the Group.

People

Autogrill, more so than many other companies, is a people company. Created and developed to serve travellers, people - whether customers or employees - are central to its success and are its most valuable asset.

Autogrill's great challenge is to share knowledge by designing structured systems that turn people into business professionals. This means creating the conditions and tools to transfer professional content to operational positions within the Group, moving from knowledge possessed by individuals to shared expertise, closing the gap between management and customer-facing staff.

An "Autogrill person" is someone who is focused on the customer, innovative, a team player and an ambassador for the values and ethics that support responsible growth of the business.

Investment in training, valuing diversity as a competitive factor, and the development of skills, career plans and international experience are key elements of the Group's human resource strategy.

Training, from basic to managerial, is a major investment to which nearly four million hours are devoted each year: in the classroom, online, at training centres and on the job. Methods, tools, respect for the individual and an emphasis on the highest standards are the foundation of ongoing courses and orientation programmes for over 70,000 employees and seasonal workers. Diversity - of gender, ethnicity, faith, culture, social status, physical ability, for example, are truly valued by Autogrill. A diverse employee base brings the Group closer to the consumer through the development of concepts, products and services that celebrate local customs and lifestyles in a global context.

The international growth the Group has experienced in recent years has provided an invaluable opportunity for Autogrill people, in terms of a model for integrating new businesses and as a basis for knowledge management and sharing best practices. International development thus complements local development as a foundation for strengthening competencies and creating a unique professional experience.

40,000 new seasonal workers each year

▼

3,900,000 hours of training

▼

35 languages

▼

63% women - 37% men

The Group development

1995

Privatisation.
Edizione Holding, the investment arm of the Benetton family, becomes the majority shareholder.

1977

Incorporation of Autogrill S.p.A.
The food & beverage rest stops Pavesi, Motta and Alemagna are merged into Autogrill S.p.A., a subsidiary of SME (IRI Group).

1993

International growth in the motorway channel.
Autogrill acquires food & beverage companies in France (Les 4 Pentes, part of the Elitair group) and Spain (Procace).

1997

IPO on the Milan Stock Exchange.

1999

Debut in North America and expansion in the airport channel.
Autogrill acquires HMSHost, the leading airport catering business in North America. With the acquisition of Frantour Restauration, it also moves into railway stations in France.

2001-2002

Growth in the railway station channel.
With the development of high-speed rail, Autogrill expands its operations in France, and sets up business in Spanish stations with the acquisition of Receco.

2005

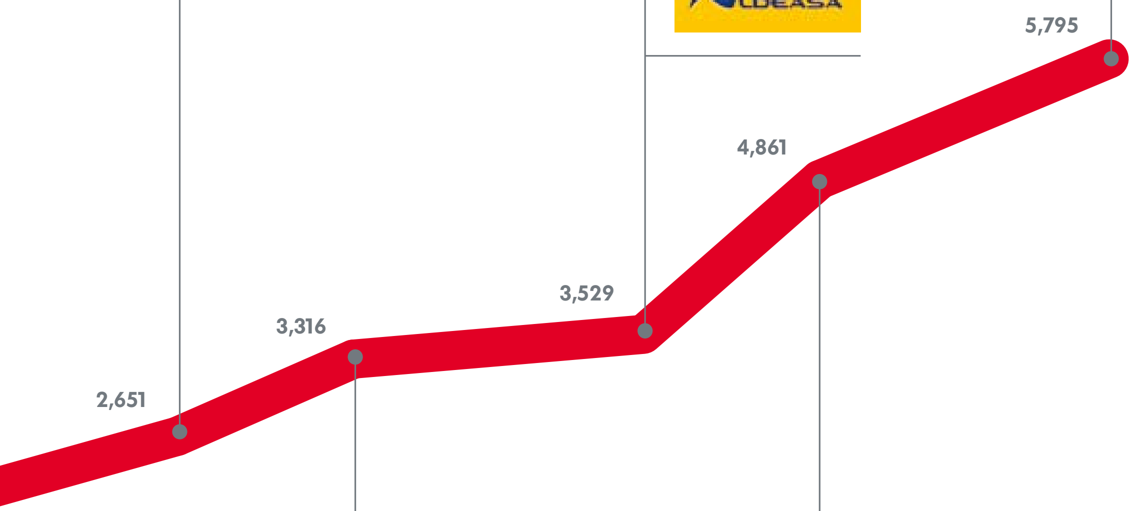
Debut in the Travel Retail & Duty-Free sector.
In a joint venture with Altadis, Autogrill acquires Aldeasa, a leading travel retail & duty-free operator with a solid presence in Spain and major international operations. Business in European airports is also boosted in the food & beverage sector with the acquisition of Steigenberger Gastronomie in Frankfurt; expansion in Spain, Austria and Italy and an initial presence in Northern Europe (Ireland and Sweden).

2007

First UK operations: development of Travel Retail & Duty-Free and In-Flight.
Autogrill acquires Alpha Group, one of the biggest names in airport and in-flight catering and retail services. Expansion in Asia, at the airports covered by Alpha Group and the first outlet in Hyderabad (India).

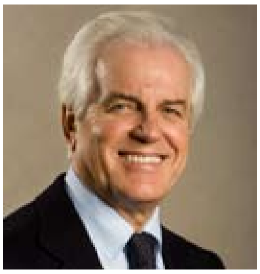
2008

Autogrill: global provider of services for travellers.
Autogrill acquires World Duty Free Europe, the UK's number one travel retail & duty-free operator, and completes the Aldeasa acquisition, becoming the leading service provider in both travel retail and food & beverage for travellers.



Chairman's letter

Dear shareholders,



In 2008 the global economy took a hairpin turn with respect to the recent past. In just a few months we went from a growth phase, underway for several years, to a serious recession which in our market has influenced traffic and consumption trends.

All the same, Autogrill closed 2008 with sales of nearly €5.8 billion (+19.2% on 2007), and achieved results in line with its targets.

The Group has been quick to act, capitalising on the markets' relative strength in the first half of the year (in which performance outpaced the trend in traffic), and in the summer launching a broad reorganisation involving every segment of the business.

Autogrill has also undergone a major transformation: alongside our traditional food & beverage operations we have built a retail arm of worldwide renown, while staying as focused as ever on our core clientele. The growth of our portfolio and the size of our business has required a significant financial commitment, which we have covered through fresh borrowing.

As we harmonise our new retail operations and optimise structures, assortments, and purchasing, our operating margins will increase and will soon offer appreciable returns on investments.

Meanwhile, cost-cutting measures and steps toward simplifying and streamlining the organisational structure have been taken in both the retail and food & beverage sectors. We have decided to use all of the profit earned in 2008 to service our debt.

We expect a difficult 2009, with sales essentially stable, but we will still make investments of around €160 million.

Internal development, mainly through the extension of major contracts, new commercial agreements, and joint ventures, and the monitoring of new markets in order to take advantage of growth opportunities (particularly in central/eastern Europe and in Asia), will guide the Group's strategies in the immediate future.

Management and the Board of Directors will be focused not only on keeping profit erosion to a minimum and improving the financial position, but on transforming the commercial model and the organisational and financial structure, so they will be better equipped to deal with the crisis and pave the way for a solid and profitable future.

Gilberto Benetton

Summary

Report on operations

2008 Consolidated Financial Statements

2008 Separate Financial Statements

1. Directors' report

1.1 Highlights and definitions

(€m)	2008	2007	Change at current exchange rates	Change at constant exchange rates
Revenue	5,794.5	4,861.3	19.2%	24.6%
EBITDA	601.5	562.4	7.0%	11.7%
EBITDA margin	10.4%	11.6%		
EBIT	331.7	339.1	(2.2%)	2.3%
EBIT margin	5.7%	7.0%		
Profit attributable to Group	123.2	158.1	(22.1%)	(18.6%)
% of revenue	2.1%	3.3%		
Capex	337.3	278.2	21.2%	19.5%
Earnings per share (€ cents)				
- basic	48.4	62.1		
- diluted	48.0	61.5		

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

Constant exchange rates: this term indicates changes in financial statement items that would have occurred had comparative figures for companies with a functional currency other than the euro been determined using the same exchange rates employed last year.

More than half the Group's operations are located in countries which use a non-euro currency, primarily the USA, United Kingdom, Canada and Switzerland. Due to the local nature of the business, in each country revenue are generally expressed in the same currency as costs and investments. The Group also has a currency risk policy, financing most of its main net assets in the principal non-euro currencies with debt in the same currency, or entering in currency hedges that achieve the same effect.

However, this does not neutralise the impact of exchange rate fluctuations when translating individual financial statement items. In particular, the extent of fluctuations between the euro and the US dollar and British pound have made consolidated figures not immediately comparable with those from the previous year:

- the average Usd/Eur ($/€) exchange rate rose from 1.3707 in 2007 to 1.4707 in 2008, corresponding to depreciation of around 6.8% for the dollar against the euro. The year-end exchange rate, on the other hand, fell from 1.4721 in 2007 to 1.3917 in 2008;
- the average Gbp/Eur (£/€) exchange rate rose from 0.6839 in 2007 to 0.7963 in 2008, corresponding to 14% depreciation of the pound against the euro. The year-end rate went from 0.7334 in 2007 to 0.9525 this past year.

Therefore, when the effect of these fluctuations is significant, figures are also expressed on a constant exchange rate basis in order to foster comparison from one year to the next and make results and financial information more meaningful.

Revenue: in the Directors' report these refer to operating revenue, excluding fuel sales (which are shown net of related costs under "other operating income"). Costs as a percentage of revenue are calculated on this basis. In Europe, the Group also operates a small but growing number of service stations. Fuel sales in 2008 came to €104.3m, up from €87.8m in 2007.

Organic growth: this indicates the change on the previous year at constant exchange rates, excluding the effects of changes in the scope of consolidation and reorganisation costs, and adjusting for the different period of consolidation for Alpha Group.

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

Investments: these exclude non-current financial assets and equity investments.

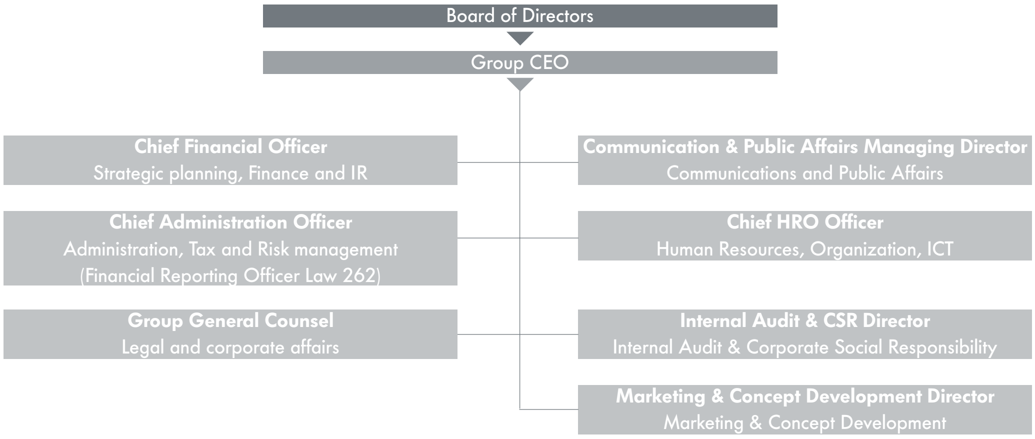
Figures for 2007 have been adjusted with respect to those originally published to reflect the new policy for recognising actuarial gains and losses on defined benefit plans. See section 3.1 of the Notes ("Accounting standards") for details of the adjustments made.

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

1.2 Corporate Governance

1.2.1 Organizational structure

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



The Autogrill Group operates almost exclusively in three business segments: catering ("food & beverage" or "F&B"), airport retail ("travel retail & duty-free"), and in-flight catering and retail services for airlines ("in-flight").
Food & beverage takes place wherever people travel (mostly airports, motorways and railway stations, but other locations as well), with a mainly local or at least domestic clientele. Our offerings strongly reflect the local setting.
To a greater or lesser degree depending on the country and channel, and either separately or in conjunction with food and drink, the F&B Division also sells everyday items (newspapers and magazines, tobacco products, toys) and other food and non-food items as well as fuel.
The operational levers are typically assigned to local organizations that are centralized at the country level.
Travel retail & duty-free has a mainly international clientele, and offers a uniform range and a modest assortment of local products. As a result, the operating structure (marketing, purchasing, etc.) is highly centralized.
After the acquisition of World Duty Free Europe Ltd. and exclusive control of Aldeasa S.A., the Group began to integrate these with the retail Division of Alpha Group Plc., acquired in 2007.
At the end of 2008, the initial phase of integrating activities in the United Kingdom was completed and the international phase of the project was launched. The worldwide integration of this sector will be completed in 2009.
In-Flight is a business based on the production capacity of the individual units and on relations with the airlines. The operating levers are mainly assigned to local organizations, coordinated by the Alpha Flight unit, which offers its services to the world air traffic market.

Thanks to acquisitions over the past two years, Autogrill has expanded its presence to 43 countries:

	Business segments		
	Food & Beverage	Travel Retail & Duty-Free	In-Flight
Australia	■		■
Austria	■		
Belgium	■		
Bulgaria			■
Canada	■	■	
Cape Verde		■	
Chile		■	
Colombia		■	
Czech Republic	■		■
Denmark	■		
Dutch Antilles		■	
Egypt *	■		
France	■	■	
Germany	■		
Greece	■		
India	■	■	
Ireland	■	■	■
Italy	■		■
Jordan		■	■
Kuwait		■	
Luxembourg	■		
Maldives		■	
Malesia	■		
Mexico		■	
Morocco		■	
Nepal		■	
New Zealand	■		
Panama		■	
Peru		■	
Poland *	■		
Portugal		■	
Romania			■
Saudi Arabia *		■	
Singapore	■		
Slovenia	■		
Spain	■	■	
Sri Lanka		■	
Sweden	■		
Switzerland	■		
The Netherlands	■		■
United Arab Emirates			■
United Kingdom	■	■	■
USA	■	■	■

* In 2008 did not trade.

Operations in each country are managed by organizational units, generally affiliated with the companies the Group has acquired over the years. In this report, the more recently acquired companies involved in the integration process are referred to in abbreviated form:
- Aldeasa: the operations of Aldeasa S.A. and its subsidiaries;
- World Duty Free: the operations of World Duty Free Europe Ltd. and the travel retail & duty-free business formerly conducted by Alpha Group Plc. in the United Kingdom;
- Alpha Flight: the in-flight activities of Alpha Group Plc.

1.2.2 Boards and officers

Board of Directors[1]

Gilberto Benetton
Chairman [2,3]
Born in 1941 in Treviso, in 1965 Gilberto Benetton set up the Benetton Group together with his sister Giuliana and brothers Luciano and Carlo. The Group is world leader in the apparel industry and today operates in some 120 countries. He is chairman of Edizione S.r.l., the family holding company, chairman of Autogrill S.p.A., and a Director of Benetton Group, Mediobanca S.p.A., Atlantia S.p.A., Pirelli & C. S.p.A., Allianz S.p.A. and Sintonia S.A. He presides over all financial and property investments undertaken by the family holding company. A keen sportsman, he is the promoter of Group sponsorships in rugby, basketball and volleyball. Through the Benetton Foundation he created Treviso's sports centre La Ghirada.

Gianmario Tondato Da Ruos [E]
CEO [2,3,4]
Gianmario Tondato Da Ruos has been Autogrill's CEO since March 2003. He joined the Group in 2000, when he moved to the United States to oversee the integration of North American subsidiary HMSHost, and has worked tirelessly on refocusing the concession business and diversifying operations by sector, channel and country. Thanks to his policy of organic development and growth by accretion, Autogrill has nearly doubled its revenue, and the acquisition of Aldeasa S.A., Alpha Group Plc. and World Duty Free Europe Ltd. have turned the Group into the world's leading airport retail operator on top of its traditional food & beverage business.
After earning a degree in business from Ca' Foscari University in Venice, he began his career in 1987 with the Mondadori Group and several Benetton Group companies, where he handled corporate reorganizations and international mobility. He is lead independent Director of Lottomatica S.p.A. and a Director of Aldeasa S.A. and Alpha Group Plc.

Alessandro Benetton
Director
Born in 1964 in Treviso and son of Luciano, Alessandro Benetton has a degree in business administration from Boston University. In 1991 he earned an MBA from Harvard. His professional career began at Goldman Sachs, as an M&A analyst. In 1993 he formed 21, Investimenti S.p.A., a holding company owned by Edizione S.r.l., Intesa Sanpaolo S.p.A., Fininvest S.p.A., Seragnoli Group, Assicurazioni Generali S.p.A. and Ricerca S.p.A., and has served as its chairman ever since. He is chairman of 21, Investimenti Partners S.p.A. and has been a Director of Edizione S.r.l. and Autogrill S.p.A. since 1995. He is also executive vice chairman and a member of the Executive Committee of Benetton Group S.p.A. His other offices are Director of Banca Popolare of Vicenza, Director and vice chairman of NordEst Merchant S.p.A., Director and chairman of the board of 21 Partners SGR S.p.A., and member of the Supervisory Board of 21 Centrale Partners S.A.

Giorgio Brunetti [5, L, I-1]
Director
Born in 1937 in Venice, Giorgio Brunetti has a business degree from Ca' Foscari University in Venice and a diploma in business organization from CUOA (Centro Universitario di Organizzazione Aziendale) at the Faculty of Engineering of the University of Padua. He began his academic career at Ca' Foscari University, where he became professor of business studies. In 1992 he was appointed professor of business studies at Bocconi University in Milan, where he is currently emeritus professor and chairman of the Centre for Research on Entrepreneurship and Entrepreneurs. He has taught in training companies and organizations and consulted for leading industrial and banking groups. He has been a Director of Autogrill S.p.A. since 1995, and is also on the board of Benetton Group S.p.A., Carraro S.p.A. and Messaggerie Italiane S.p.A. He is an auditor for the Autorità per l'Energia Elettrica e il Gas.

Antonio Bulgheroni [6, I-1, I-2]

Director

Born in 1943 in Varese, in 1969 he joined the family business Bulgheroni S.p.A., a chocolate producer and licensee of the Lindt & Sprüngli brand in Italy, as assistant to the general manager. In 1974 he became CEO (until 1993) and was also its chairman from 1990 to 1993. At present he is chairman of Caffarel S.p.A., Lindt & Sprüngli S.p.A., and Banca Popolare Commercio e Industria S.p.A. He is also chairman of Ferro Tubi Lamiere Rossi S.p.A., and Director and member of the Executive Committee of Chocoladefabriken Lindt & Sprüngli AG. Antonio Bulgheroni has been on the board of Autogrill S.p.A. since 1997.

Arnaldo Camuffo [6, I-1, I-2]

Director

Born in Venice in 1961, Arnaldo Camuffo has a business degree from Ca' Foscari University in Venice. In 1990 he earned an MBA from the Sloan School of Management at MIT, and a doctorate in business from the University of Venice.

He has taught business organization at the University of Venice (1990-2003) and the University of Padua (2003-2007), and has consulted for some of Italy's leading industrial groups. He has also worked with the largest Italian and European training institutes. He now works with research institutes and Italian professional associations on organizational issues and human resource management. He is a member of the Advisory Board of AIF and ASFOR, scientific Director of the Lean Enterprise Center of Italy, and a board member of Lean Global Network. He is a professor of business organization at Bocconi University in Milan and teaches at SDA Bocconi School of Management. He has been an independent Director of Autogrill S.p.A. since 2008.

Claudio Costamagna [6, I-1, I-2]

Director

Mr. Costamagna was born in 1956 in Milan and has a business degree from Bocconi University. He began his career at Citibank as financial controller for Individual Banking Group, and then became Director of corporate finance for the holding company of Montedison. In 1988 he joined Goldman Sachs Group, becoming a partner in 1998. From 2001 to 2006 he was chairman of the Investment Banking division for Europe, the Middle East and Africa. He is currently an independent Director of Autogrill S.p.A. (since 2008), Luxottica Group, DEA Capital S.p.A., Bulgari S.p.A. and Breakingviews Ltd.

Javier Gómez-Navarro

Director

Born in Madrid in 1945, Mr. Gómez-Navarro holds an engineering degree from the School of Industrial Engineering of Madrid. He has significant experience in politics and the tourism industry, and in 1978 founded FITUR, Madrid's International Tourism Fair. From 1983 to 1986 he was CEO of Viajes Marsans, Spain's leading travel agency, and a board member for the principal Spanish tour operators. He was president of the Olympic Sports Associations and vice chairman of the Organizing Committee for the 1992 Olympic Games in Barcelona. From 1987 to 1993 he served as state secretary of sport. In 1993 he was named minister of Commerce and Tourism, a position he held until 1996.

He is chairman of Aldeasa (since 2005) and of the High Council of the Chambers of Commerce, Industry and Navigation, and a board member of Autogrill S.p.A. (since 2008), Tecnicas Reunidas, Capio Spain, Insolux-Corsan, Quail Travel, MBD, and Expociencia.

Francesco Giavazzi [I-1, I-2]
Director
Francesco Giavazzi was born in Bergamo in 1949 and graduated in electronic engineering from Milan Polytechnic. In 1978 he earned a Ph.D. in economics from the Massachusetts Institute of Technology (MIT). He is a professor of political economics at Bocconi University and a visiting professor at MIT. He is on the Strategic Committee of Agence France Trésor and the economic advisory team of José Manuel Barroso, president of the European Commission.
From 1992 to 1994 he was general manager of the Treasury Ministry in charge of economic research, debt management and privatizations, representing the ministry on the Boards of Directors of INA, Assitalia, and Banco di Napoli (of which he also served as vice president). From 1998 to 2000 he was an economic advisor to the Italian prime minister, Massimo D'Alema. He is an editorial writer for Corriere della Sera, and an independent Director of Autogrill S.p.A. (since 2008), Vitale&Associati S.p.A. (since 2000), and Arsenale di Venezia S.p.A. (since 2005).

Alfredo Malguzzi [5, 6, I-1]
Director
Born in 1962 in Lerici (La Spezia). He is a partner of Malguzzi & Associati, corporate and tax law advisors, and holds a degree in economics from Bocconi University. He has practiced as a chartered accountant since 1991, providing advice on domestic and international corporate and tax law, in which he has specialized since 1985. He has taught at SDA Bocconi School of Management (1990-1997) in the Administration and Control Department, and writes tax-related articles for newspapers. He is an expert in tax and business matters relating to corporate finance transactions, acquisitions, disposals and corporate reorganizations.
Among other positions, he is a Director of Autogrill S.p.A. (since April 2004), Benetton Group S.p.A., and FinecoBank S.p.A.; chairman of the Board of Directors of LaGare S.p.A.; standing auditor of Interpump Group S.p.A., biG S.r.l., Egidio Galbani S.p.A., and Gruppo Lactalis Italia S.p.A.; and chairman of the Board of Statutory Auditors of First Atlantic Real Estate Holding S.p.A. and Consilium SGR S.p.A.

Gianni Mion [6]
Director
Born in 1943 in Vò (Padua), Gianni Mion has a business degree from Ca' Foscari University in Venice. He is a chartered accountant and auditor and has been CEO of Edizione S.r.l. since 1986. His professional career began with KPMG as auditor and continued with McQuay Europa S.p.A. as controller. In 1974 he joined Gepi S.p.A., where he became deputy general manager in 1980. He was CEO of Fintermica S.p.A. from 1983 to 1985, before joining Marzotto S.p.A. as chief financial officer until 1986.
At present he is a Director of Autogrill S.p.A. (since 1995), Benetton Group S.p.A., Atlantia S.p.A., Luxottica Group S.p.A., Burgo Group S.p.A. and Sintonia S.A.

Paolo Roverato [5]
Director
Mr. Roverato was born in Padua in 1963 and graduated with a degree in business from Ca' Foscari University in Venice. He is a chartered accountant and auditor and began his career with Arthur Andersen in 1989. He is a senior manager of Edizione S.r.l. (since 2002) and a board member of Autogrill S.p.A., Aeroporti di Roma S.p.A., Aeroporto di Firenze S.p.A., Aeroporti Holding S.r.l., Edizione Property S.p.A., Gemina S.p.A., Investimenti Infrastrutture S.p.A. and Sagat S.p.A.

Board of Statutory Auditors [7]

Luigi Biscozzi [8]

Chairman

Born in Salice Salentino (Lecce) in 1934, Luigi Biscozzi holds a business degree from Bocconi University in Milan. He has been on the Milan roll of chartered accountants since 1966 and a registered auditor since 1972. From 1961 to 1972 he was a senior manager and partner of the tax department of KPMG Peat Marwick in Milan. He was a founding partner of the tax law firm L. Biscozzi - A. Fantozzi (now Biscozzi Nobili), and is an expert in tax law and corporate and tax consulting for Italian and foreign companies. He is chairman of the Board of Statutory Auditors of Autogrill S.p.A. (since 2006), Autogrill International S.p.A., Costa Crociere S.p.A., New Mood S.p.A. and Crociere Mercurio S.r.l. He is a standing auditor of Immobiliare Adamello S.r.l., Polimeri Europa S.p.A., Sony BMG Music Entertainment S.p.A., Touring Servizi S.r.l., Touring Vacanze S.r.l. and Touring Viaggi S.r.l.

Gianluca Ponzellini [8]

Auditor

Gianluca Ponzellini was born in Varese in 1947 and has a business degree from Università Cattolica in Milan. He has been on the Venice roll of chartered accountants since 1976. From 1973 to 1979 he worked for leading auditing and accounting firms in Italy and the US. He has practiced as an independent chartered accountant since 1980. He was a founding partner of the auditing firm Metodo S.r.l., of which he is still a partner and chairman. He has been a member of the Board of Statutory Auditors of Autogrill S.p.A. since 1995. He is chairman of the Board of Statutory Auditors of Banca IMI S.p.A., De Longhi S.p.A., De Longhi Appliances S.r.l., Dì per Dì S.r.l. and Luisa Spagnoli S.p.A. He is a statutory auditor of Casa Editrice Universo S.p.A. and SSC S.r.l., and a member of the Supervisory Board of Intesa Sanpaolo S.p.A.

Ettore Maria Tosi [8]

Auditor

Born in 1946 in Angera (Varese), he earned a business degree from Bocconi University in Milan. He has been a chartered accountant since 1974, initially on the Busto Arsizio roll and subsequently in Milan. He is also on the roll of technical advisors to the Courts of Milan. He is a statutory auditor for Autogrill S.p.A. since 1995, and holds the same office in Alenia Aermacchi S.p.A., Autogrill International S.p.A., Dasit S.p.A., Hay Group S.r.l. and, since 1996, has audited the accounts of Ente Morale Associazione Amici del Centro Dino Ferrari. He has been statutory auditor of Banca Popolare di Milano S.c.ar.l.

[1] Elected by the annual general meeting of 23 April 2008; in office until approval of the 2010 financial statements
[2] Appointed at the Board of Directors meeting of 23 April 2008
[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 Authorities, per Board resolution of 23 April 2008
[5] Member of the Internal Control and Corporate Governance Committee
[6] Member of the Human Resources Committee
[7] Elected by the annual general meeting of 27 April 2006; in office until approval of the 2008 financial statements
[8] Auditor
[E] Executive Director
[I-1] Independent Director as defined by the Code of Conduct adopted by resolution of the Board of Directors of 12 December 2007
[I-2] Independent Director pursuant to Articles 147 ter (4) and 148 (3) of Legislative Decree 58/1998
[L] Lead Independent Director

1.2.3 Corporate Governance

A summary of the report on corporate governance is given below. A complete version can be consulted at www.autogrill.com and a hard copy is available from the company's offices.

The corporate governance system

Autogrill's system of corporate governance is based on the principles given in the Code of Conduct for Listed Companies as proposed by the Corporate Governance Committee of Borsa Italiana S.p.A., and more generally on international best practices, adapted to take account of the company's individual characteristics and business.
Autogrill's Board of Directors adopted the original 2001 version of the Code of Conduct for Listed Companies, and in 2006-2007 resolved to adopt the new version of the Code, also proposed by Borsa Italiana's Corporate Governance Committee and published on 14 March 2006.

Ownership and financial instruments

At 31 December 2008 Autogrill S.p.A. had fully paid-in share capital of €132,288,000, comprising 254,400,000 ordinary shares of €0.52 each.
Shareholders owning more than 2% of issued shares at 12 March 2009, on the basis of available information and notices received pursuant to Consob Resolution 11971/99, were: Edizione S.r.l.[1], with 59.332% (59.283% through Schematrentaquattro S.r.l., with voting rights, and 0.049% directly, without voting rights); gruppo Assicurazioni Generali S.p.A., with 6.0867%; and Templeton Global Advisors Limited, with 2.024%. In 2008 there were no significant changes in the ownership structure.
The annual general meeting of 23 April 2008 authorized the purchase of treasury shares up to maximum of 12,720,000, corresponding to 5% of the share capital. The authorization is valid for 18 months from the date of the meeting. The shares must be purchased and sold on official markets, in accordance with applicable laws. Purchases must take place within a certain range above or below the Stock Exchange price on the day preceding each transaction. At 31 December 2008 the Company held a total of 125,141 treasury shares, or approximately 0.049% of the share capital.
On December 22, 2009, the bond loan convertible into Autogrill shares, issued on 15 June 1999 by the subsidiary Autogrill Finance S.A. and originally maturing on 16 June 2014, was fully repaid with a residual nominal value of €47,680,000.00.

Significant agreements that take effect, are modified, or are cancelled in the event of a change of control

As a sub-concessionaire, Autogrill is party to numerous agreements for the provision of food & beverage services along motorways, which prohibit any change of control ("entrance of new controlling shareholders") without prior permission from the motorway operator that has granted the sub-concession. Said permission can only be denied if the change of control causes prejudice to the technical, managerial, commercial and economic terms of the service agreements.

Autogrill is also party to bank loans totalling €2bn, whose contracts - as is customary for this kind of loan - allow the lender to call in the loans and force the borrower to pay back all amounts in advance in the event of the borrower's change of control.

[1] Effective 1 January 2009, Edizione Holding S.p.A., the parent company of Autogrill S.p.A. by way of Schematrentaquattro S.r.l., was merged into Ragione S.A.p.A. di Gilberto Benetton e C., which changed its name and legal status to Edizione S.r.l.

For these purposes, a "change of control" takes place when the current key shareholders, directly or indirectly, come to own less than 25% of Autogrill voting shares or lose the relative majority of Autogrill voting shares.

In addition, Autogrill has guaranteed the bonds issued by its wholly-owned subsidiary Autogrill Group Inc. in the context of bond loans totalling $520m, which entitle each bondholder to redeem the bonds early if Autogrill undergoes a change of control. For these purposes, change of control would occur if one or more parties acting in concert, other than Autogrill's key shareholders, came to own or control more than 50% of voting rights.

Code of Conduct

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

Organizational, Management and Control Model pursuant to legislative decree 231/2001

On 9 July 2003 the Board of Directors approved and adopted the Organizational, Management and Control Model and appointed the Compliance Committee as required by Legislative Decree 231/2001. This decree governs corporate liability for legal entities. Companies are held responsible for certain offences, committed or attempted, by Directors or employees in the company's interest. The company is exonerated from this liability if it has implemented an Organizational, Management and Control Model designed to prevent said offences and formed a Compliance Committee to control the efficacy of and compliance with the Model.

Role of the Board of Directors

The activities of the Board of Directors and the company, including those involving Group companies, are based on principles of sound corporate and entrepreneurial management, on those laid down in the Corporate Governance Code and on the contents of the Code of Conduct.
The basic duty of the Board of Directors is to direct and control the running of the company, by making the decisions deemed necessary and useful for achieving the corporate purpose. Certain duties, as indicated in the full report on corporate governance, are reserved exclusively to the Board of Directors, in addition to those that cannot be delegated according to the law or the company's by-laws.

Composition of the Board of Directors

The current Board of Directors, which will be in office through approval of the 2010 accounts, was elected by the annual general meeting of 23 April 2008, through the list system pursuant to Art. 10 of the by-laws.
The Board has twelve members, of whom one is executive - Gianmario Tondato Da Ruos, CEO - and eleven are non-executive: Gilberto Benetton (chairman), Alessandro Benetton, Giorgio Brunetti (independent), Antonio Bulgheroni (independent), Arnaldo Camuffo (independent), Claudio Costamagna (independent), Francesco Giavazzi (independent), Javier Gómez-Navarro, Alfredo Malguzzi (independent), Gianni Mion, and Paolo Roverato.

The curriculum vitae of each candidate for a Directorship, together with an indication as to whether the candidate qualifies as independent, may be consulted by shareholders at the registered office 15 days prior to the general meeting called to hold the election.

Annual assessment

Upon recommendation of the independent Directors, the current Board of Directors - installed in April 2008 - decided to postpone to 2009 the annual self-assessment of the Board due to its limited time in office.

Lead Independent Director

Director Giorgio Brunetti was confirmed as lead independent Director at the Board meeting of 12 May 2008.

Financial reporting officer

On 27 August 2008 the Board of Directors, with the favourable opinion of the Board of Statutory Auditors and the Internal Control and Corporate Governance Committee, appointed Mario Zanini, group chief administration officer, as financial reporting officer with effect from 1 September 2008.

Powers

The Board of Directors is a cohesive and harmonious body in which the managerial powers assigned to the CEO, Gianmario Tondato Da Ruos[1], are balanced by the responsibilities of executive and non-executive Directors in order to promote efficient discussion leading to decisions in line with the company's interests.

At every Board meeting and in any case at least once per quarter, the CEO and all Directors who have received special powers provide appropriate information to the Board and to the Statutory Auditors on the manner in which these powers have been exercised.

Chairman

The chairman is vested with legal powers and those specified in the company's by-laws, and has no executive powers. The chairman is responsible for the functioning of the Board of Directors, for providing information to the Directors and for coordinating the activities of the Board. The chairman may propose measures with a view to augmenting the Directors' knowledge of the company and its operations.

Management of corporate information

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

[1] The CEO has general management powers, some of which are to be exercised within the following limits: a) investments: up to €3,000,000; b) purchase, sale, and trade-in machinery, plant, equipment, materials, and vehicles: up to €3,100,000 per transaction; c) consulting, intellectual and professional services in general: up to €1,000,000 per fixed-term contract; d) acquisition and/or disposal of companies or businesses: up to €3,000,000 gross of all charges and liabilities; e) rental and sublet of buildings and similar units of property or leasing/subleasing of businesses: annual minimum rent of no more than €3,000,000; f) purchase, sale or underwriting of shares, equity interests or consortium quotas: up to €3,000,000 per transaction; g) purchase or sale of land, buildings and other real estate: up to €3,000,000 per transaction; h) credit agreements or facilities in general, financing or credit mandates, including those contracted in the interest of subsidiaries: up to €3,100,000; i) applications (including in the interest of subsidiaries) for bank or insurance guarantees, letters of guarantee and undertakings in general; issuance of waivers and/or sureties, endorsements and letters of patronage: up to €3,100,000 per transaction; l) appointment of arbitrators, including amicable negotiators: up to €1,000,000 per dispute, but without limit where the company is a defendant in arbitration proceedings. Transactions exceeding these limits are submitted to the Board of Directors

This procedure governs internal management and disclosure of privileged information, not yet publicly known, relating to Autogrill, its subsidiaries, Autogrill stock, or any financial instruments issued by Autogrill which, if made public, could have a significant impact on the stock's performance.

Board committees

Internal Control and Corporate Governance Committee

The company has had an Internal Control Committee since 24 April 2002 which is comprised of non-executive, independent Directors, whose duty is to provide advice and formulate proposals. The Committee must examine problems related to the control of corporate operations and take appropriate action.

On 19 December 2006 the Committee was vested with further duties of advice and proposal on matters of corporate governance, and was accordingly renamed the Internal Control and Corporate Governance Committee. On 23 April 2008 the Board of Directors appointed non-executive Directors Giorgio Brunetti (independent), Alfredo Malguzzi (independent), and Paolo Roverato to the Committee and named Giorgio Brunetti the Committee's chairman. All three appointees have proper experience in accounting and finance, as may be seen from their curricula above.

Nomination of Directors

The Board of Directors has seen as yet no reason - not least in light of principle 6.P.2 of the Corporate Governance Code - to set up a Directors nomination committee. It has never been difficult for the shareholders to nominate candidates for election, nor has the Board itself ever had difficulty co-opting Directors pursuant to Art. 2386 of the Italian Civil Code and Art. 10 of the company's by-laws.

Human Resources Committee

Autogrill has had a Remuneration Committee since 15 May 2001, which is called on to assess whether top management remuneration is consistent with the creation of value for the company. At a meeting of 23 April 2008, the Board of Directors decided to extend the responsibilities of the Remuneration Committee to human resources organization and development and to the definition of guidelines for nominating the Directors and statutory auditors of key subsidiaries. Accordingly, its name was changed to the Human Resources Committee.
It is the duty of the Human Resources Committee to submit proposals to the Board of Directors regarding remuneration of the chairman, the CEO, and Directors with special duties. The Committee also makes recommendations to the Board for bonus plans or stock option plans to be offered to the above persons. Before they are submitted to the Board, it examines the CEO's proposals on (a) criteria for the remuneration of top executives at Autogrill and other Group companies; (b) bonus plans or stock option plans to be offered to company and group employees; (c) criteria for the nomination of Directors and statutory auditors of key subsidiaries; and (d) human resource development policies.

The Committee also examines the criteria for the remuneration and annual and long-term bonus schemes for company and group management, which are then submitted to the Board of Directors for approval.
The Committee currently consists of non-executive Directors Alfredo Malguzzi (independent Director and the Committee's chairman) and Gianni Mion and independent Directors Antonio Bulgheroni, Arnaldo Camuffo and Claudio Costamagna.

Internal control system

Autogrill's internal control system consists of the set of rules, procedures and organizational structures designed to facilitate sound, correct management that is in line with company objectives through an adequate system of identification, measurement, management and monitoring of the principal risks.
More in detail, the system involves:

- » identification of the corporate governance rules with which staff must comply each day;
- » continuous control by management through operating procedures and up-to-date planning and control systems;
- » drawing up a scheme of delegated powers, functions and signing authorities capable of promoting conduct in line with the organizational structure.

Internal control officer

At a meeting of 12 December 2007, following the CEO's recommendation and with the favourable opinion of the Internal Control and Corporate Governance Committee, the Board appointed Silvio De Girolamo, head of group internal auditing and CSR, to act as internal control officer. The internal control officer reports to the CEO and has no operational responsibilities; the officer carries out the tasks specified in the Corporate Governance Code, reporting on them to the Internal Control and Corporate Governance Committee and to the Board of Statutory Auditors.

Directors' interests and transactions with related parties

The Board of Directors, at a meeting of 24 January 2006, approved the procedure for related-party transactions. This governs related-party transactions conducted by Autogrill in the normal course of business which do not evince critical issues (standard transactions), as well as those outside the company's normal sphere of operations (material transactions or material and large transactions).

Insider dealing procedure

At a meeting of 15 March 2006, the Board of Directors adopted an insider dealing procedure in compliance with the "2004 Community Law", which replaces the Insider Dealing Code originally approved on 6 November 2002 and subsequently amended.

Under the new procedure, relevant persons (who must disclose transactions on shares and other financial instruments issued by the company) are limited to Autogrill's Directors and statutory auditors, their close family members, and the parent of Autogrill.

Statutory Auditors

Pursuant to the rules laid down in Legislative Decree 58/98 (the Consolidated Finance Act), the company has included in Art. 20 of its by-laws provisions designed to enable a standing and an alternate member of the Board of Statutory Auditors to be elected through the voting list system.

Shareholders file the lists of candidates for statutory auditor, together with thorough information as to their personal and professional qualifications, at the registered office at least fifteen days prior to the date of the general meeting. The company promptly makes these available to the public at its head office, at Borsa Italiana S.p.A., and on its website (www.autogrill.com).

Independent auditors

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

General meetings

The general meeting is the occasion for Directors and shareholders to meet and discuss matters in an institutional context. At general meetings, shareholders may request information on the company's performance and on items included on the agenda. The documents and information required under current law are also made available and delivered to the shareholders.

Meetings are conducted in accordance with the rules contained in the Shareholders' Meeting Regulations, which are published on the Company's website (www.autogrill.com).

Investor Relations

Autogrill set up its investor relations unit in 1997 with the aim of initiating and maintaining continuous dialogue with shareholders in general, with institutional investors and with financial analysts. There is also a dedicated Investor Relations section on the company's website (www.autogrill.com).

1.3 Main risks and uncertainties faced by Autogrill S.p.A. and the Group

Autogrill S.p.A. and the Autogrill Group are exposed to external risks and uncertainties arising from macroeconomic conditions or the state of the industries in which they work, as well as to risks arising from strategic decisions and internal operational risks.

With the exception of financial and reporting risks, which are managed or in any case closely monitored by centralised facilities, throughout 2008 the identification and mitigation of risks was systematically handled by personnel assigned to that task at each of the Group's business units, in order to limit to acceptable levels the residual risks for the individual unit.

In the latter months of 2008, due in part to Autogrill's significant expansion as a result of acquisitions during the first half of the year, the Group Risk Management department was formed. The task of this department is to ensure consistent risk management by the different units making up the Group. Its first achievement was to construct a risk matrix divided by business segment.

Below we describe the main risks common to all of our business segments, whose common denominator is the traveller, followed by the specific risks faced by each one. To avoid redundancy, exposure to financial risks management is discussed in the Notes to the consolidated financial statements and the Notes to the separate financial statements of Autogrill S.p.A.

The significance of risks may vary in case of profound changes in the macroeconomic scenario. Likewise, the degree of tolerance to risks may decrease substantially along with a rise in financial leverage.

Risks common to all business segments

Decreased traffic

Any exogenous or endogenous variable that causes a reduction in the flow of traffic where the Group conducts its food & beverage, travel retail & duty-free, and in-flight operations constitutes a threat to the production of value.
Exogenous (hence uncontrollable) factors that may affect the flow of traffic include the general economy, the price of oil, and the cost of travel in general, which may also influence travellers' inclination to spend.
The impact of this risk is mainly economic, leading to a reduction in sales and profitability.
Strategic factors that help mitigate this risk include:
- the diversification of channels (airports, motorways, railways stations, etc.) in which the three segments operate, as their traffic is influenced differently by the variables mentioned above;
- the Group's presence in countries with different exposures to the economic cycle, due to their varying degrees of development and consumer habits.

The Group also relies on the following internal factors to counter recessions, or soften the impact of any concentration in channels or regions hit by a downturn:
- focus on the profitability of sales, by cutting costs and revising menus and catalogues where this can be achieved without sacrificing quality of service;
- emphasis on competitive prices and attractive products, in order to adapt to consumers' different spending habits in difficult economic times;
- remodulation of investments in order to limit the impact on cash flow.

As for the current state of the economy, the gradual weakening of the credit market and households' declining disposable income has led to a steep drop in traffic and consumption, in

particular since the third quarter of 2008.
There is no guarantee that the measures taken by governments and monetary authorities will restore the conditions for overcoming this crisis in a reasonable amount of time. It is anyone's guess how long it will take to return to normal market conditions.
Actions to mitigate the impact of the recession are therefore crucial if the Group is to meet its operating and financial targets in 2009.

Reputation

Loss of reputation with concession grantors, due to an inability to satisfy contractual commitments or to a tarnished image as a result of deteriorating service, is a significant risk for the maintenance of existing contracts and the acquisition of new ones.
To counter that risk, Autogrill constantly monitors the quality of the service it provides to the grantor, in light of the quantitative and qualitative standards defined in the concession contract, and to customers, in terms of perceived satisfaction and product safety. Procedures and processes are controlled internally and by outside firms; training programmes ensure high standards of service; and the systematic review of operating methods and procedures keeps service efficient and workers safe.
In Italy, the fact that many travellers use the Group's name to refer to highway rest stops in general ("..let's stop at the next Autogrill") exposes the food & beverage operations in this channel to reputation risk caused indirectly by any shortcomings on the part of competitors. Suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill.

Change in consumption habits

A change in consumption habits can lead to customer dissatisfaction if the Group does not realise and react in time, leading to a loss of reputation and clientele.
Autogrill's extensive portfolio of brands and commercial formulas mitigates the risk of ignoring the preferences or expectations of various customer groups. In developing its concepts and offerings, Autogrill takes care to stay flexible enough to respond to changes in consumption, which it monitors through customer satisfaction surveys, "mystery clients" and market research.

Concession fees

Most food & beverage and travel retail & duty-free operations are conducted under long-term contracts awarded through competitive bidding by the holder of the infrastructure management concession (airport, motorway, etc.). Over time, especially with the privatisation of infrastructure management, concession fees have marched steadily upward and more business risk has been transferred to the operator, which meanwhile is held to more precise and demanding standards of service.
Intrinsically, this is a highly significant risk, as it can expose the Group to a long-term drop in profitability if a contract is awarded under unfavourable terms or if an error is made in estimating volumes and profitability for each business in question.
In this respect, Autogrill has solid experience and follows best practices in appraising and negotiating contracts, which limits the risk of overestimating profitability and protects it from rigid terms and conditions throughout the life of a concession. Because of this focus on profitability, the Group does not bid at all for contracts considered to offer poor returns.
Autogrill also fights against rising fees by offering a value proposition that includes a long-term partnership arrangement with the concession grantor, based on the Group's sound reputation, along with solutions designed to maximise the overall gain.

Risks from employee relations

The cost of labour is a significant production factor for the two principal segments, food & beverage and travel retail & duty-free. The need to maintain service standards acceptable to customers and to the concession grantor, and the complexity of international labour laws (with unions holding a different degree of power from one region to the next), limit the flexibility of HR management. Major increases in the cost per employee or more stringent welfare regulations can have a significant impact on the Group's profitability.

One of Autogrill's top priorities is to maintain a constructive dialogue with personnel and labour unions, to ensure that business goals are met while assuming full social responsibility for worker safety and employment levels, even during times of recession.
This risk is also lessened through the constant updating of procedures in order to make efficient use of labour, increase flexibility and reduce occupational hazards.

Regulatory compliance

The Group's business segments are highly regulated in terms of customer and worker safety, which involves personal protections as well as product quality. Any violation of the norms for each segment would not only expose the Group to legal consequences but could diminish its reputation with concession grantors and customers, possibly leading to the loss of existing contracts or the failure to acquire 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 and procedures 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.

Specific risks for Food & Beverage

Customer satisfaction

An inability to keep service standards and products in line with customers' expectations is the most significant risk specific to the food & beverage segment. The failure to satisfy customers has a direct impact on sales and reputation.
Efforts to thwart the risk of reputation loss and regulatory non-compliance (concerning the quality of food & beverage preparation and service), along with quality controls on raw materials, are enough to lessen the risk of customer dissatisfaction.

Specific risks for Travel Retail & Duty-Free

Shop effectiveness

Customer satisfaction depends on the ability of each shop to provide an attractive assortment when the initial contact is made. Effective and efficient supply chain management are therefore crucial for this segment; a strategic and well-balanced assortment that maximises the propensity for impulse buying, and effective sales personnel, are top priorities for achieving a profitable location while optimising the investment in stocks.
The integration of the recently acquired Aldeasa S.A., Alpha Group Plc. and World Duty Free Europe Ltd. will raise the bar even higher for the good management of operating cycles.

Exchange rates and price setting

Impulse buying at an airport is strongly influenced by the exchange rate between the country of origin and the destination. It is essential to monitor the price perceived by the customer as a result of exchange rate fluctuations, in order to boost sales of products that are especially good value in certain countries.
The Group's widespread operations around the globe, and its constant attention to product

supply and demand in countries of origin and destination, help it identify the advantage customers will perceive from favourable rates of exchange.

Specific risks for In-Flight

In-Flight has a different business model from the other two segments, as the direct customer is generally the airline. The two main risks for this segment are as follows:

Logistics
Meeting contractual obligations (punctuality and quality of service, as well as prevention of damage to aircraft) is fundamental for avoiding penalties and loss of reputation, which would be detrimental to revenue and the profitability of contracts.
Alpha Flight (the Group's operating unit in this segment) enjoys a reputation for high standards of service. This stems from employee training and the constant updating of processes and procedures, which are the cornerstone of efforts to mitigate this risk.

Contract duration
Contracts are usually of limited duration, or else require relatively little notice in the event of termination. This carries a risk of discontinuity, in a sector rife with competition, including from the airline's in-house service.
Alpha Flight's reputation and strong customer base, thanks to its presence in different regions, limits the economic risk of unconfirmed contracts by reducing each one's importance with respect to the whole.

1.4 Performance

1.4.1 Income Statement

Despite the downturn in the international economy, particularly evident in the fourth quarter of the year, the Group's results in 2008 were in line with the targets announced to the market. During the year Autogrill built up its travel retail & duty-free operations, a business it entered in 2005 when it acquired joint control of Aldeasa. In the spring it gained full control of Aldeasa and also 100% of World Duty Free Europe Ltd., strengthening its worldwide leadership in catering and retail services for people on the move.

The traveller services market depends on traffic trends, which in turn are affected by GDP. Over the years, however, traffic patterns have been linked more closely to mass changes in the international mobility of people and goods than to economic cycles. Traffic growth in the more developed countries, resulting from rising household income and the spread of new and cheaper means of transport (e.g. mass car ownership and low-cost airlines), has recently been joined by similar trends in newly industrialised countries with their inherent transnational spirit and a young population influenced by consumption models in the rest of the world.

For a long time these trends were favoured by exceptionally low energy costs. In recent years, however, the booming demand for energy in emerging countries, combined with geopolitical tensions (the crisis in the Middle East, the Gulf War, etc.), have caused oil prices to spike from around $20 per barrel at the start of 2002 to nearly $100 per barrel in early 2008. The main food commodities have also shot up in price over the last two years.

In 2008 the extreme volatility of energy prices affected the markets by making forecasts and scenarios unpredictable. Crude oil prices remained high throughout the summer, climbing to $144 per barrel in early July.

Autogrill was quick to react to these trends, capitalising on the markets' relative strength in the first half of the year (when performance outpaced traffic trends in the Group's various sectors and channels), and in the summer launching a broad reorganisation involving every segment of the business with an emphasis on food & beverage and travel retail & duty-free. Efficiency measures for travel retail & duty-free had been planned in connection with the integration of the companies acquired in 2008, with an initial focus on the United Kingdom followed by a global integration phase. At the time of the acquisitions the eventual synergies expected to be achieved totalled some €45m. The first phase was completed on schedule. Autogrill expects to complete the entire project earlier than planned, with rewards in line with projections.

The global crisis that emerged last summer led the Group to extend its streamlining measures to the food & beverage segment as well. A program centred on reducing structural costs was implemented in 2008 and will continue in 2009.

Overall, Autogrill has simplified and improved the efficiency of its structure by decreasing the headcount by 402 in food & beverage and by 188 in travel retail & duty-free, for a total cost of €15.7m incurred mostly during the third quarter of the year. The reorganisation had a negative impact on the bottom line, but has proved to be especially worthwhile given the economy's later turn for the worse.

In the second half of 2008, key macroeconomic indicators plummeted around the world, especially in the United States, which in the final quarter reported a 6.2% drop in GDP. The situation is no better in Europe. All of the major countries' governments have announced, and in some cases taken, measures to support the economy and protect their financial systems. The extent and depth of the crisis, however, is not yet known.

The abrupt economic slowdown had immediate repercussions on the price of oil, whose steep upward climb took a hairpin turn in the other direction. At the end of 2008, the price per barrel had dropped to around $40. Food commodity prices reacted accordingly, foreshadowing a deflationary trend that could last throughout 2009.

While the rise in oil prices - in conjunction with the financial crisis - helped destabilise

economic growth models in many developed and emerging countries, the subsequent price drops have not managed to head off a serious worldwide recession.
The macroeconomic crisis and the lack of consumer confidence have had a major impact on traffic, which has fallen off sharply in all of the Group's main markets. By way of example, air traffic in the United States was down by an average of 4.7% for the year, and by 8.9% in the fourth quarter. In Spain, where air traffic was rising at the end of June, the situation gradually worsened with a plunge of 12.7% in the final quarter, leading to a 3.2% drop for the year.

					Change	
(€m)	2008	%	2007	%	at current exch. rate	at constant exch. rate
Revenue	5,794.5	100.0%	4,861 .3	100.0%	19.2%	24.6%
Other operating income	128.2	2.2%	97.8	2.0%	31 .1%	31 .0%
Total revenue and income	**5,922.8**	**102.2%**	**4,959.2**	**102.0%**	**19.4%**	**24.7%**
Cost of raw materials, consumables and supplies	(2,202.6)	38.0%	(1,811 .6)	37.3%	21 .6%	26.7%
Personnel expense	(1,486.4)	25.7%	(1,323.6)	27.2%	12.3%	17.5%
Leases, rents, concessions and royalties	(1,007.4)	17.4%	(727.6)	15.0%	38.5%	45.2%
Other operating costs	(624.8)	10.8%	(534.0)	11 .0%	17.0%	21 .8%
EBITDA	**601.5**	**10.4%**	**562.4**	**11.6%**	**7.0%**	**11.7%**
Depreciation, amortisation and impairment losses	(269.6)	4.7%	(222.1)	4.6%	21 .4%	26.6%
Impairment losses on goodwill	(0.2)	0.0%	(1 .2)	0.0%	0.0%	0.0%
EBIT	**331.7**	**5.7%**	**339.1**	**7.0%**	**(2.2%)**	**2.3%**
Net financial expense	(123.8)	2.1%	(64.1)	1 .3%	93.0%	100.9%
Net reversals of impairment losses on financial assets	3.3	0.1%	0.4	0.0%	n.s.	n.s.
Profit before tax	**211.3**	**3.6%**	**275.4**	**5.7%**	**(23.3%)**	**(19.7%)**
Tax	(68.2)	1 .2%	(103.6)	2.1%	(34.1%)	(31 .0%)
Profit for the year	**143.1**	**2.5%**	**171.8**	**3.5%**	**(16.7%)**	**(12.9%)**
- Group	123.2	2.1%	158.1	3.3%	(22.1%)	(18.6%)
- Minority interests	19.9	0.3%	13.8	0.3%	44.6%	55.5%

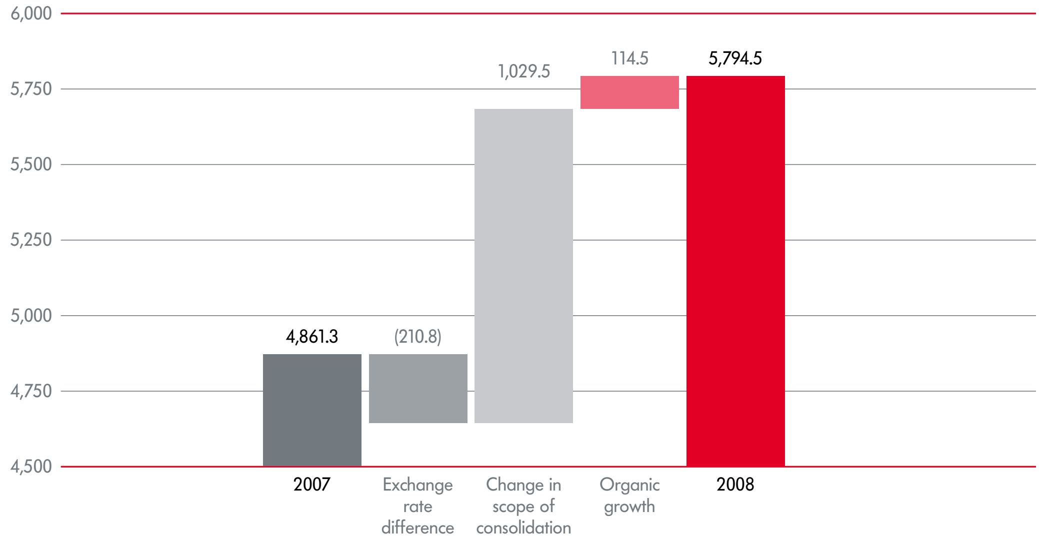
[1] Source: Airport Transport Association and Aeropuertos Españoles y Navegación Aerea

Main results

The Autogrill Group closed 2008 with consolidated revenue of €5,794.5m, an increase of 19.2% at current exchange rates (+24.6% at constant exchange rates) on the 2007 figure of €4,861.3m. The result at current exchange rates was influenced by the consolidation of Alpha Group for the entire year (from 1 June in 2007), the line-by-line consolidation of Aldeasa (from 1 April 2008) due to acquisition of full control, and the purchase of 100% of World Duty Free Europe Ltd. (from 1 May 2008). These acquisitions contributed €1,029.5m to revenue.

Organic growth amounted to 2.5%, an impressive figure given the macroeconomic context.

Change in revenue - 2008

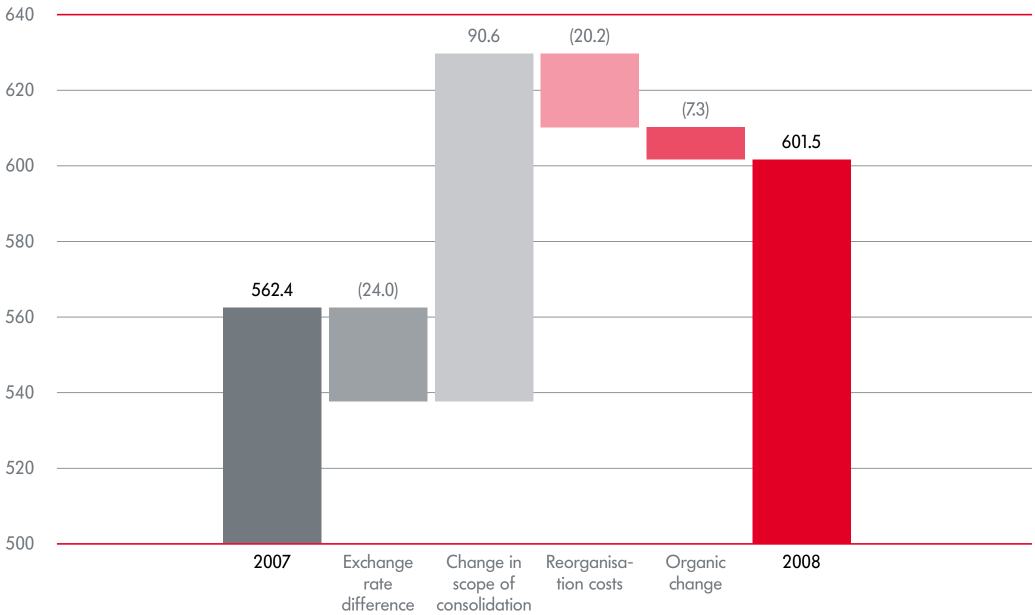


Fourth quarter revenue came to €1,556.1m, an increase of 15.7% at actual exchange rates (+16.0% at constant exchange rates) on the €1,344.5m earned in the fourth quarter of 2007, due to the changes in the scope of consolidation. Negative organic growth of 2.5% reflects the steep decline in traffic, especially by air, in the Group's main markets during the final quarter.
Food & beverage revenue in 2008 totalled €3,924.6m, compared with €3,877.6m in 2007 (+1.2% at actual exchange rates and +4.7% at constant rates), with only marginal changes in the scope of consolidation. Organic growth for this segment was 4.3%.
Travel retail & duty-free closed the year with sales of €1,438.7m, an increase of 116.9% at actual exchange rates (+129.0% at constant exchange rates) with respect to the previous year's €663.3m. The boom in revenue as a result of the new acquisitions (which in some cases contributed for less than 12 months in 2008) demonstrates the importance this segment has attained. On an organic basis, sales were down by 5.1% due to reduced operations in Spain and to travel retail & duty-free's exit from the news & magazine business in the United Kingdom, with Alpha Group's sale of its World News operations. The disposal of World News caused a decrease of £40m in revenue with respect to the previous year.
In-Flight earned revenue of €431.2m, compared with €320.4m in 2007 (+34.6% at actual exchange rates and +56.7% at constant rates). In this segment, the change in the scope of

consolidation concerns the full-year consolidation of Alpha Group (since June in 2007). On a like-for-like basis, sales decreased by 5.2% due to the reduction in less profitable domestic operations, which were offset by a higher volume abroad where margins are greater.
Fourth quarter revenue are discussed in the commentary on business segments.

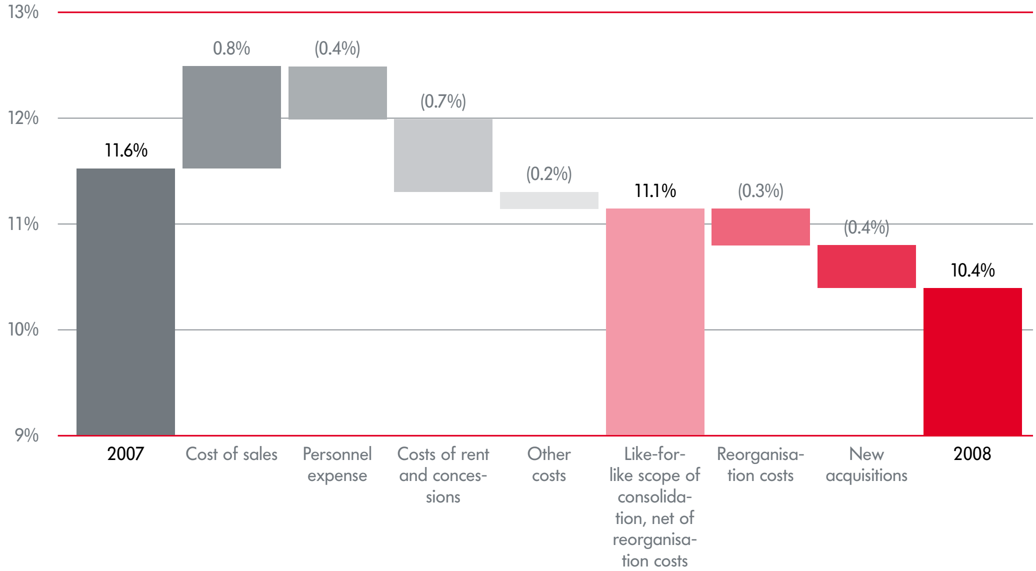
Consolidated EBITDA for 2008 came to €601.5m, up from €562.4m the previous year (+7.0% at actual exchange rates). The acquisitions had an impact of €90.6m, while the reorganisation led to non-recurring costs of €20.2m.

Change in EBITDA - 2008



As a percentage of sales, EBITDA went from 11.6% in 2007 to 10.4% in 2008. The result reflects the acquisitions in the travel retail & duty-free segment, where margins are structurally lower than in food & beverage, and the one-off costs of the reorganisation. Net of these factors, the EBITDA margin in 2008 would have been 11.1%.
Consolidated fourth quarter EBITDA came to €141.9m, an increase of 17.2% (+14.5% at constant exchange rates) on the previous year's €121.1m.

Change in EBITDA margin - Impact of new acquisitions



Further details on EBITDA are provided in the comments on results by business segment.

Depreciation, amortisation and impairment losses

These amount to €269.8m, compared with €223.3m the previous year.
The increase reflects a significant rise in capital expenditure over the last two years in connection with major contract renewals and awards, as well as the change in the scope of consolidation.
In particular, this item includes amortisation of €20.6m as a result of the allocation of part of the price paid for acquisitions during the year.
Impairment losses on intangible assets and on property, plant and equipment amounted to €9.5m, compared with €10.8m in 2007.

EBIT

EBIT, at €331.7m (€339.1m in 2007; -2.2% at actual exchange rates or +2.3% at constant rates), reflects higher depreciation in connection with the investment programme launched after the growth of the contract portfolio in 2006-2007. It also includes €20.5m in amortisation of the goodwill recognised for the acquisitions of Aldeasa and World Duty Free Europe Ltd.
In the fourth quarter, EBIT came to €53.8m, up from €40.1m in the previous year (+34.4% or +23.5% at constant exchange rates).

Financial expense

Net financial expense rose from €64.1m in 2007 to €123.8m, due to an increase in debt as a result of the acquisitions completed in the second quarter, and a rise in the average cost of debt from 5.5% to 6.15%.
The latter factor is explained partly by the greater share of debt denominated in British pounds (from 18% in 2007 to 29% in 2008), due to the acquisition of World Duty Free Europe Ltd., which on a weighted average basis cost about one percentage point more than debt denominated in euros.
The average cost of debt was also influenced by the management of interest rate risk: when it finalised the acquisitions, the Group took out interest rate swaps and collars to hedge the resulting debt. At the end of 2008, these hedges had brought fixed-rate debt to 53% of consolidated net borrowing, compared with 46% in the previous year. As a result of the hedges, 66% of debt in British pounds is now fixed-rate, versus 77% of dollar-denominated debt and 33% for the euro component. The portion of debt that is originally or synthetically fixed-rate was unable to benefit from the subsequent reduction in short-term interest rates.
Another factor was the increased cost of existing credit facilities, because of the higher contractual spread resulting from the greater use of financial leverage.

Income tax

The Group's average tax rate decreased from 37.6% in 2007 to 32.3%. The change reflects the greater incidence of profit in countries with lower tax rates than the Group's two historically prevalent markets: the United States, where the average total tax rate is 39.5%, and Italy, where the combined rate of corporate and regional tax is only nominally 31.4% (it is actually much higher for labour-intensive businesses like Autogrill's). Tax was also affected by the reduction in nominal rates between 2007 and 2008 in several countries, including Italy (from 37.25% to 31.4%) and Spain (from 32.5% to 30%).

Profit for the year

As a result of the above, the Group's share of profit came to €123.2m (€158.1m in 2007), including €53.3m for the acquisition of Alpha Group Plc., World Duty Free Europe Ltd. and the interest in Aldeasa S.A.
For the fourth quarter, the Group's share of profit was €11.3m, compared with €17.4m in the previous year.

1.4.2 Financial position

Balance Sheet and net financial position[1]

(€m)	31.12.2008	31.12.2007	Change at current exchange rate	Change at constant exchange rate
Intangible assets	2,312.9	1,414.6	898.3	1,024.3
Property, plant and equipment	1,065.5	908.1	157.4	153.9
Non-current financial assets	29.3	23.5	5.8	6.4
A) Non-current assets	**3,407.7**	**2,346.1**	**1,061.6**	**1,184.6**
Inventories	267.0	196.8	70.2	78.3
Trade receivables	98.4	104.8	(6.4)	5.7
Other receivables	210.6	199.5	11 .1	12.2
Trade payables	(711 .7)	(529.3)	(182.4)	(191 .3)
Other payables	(348.4)	(332.2)	(16.2)	(18.7)
B) Working capital	**(484.2)**	**(360.4)**	**(123.8)**	**(113.8)**
C) Invested capital, less current liabilities	**2,923.6**	**1,985.7**	**937.8**	**1,070.8**
D) Other non-current non-financial assets and liabilities	**(213.6)**	**(207.8)**	**(5.8)**	**(17.0)**
E) Assets held for sale	**1.1**	**5.8**	**(4.7)**	**(4.7)**
F) Net invested capital	**2,711.1**	**1,783.7**	**927.4**	**1,049.1**
Equity attributable to the shareholders of the Parent	486.5	563.4	(77.0)	16.5
Minority interests	56.9	58.2	(1 .3)	1 .2
G) Equity	**543.4**	**621.5**	**(78.1)**	**17.8**
H) Convertible bonds	**0.0**	**40.2**	**(40.2)**	**(40.2)**
Non-current financial liabilities	2,143.6	1,206.3	937.3	960.8
Non-current financial assets	(5.2)	(4.5)	(0.7)	0.5
I) Net financial position	**2,138.3**	**1,201.7**	**936.6**	**960.3**
Current financial liabilities	261 .7	144.7	117.0	112.9
Cash and cash equivalents and non-current financial assets	(232.3)	(224.5)	(7.8)	1 .6
L) Net current financial position	**29.4**	**(79.8)**	**109.2**	**111.3**
Net financial position (H+I+L)	**2,167.7**	**1,162.2**	**1,005.5**	**1,031.4**
M) Total, as in F)	**2,711.1**	**1,783.7**	**927.4**	**1,049.1**

[1] The main balance sheet figures are directly derived from the consolidated financial statements and notes

Net invested capital increased by €927.4m (€1,049.1m at constant exchange rates), due mainly to the acquisitions carried out during the year[2], which affected balance sheet items as at 31 December 2008 by €944.6m.

That impact can be broken down into:
- €78.5m for property, plant and equipment;
- €935.8m for intangible assets and non-current financial assets, including €774.8m for goodwill;
- €18.2m for working capital;
- €-51.5m for other net non-current and non-financial liabilities.

Net financial position rose from €1,162.2m at the close of 2007 to €2,167.7m, an increase of €1,005.5m (€1,031.4m at constant exchange rates).
The acquisition of World Duty Free Europe Ltd. and 49.95% of Aldeasa was financed through a new credit facility contracted on 19 March 2008, for a total of €1,000m, as follows:
- a five-year term loan of €275m to purchase 49.95% of Aldeasa, to be reimbursed in a single instalment at maturity (19 March 2013);
- a term loan of €600m (drawn down entirely in British pounds equivalent to €477.5m) for part of the World Duty Free Europe Ltd. acquisition, to be paid back in three annual instalments of €79.6m starting in 2010, plus a final payment of €238.7m at maturity (19 March 2013);
- a revolving credit facility of €125m, due on 19 March 2013.

Both of the term loans, with consent from the lenders, may be extended by one year and then for a subsequent year. The financial market crisis and the substantial rise in margins on loans have made it impractical to extend the loans, which will therefore mature as originally planned.
On 22 December 2008, the outstanding of €47.7m nominal value bond loan convertible into Autogrill shares, issued on 15 June 1999 by Autogrill Finance and originally maturing on 16 June 2014, was fully reimbursed.

Net cash flow from operating activities came to €429.6m in 2008, an increase of €108.8m on the previous year's figure of €320.8m. The change is due to the €37.5m contributed by the companies acquired during the year, and to measures to improve the efficiency of working capital management.
The greater cash flow from operating activities made it possible to finance investments for the year totalling €337.3m, up from €278.2m in 2007 (+21.2% or +19.5% at constant exchange rates), due mainly to the expansion of the contract portfolio and to numerous development projects aimed at improving the quality of service, as well as to changes in the scope of consolidation. Disposals were recognised in the amount of €13.2m.

The acquisitions affected net debt by €951.1m: the combined purchase price of €908.1m, plus €43m for the consolidation of the acquirees' debt. The total of €908.1m, calculated at exchange rates on 31 December 2008, refers to:
- €275.5m for 49.95% of Aldeasa;
- €605.1m (£574m) for 100% of World Duty Free Europe Ltd.;
- €22.6m (Czk 680.2m) for 100% of Air Czech Catering A.S.;
- €4.9m ($6.9m) for 50% of the joint venture Alpha Future Airport Retail Pvt.

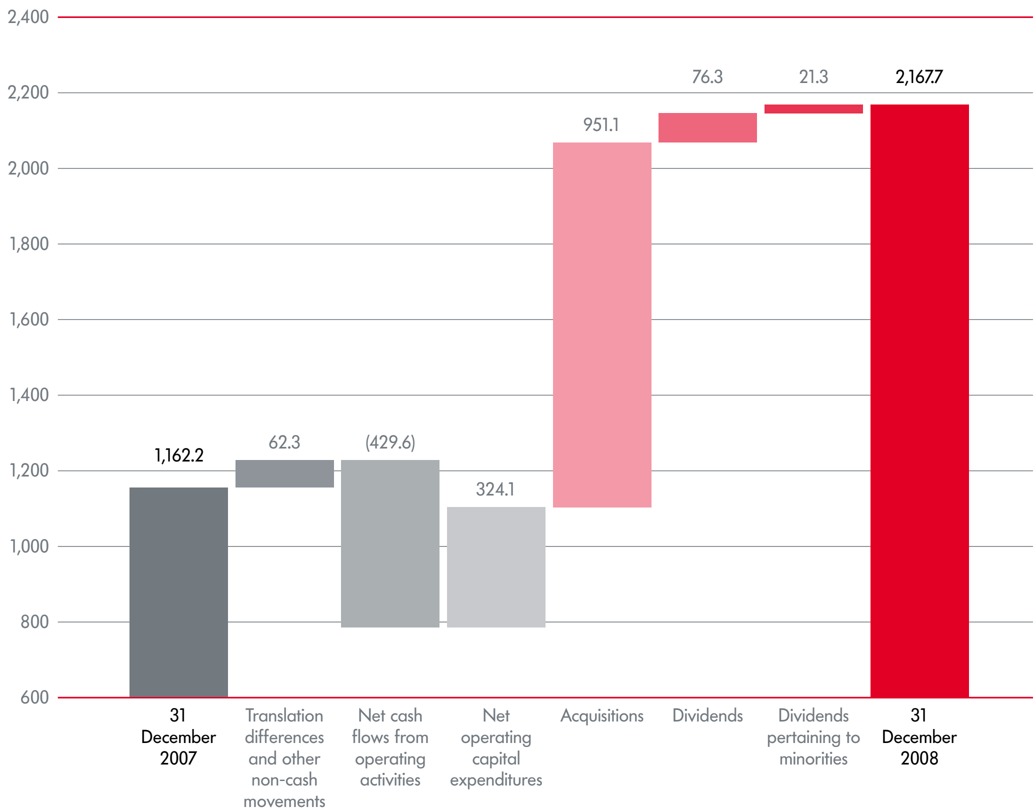
Dividends of €76.3m (€0.30 per share) were paid in 2008.

[2] 100% of World Duty Free Europe Ltd., 49.95% of Aldeasa S.A., 100% of Air Czech Catering A.S. and the remaining 50% of Alpha Future Airport Retail Pvt

At the close of the year, net debt included the fair value of derivatives used as interest rate and exchange rate hedges in the amount of €-61.4m.
The net financial position at 31 December 2008 also benefitted from the favourable translation of debt denominated in US dollars and British pounds, for an overall gain of €25.9m (€76.0m in 2007).

On the basis of definitions provided for the purpose of covenants on the main debt instruments, at 31 December 2008 the leverage ratio was 3.3 for bank loans and 3.4 for the US private Placement, with respect to the ordinary allowed maximum of 3.5. Interest coverage was 5.0, compared with a minimum of 4.5.

Change in net financial position



1.5 Development initiatives

1.5.1 Acquisitions

Build-up of Travel Retail & Duty-Free in the United Kingdom

In 2008, with the acquisition of 49.95% of Aldeasa (previously held by Altadis) and 100% of World Duty Free Europe Ltd. (previously held by B.A.A.[1]), the Group rose to the top of the airport retail industry and now holds the leadership of that segment as well as food & beverage.

The decision to pursue rapid external growth in the airport retail business was based on the size and value of an industry on the rise, which was worth $19bn in 2007 - roughly equivalent to food & beverage[2] - and on the way the two businesses complement each other in meeting travellers' needs. The Group's expansion in the airport retail sector, starting in 2005 with the acquisition of joint control of Aldeasa and continuing in 2007 with the purchase of Alpha Group, was confirmed through the two major transactions completed in 2008.

The concentration of the three airport retail companies' operations in Europe will generate important synergies in purchasing and logistics. The integration of Alpha Group's activities in the United Kingdom with those of World Duty Free Europe will also produce synergies through the streamlining of head office costs. Total synergies are estimated at €45m per year starting in 2010.

The acquisition of Alpha Group and World Duty Free Europe have also given the Group a strong foothold in the United Kingdom, one of Europe's largest concession markets for both retail and food & beverage services. The British market for traveller services under concession is worth an estimated €4bn, of which €1bn refers to food & beverage and €3bn refers to retail alone - giving the UK largest such market in the world.

In the United Kingdom, airports are the main concession channel; food & beverage accounts for more than 40% of the core market, and London Heathrow, London Gatwick and Manchester Airports are respectively the world's first, tenth, and twelfth largest points of sale for retail products, with annual estimated sales of more than $1bn for Heathrow, $500m for Gatwick and $300m for Manchester. The importance of this channel is demonstrated by traffic data[3]: with 235 million passengers[4], English airport traffic accounted for over 5% of global traffic in 2008, with average annual growth in excess of 5% for the past 25 years and forecasts of +2.5% per year for the next two decades, thanks to factors such as the new Terminal 5 at Heathrow, the 2010 Olympic Games and the Open Skies Agreement.

World Duty Free Europe Ltd.

World Duty Free Europe Ltd. is the UK's leading operator in the travel retail & duty-free segment. Founded by B.A.A. Ltd. and in business since 1997, it has 57 shops with a combined area of 15,000 square meters in seven of the largest UK airports (Heathrow, Gatwick, Stansted, Southampton, Edinburgh, Glasgow and Aberdeen), providing jobs to 2,000 employees.

It sells all traditional duty-free and tax-free goods and is particularly specialised in beauty products and spirits, which are respectively its first and second largest earners. Like Autogrill, it works through a large number of brands, mostly under license.

It is highly active at Heathrow Airport: the largest in Europe and the third largest in the world for passenger traffic, and second to none in terms of the value of travel retail & duty-

[1] British Airport Authorities, the UK's principal airport management company

[2] Autogrill has estimated the size of the food & beverage and retail markets on the basis of figures provided by Gira and Generation. Gira's figures are expressed in euros and refer to the food & beverage business, while Generation's data on the retail business are in US dollars. Given the descriptive nature of the text, it was deemed unnecessary to convert them into the same currency for the sake of strict comparison

[3] Sources: Airport Council International (A.C.I.), B.A.A. and U.K. Civil Aviation Authorities

[4] Source: Civil Aviation Authorities

free transactions. Heathrow is also unique for its highly international clientele, which has allowed the company to become keenly familiar with global travellers and their spending habits.
The competitive position of World Duty Free Europe Ltd., its expertise in important categories of the airport retail business, and its ability to offer an increasingly attractive range of products thanks in part to its good relations with suppliers are a key strategic complement to Autogrill's existing command of the travel retail & duty-free industry by way of Aldeasa and the retail operations of Alpha Group.

Alpha Future Airport Retail
On 17 November 2008 Alpha Group Plc. signed an agreement with Pantaloon Retail, an Indian retail concern, to buy the remaining 50% of Alpha Future Airport Retail, a joint venture formed in 2006 to manage duty-free sales at New Delhi International Airport. The deal is consistent with Autogrill's plan to integrate the operations of Alpha Group Plc., World Duty Free Europe Ltd. and Aldeasa, and will generate geographical and other synergies while giving the Group access to the best growth opportunities in India.

In-Flight expansion in Eastern Europe

From Czech Airlines, Alpha Flight has bought out Air Czech Catering A.S., the carrier's exclusive provider of in-flight services. Already active in Romania and Bulgaria, the British company has thus strengthened its presence in Eastern Europe.

1.5.2 New concessions

The most important event for the concession portfolio in 2008 was the expiry of the contract for 52 locations along the Italian motorway network.
In this context, Autogrill has signed contracts with an average duration of 8-9 years and estimated cumulative revenue of €1.75bn, for food & beverage and retail operations at 45 locations, confirming its competitive capacity following the renewals in 2004-2005.
Other achievements include the extension of existing contracts and development in new geographical markets. The following are of particular note:

- the 35-year extension (from 2010 to 2045) of the food & beverage and retail services contract for the only rest area on the Delaware Turnpike, where the Group expects to gross $1.2bn over that period;
- solidification of Florida airport operations (food & beverage and retail) through the extension of the Tampa concession until 2015 and the extension of the Miami contract through 2011, with estimated cumulative revenue of $670m and $75m, respectively;
- extension until 2018 of the contract to provide food & beverage and retail services at Little Rock National Airport in Arkansas, with estimated revenue of $115m for the period;
- extension of food & beverage concessions at the airports of St. Louis, MO and Phoenix, AZ: the former through 2020 and the latter through 2010, with projected cumulated revenue of more than $585m and $130m, respectively;
- new contracts at the airports of Indianapolis, IN; Atlanta, GA and San José, CA. The Indianapolis and San José contracts are for food & beverage and retail services and will respectively generate an estimated $145m (in 10 years) and over $330m (2009-2020).

The two new contracts in Atlanta will expand the Group's retail operations at the airport and will produce estimated revenue of over $270m between 2008 and 2015;

» debut in two new U.S. airports - Albany, NY and Knoxville, TN - with food & beverage operations; cumulative revenue are projected at $60m for the former (2009-2018) and over $20m for the latter (2009-2014);
» extension until 2020 of the retail concession contract for the Empire State Building in New York, with cumulative sales expected to top $190m in 12 years;
» build-up in the Pacific region, with contracts for food & beverage services at several locations in Changi Singapore Airport, where concessions will last from one to three years and generate total cumulative sales of over $15m;
» contracts for food & beverage and retail services on eight Grandi Navi Veloci ferries, with total projected revenue of around €100m over the five years of the agreement;
» a higher profile in Ireland, through a contract to manage food & beverage outlets at Belfast Airport, with estimated cumulative revenue of over £30m in 10 years;
» debut in Egypt with food & beverage services at five locations in Cairo International Airport, producing an estimated >$15m over the five-year contract;
» three-year extension of the food & beverage concession at Bucharest Airport;
» 24-year extension, through 2032, of the travel retail & duty-free concession at Amman International Airport in Jordan;
» expansion towards Central and Eastern Europe with new activities in Germany, where the agreement with local operator Tank & Rast covers the management of four food & beverage locations at rest stops on the A6 (Nuremberg-Heilbronn) and A3 (Frankfurt-Passau) Autobahn, for estimated revenue of about €10m in the first year of the concession;
» three-year extension of in-flight catering and in-flight retail services with low-cost British carrier Monarch Airlines;
» new in-flight contract at Sharjah International Airport in the United Arab Emirates.

1.6 Business segments

Given the significant changes in the scope of consolidation in 2007 and 2008, to ease comprehension of performance, figures for the travel retail & duty-free and in-flight segments are also provided on an annualised basis. These figures have been calculated by supplementing the data from the Group's accounting system with financial information drawn from the internal reporting systems of the acquired companies, which has been adjusted as necessary and is neither audited nor subject to the Group's administrative and accounting procedures[1].

1.6.1 Food & Beverage

			Change	
(€m)	2008	2007	at current exchange rate	at constant exchange rate
Revenue	3,924.6	3,877.6	1.2%	4.7%
EBITDA	465.5	494.2	(5.8%)	(2.4%)
EBITDA margin	11.9%	12.7%		
Capex	278.6	255.9	8.9%	6.1%

Revenue

Food & beverage sales in 2008 came to €3,924.6m, compared with €3,877.6m in the previous year, for an increase of 1.2% (+4.7% at constant exchange rates). Organic growth amounted to 4.3%.
Traffic trends were mixed in 2008. Until July, the motorway channel was penalised in nearly all of the Group's countries by soaring fuel costs, which mainly affected leisure traffic. Airports held up well, despite the cost of fuel.
In August, the trend reversed quite abruptly. The price of oil began to plunge, and the financial crisis dating to the second half of 2007 began to affect the real economy. Airport traffic was especially hard hit, with significant declines in all the main regions. In the motorway channel, too, the recession soon took its toll, as commercial traffic fell off sharply and leisure travel made only a slight recovery.
The year closed under a very dark cloud, an unusual situation for an industry that has enjoyed non-stop growth thanks to the progress of modern societies, for which mobility is a key component (in the United States, for example, traffic over the past four decades has grown at an average of more than 5% per year, despite the recession in the early 1980s and other factors such as 9/11).
Nevertheless, in 2008 Autogrill continued to outperform traffic data in its main channels and countries of operation, enjoying an increase in sales even as traffic grew scarce. For example, Group sales in 2008 at North American airports rose by 2.8% on a like-for-like basis, despite a 4.7% decline in passenger traffic (source: A.T.A.[2]), and revenue on Italian motorways advanced by 1.1% after adjusting for the number of locations, versus a 0.8% drop in traffic (source: Atlantia[3]). Along with the steady improvement in offerings and consistently high standards of service, food & beverage enjoyed the contribution of other channels (railway stations), where some major infrastructure projects were completed (the opening of new high-speed routes in Spain and the reorganisation of junctions in France).

[1] Most of the supplementary information consists of:
- for 2007: the months from January through May of Alpha Group Plc., consolidated since 1 June 2007; full-year figures for World Duty Free Europe Ltd., acquired in 2008; full consolidation of Aldeasa for the entire year
- for 2008: the months from January through April of World Duty Free Europe Ltd., consolidated from 1 May 2008; full consolidation of the first quarter of Aldeasa, which came under exclusive control on 1 April 2008

[2] Air Transport Association

[3] Figure includes the positive effect of the 29th day of February 2008

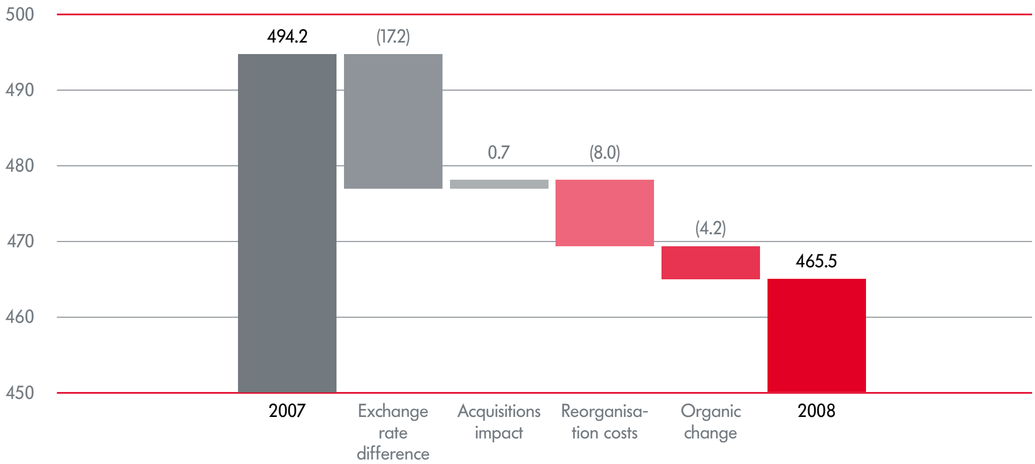
Revenue in the fourth quarter came to €1,071.0m, an increase of 3.5% (+0.7% at constant exchange rates) with respect to the previous year's figure of €1,035.1m. Although the fourth quarter was undoubtedly the year's worst in terms of market conditions, Autogrill continued to outperform: in North America, for example, where passenger traffic was down by 8.9% (source: A.T.A.), the reduction in airport revenue on a like-for-like basis was limited to 2.1%.

EBITDA

EBITDA in the food & beverage segment came to €465.5m, down from €494.2m in the previous year (-5.8%). Most of the decrease was caused by the substantial depreciation of the US dollar against the euro (for exchange losses of €17.2m), and the costs of the reorganisation plan launched in July, whose impact on the segment amounted to €8.0m. Net of these factors and of the changes in the scope of consolidation, EBITDA decreased by a modest 0.9% with respect to 2007.

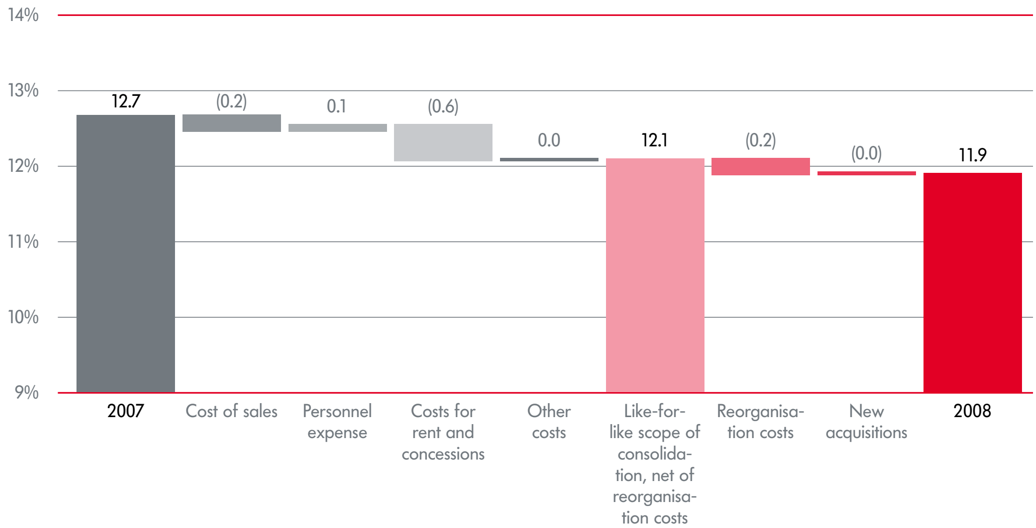
The following graph breaks down the change in the EBITDA margin, from 12.7% to 11.9%.

Change in Food & Beverage EBITDA - 2008



The two main cost items (payroll and the cost of sales) show opposite trends. While the sector continued to suffer from the rise in food commodity prices, which occurred worldwide throughout 2007 and for much of 2008, the increase in productivity made up for some of the negative impact on the cost of sales.
The margin also went down as a result of higher rent on operating contracts. This occurred in all three geographical segments, but for different reasons: in North America the increase in low-contribution activities at malls; in Italy the expansion of shipboard catering and new openings; and in the rest of Europe the impact of guaranteed minimums at certain airports where sales were low.
The costs of the reorganisation reduced the EBITDA margin by around 20 basis points.

Change in Food & Beverage EBITDA margin - 2008



Fourth quarter EBITDA came to €107.4m, an increase of 2.9% on the previous year (€104.4m). That result, which is significant in light of market conditions, was aided by the recovery of the dollar against the euro. At constant exchange rates, EBITDA for the quarter would have fallen by 1.7% (-2.5% without the new acquisitions).

Capital expenditure

Food & beverage investments increased notably both in absolute terms (from €255.9m to €278.6m) and as a percentage of sales (from 6.6% to 7.1%). This reflects the growth of the contract portfolio, due to the many important concessions won or extended in recent years. Maintenance expenditure was stable at around 1% of the segment's sales.

	2008				2007			
(€m)	Development/ restructurations	Maintenance	ICT & other	Total	Development/ restructurations	Maintenance	ICT & other	Total
North America and Pacific region	126.5	8.6	5.8	140.8	86.7	9.7	17.3	113.7
Italy	59.2	14.2	11 .7	85.1	64.6	16.8	8.9	90.2
Other countries	33.8	15.7	3.1	52.6	35.6	12.4	3.9	51 .9
Food & beverage	**219.6**	**38.4**	**20.6**	**278.6**	**186.9**	**38.9**	**30.1**	**255.9**
%	78.8%	13.8%	7.4%		73.0%	15.2%	11 .8%	

1.6.1.1 HMSHost (North America and Pacific Region[1])

To eliminate interference from fluctuations in the euro/dollar exchange rate and make it easier to interpret performance, figures are reported in millions of US dollars ($m).

($m)	2008	2007	Change	Change net of costs of reorganisation
Revenue	**2,773.2**	**2,651.7**	**4.6%**	**4.6%**
Airports	2,222.7	2,109.2	5.4%	5.4%
Motorways	451 .8	464.6	(2.8%)	(2.8%)
Malls	98.7	77.8	26.8%	26.8%
EBITDA	**339.2**	**349.6**	**(3.0%)**	**(0.8%)**
% on revenue	12.2%	13.2%		
Capex	**196.0**	**167.5**	**17.1%**	**17.1%**
% on revenue	7.1%	6.3%		

Revenue
In 2008 this area grossed $2,773.2m, compared with $2,651.7m in the previous year (+4.6%, or +2.3% on a like-for-like basis[2]), under highly complex conditions. While the early months of the year were marked by a gentle reduction in air traffic and a much more severe setback in the motorway channel, airport performance then suffered from the steep loss of traffic caused by the area's economic decline. Fourth-quarter revenue of $803.6m were 0.5% lower than the same period in 2007 ($807.4m), or 2.2% lower on a like-for-like basis[3].

Performance by channel is described below:

- **Airports**: airports progressed by 5.4% (2.8% on a like-for-like basis) with revenue of $2,222.7m ($2,109.2m in 2007), against a 4.7% decrease in passenger traffic (-4.6% in terms of flights; source: A.T.A.[4]). The comparison between traffic trends and sales demonstrates the Group's ability to outperform the market even in very difficult times, thanks to constant efforts to diversify and adapt its menus. In the last quarter, when the decrease in traffic was at its worst (-8.9% for passengers and -9.5% for flights; source: A.T.A.), sales came to $640.6m, a reduction of 0.4% (-2.1% on a like-for-like basis) with respect to the same period in 2007 ($643.1m).
- **Motorways:** with car traffic down by 4.0% on the routes where the Group operates (as of December 2008; source: FHWA[5]) due to the high cost of fuel, revenue in this channel stood at $451.8m ($464.6m in 2007), a decrease of 2.8%. Part of that should be attributed to the many restructuration projects still underway at various locations, without which the decline would have been limited to 1.2%. The fourth quarter, with a

[1] North American operations are headed up by Autogrill Overseas Inc., with headquarters in Bethesda, Maryland. Under the trade name HMSHost, in addition to the North American business it also manages food & beverage services at Amsterdam's Schiphol Airport (grossing $128.6m in 2008, or 4.6% of sales by HMSHost), and at other airports in Asia and Australasia (total 2008 revenue of $26.4m)
[2] Like-for-like refers to locations in business both in 2008 and 2007, offering the same kind of products and services
[3] The US subsidiary divides the fiscal year into 13 four-week periods, with each week running from Saturday to Friday. Those periods are then grouped into three 12-week quarters and a final 16-week quarter. On that basis, fiscal year 2007 closed on 28 December 2007, while fiscal year 2008 closed on 2 January 2009; sales in the last week of 2008 - the 53rd - came to $52m
[4] Airport Transport Association
[5] Federal Highway Administration

4.0% drop in traffic (source: FHWA), closed with sales of $129.7m: -1.3% (-0.8% on a like-for-like basis) with respect to the $131.3m earned in the same period last year.

» **Malls:** the significant increase in sales at malls (+26.8%), from $77.8m in 2007 to $98.7m, reflects the full-year consolidation of FoodBrand (consolidated for six months only the previous year). On a like-for-like basis the increase would have been 0.7%. Sales in the fourth quarter were up by 1% (+0.8% on a like-for-like basis), to $33.3m, compared with $33m in the last quarter of 2007.

EBITDA

EBITDA totalled $339.2m, a decrease of 3% on the previous year ($349.6m). As a percentage of sales, it fell from 13.2% to 12.2%. The figure for 2008 includes about $8m in costs for the reorganisation project launched in July, net of which EBITDA would have fallen by 0.8% and stood at 12.5% of sales.
On the cost side there was a slight increase in personnel expense, especially in the first half of the year, due to many reasons but primarily to the increase in employee health plan expenses. The cost of sales was stable, in spite of a rise in raw material prices in the first six months, thanks to new menus and the gradual transfer of this expense onto consumer prices. Rents and royalties were on the rise, due to the full-year consolidation of FoodBrand (whose rents are higher as its locations are mostly in malls) as well as the impact of the decline in sales. Operating and general expenses also went up, the former due to higher energy costs and the latter to the new facility in Asia.
In the fourth quarter, the decrease in EBITDA was limited to 1.3% (from $94.7m to $93.5m), and from 11.7% of sales to 11.6%. The improvement in the cost of sales and a decrease in general costs managed to offset the increase in rent. The fourth-quarter result was boosted by the 53rd week of sales, and negatively influenced by a provision of $2.4m for onerous contracts.

Capital expenditure

Capex increased substantially in both absolute terms (from $167.5m to $196m) and as a percentage of sales (from 6.3% to 7.1%). This reflects new long-term contracts on various stretches of motorway. Some of the works completed during the year include the complete overhaul of three locations on the Pennsylvania Turnpike and major rebranding initiatives at five locations on the New York Thruway. In the airport channel, resources have gone toward renovations (including the Honolulu and Tampa locations) and international development (food & beverage outlets in Bangalore and Hyderabad).

1.6.1.2 Italy

(€m)	2008	2007	Change	Change net of costs of reorganisation
Revenue	**1,319.9**	**1,270.7**	**3.9%**	**3.9%**
Motorways	1,039.5	1,023.2	1.6%	1.6%
Airports	77.9	68.3	14.1%	14.1%
Railway stations and shipboard catering	36.5	19.9	83.4%	83.4%
Others	166.0	159.3	4.2%	4.2%
EBITDA	**173.5**	**176.0**	**(1.4%)**	**(0.5%)**
% on revenue	13.1%	13.9%		
Capex	**85.1**	**90.2**	**(5.7%)**	**(5.7%)**
% on revenue	6.4%	7.1%		

Revenue
In 2008 the revenue generated by the Group in Italy amounted to €1,319.9m, +3.9% when compared to the €1,270.7m reported in 2007. Despite the worsening of the economy, especially in the second half of the year, Autogrill achieved positive results in every channel thanks to its quick response and to development projects initiated in previous years. Fourth quarter sales came to €318.3m, an increase of 2.4% on the final quarter of 2007 (€310.9m). For the concession portfolio, 2008 was a crucial year as it marked the expiry of contracts for about 50 motorway locations[1]. The successful outcome confirms the Group's competitive capacity after the renewals in 2004-2005.

Performance by channel is described below:

- **Motorways:** Revenue in this channel totalled €1,039.5m, compared with €1,023.2m the previous year, for an increase of +1.6% (+1.1% after adjusting for the number of locations). This was achieved despite a 0.7% decline in traffic (source: AISCAT, November 2008), which suffered from the increase in the cost of fuel (mainly affecting leisure travel during the first six months), the poor economy, and the decrease in Italian industrial output (to the detriment of heavy vehicle traffic late in the year). Travellers' reduced inclination to spend also shifted demand toward lower priced goods. Autogrill's promotional initiatives and expanded range of products helped it earn better results than the market. In the fourth quarter, as traffic dropped off more severely (by 2% according to Atlantia), there was no reversal of the previous months' upward trend, and sales increased from €244.7m in the last quarter of 2007 to €249m (+1.8%, or +1.3% on a like-for-like basis).
- **Airports:** Airport revenue were up by 14.1% (from €68.3m to 77.9m), including Alpha's travel retail & duty-free operations at Fiumicino Airport in Rome, which are now under Italian management due to Alpha's integration within the Group. Net of those sales, the increase comes to 4.3%, against a 2.7% drop in traffic at the relevant airports (source: Assaeroporti). Most of the decline took place in the final quarter (-12.4% at the airports covered, according to Assaeroporti), due in part to flight cuts by Alitalia at Linate and Malpensa airports. The traffic effect was partly offset by the location of food & beverage outlets and shops; at Malpensa, for example, these are mainly found in the check-in area. Fourth quarter sales increased by 3.2% (-4.3% net of Alpha Retail), from €16.5m in 2007 to €17.1m.

[1] For further details, see the section on "New concessions"

- **Railway stations and shipboard catering:** sales in this channel were up by 83.4%, from €19.9m the previous year to €36.5m, thanks to the new catering service on Grandi Navi Veloci ferries. Without these new operations, the trend would be in line with last year. Revenue for the fourth quarter grew from €5m to €7m: +41%, or -1.9% net of the new ferry cafés.
- **Other channels (malls, towns and trade fairs):** sales in other channels progressed by 4.2% (from €159.3m to €166m), or by 2.9% net of Trentuno S.p.A., which was consolidated from May in 2007. Fourth quarter sales came to €45.2m, an increase of 1% on the final quarter of 2007 (€44.7m).

EBITDA

EBITDA amounted to €173.5m, -1.4% with respect to the previous year's €176m, and stood at 13.1% of sales (13.9% in 2007). Net of €1.6m in one-off costs for the reorganisation plan launched in July, the decrease would have been 0.5% in absolute terms, or 60 basis points as a percentage of sales. The rise in personnel expense (due to the new collective contract) and in start-up expenses for new operations that are not yet completely integrated (Grandi Navi Veloci and Alpha's retail activities) was mitigated by an improvement in the cost of sales and by the effective reduction of overheads. Regarding the cost of sales, the increase in selling volumes and a sharper focus on all phases of preparation balanced out the steep hikes in the cost of ingredients. Changes in the sales mix between food & beverage and retail products did not have a significant impact. The cost-cutting efforts initiated in 2007, especially in energy consumption, managed to reduce these expenses despite an increase in rates.
For the fourth quarter of 2008, EBITDA was €32.1m, compared with €34.7m the previous year. It came to 10.1% of sales (11.2% in the final quarter of 2007).

Capital expenditure

The Group invested €85.1m in 2008, 5.7% less than the previous year (€90.2m), amounting to 6.4% of sales (7.1% in 2007). In the motorway channel, where most of the money was spent, the decrease in capital expenditure reflects the lower number of openings with respect to the previous year. The more important projects include the reorganisation of food & beverage outlets at Brembo, Viverone Nord and Viverone Sud (with the installation of the first geothermal power plants), and the new locations at Casilina Est (Italy's first "highway mall") and Piceno Est. There were also some new openings at shopping centres: Palmanova, Euroma 2, and Auchan Monza.
Capex for the fourth quarter came to €35.7m (€36.9m in 2007).

1.6.1.3 Other countries[1]

			Change	
(€m)	2008	2007[2]	at current exch. rates	at constant exch. rates
Revenue	**719.4**	**672.7**	**6.9%**	**6.8%**
Motorways	423.2	417.0	1.5%	1.1%
Airports	168.4	141.9	18.7%	20.2%
Railway stations	86.4	76.2	13.4%	12.9%
Other	41.4	37.7	9.9%	7.9%
EBITDA	**61.3**	**63.2**	**(3.0%)**	**(3.2%)**
% on revenue	8.5%	9.4%		
Capex	**52.6**	**51.9**	**1.3%**	**1.4%**
% on revenue	7.3%	7.7%		

Revenue
In other countries, the Group grossed €719.4m in 2008, an increase of 6.9% (+6.8% at constant exchange rates) with respect to the previous year (€672.7m). Alpha's food & beverage locations at European airports contributed €27.8m.
This area was influenced by the slack performance of motorway traffic in many countries where the Group is active. The other channels enjoyed double-digit growth rates, thanks to the development activities carried out in previous years and the conclusion of infrastructure projects in various countries.
Fourth quarter sales came to €161.5m (€161.6m in the previous year), with Alpha contributing €3m.

Performance by channel is described below:

- » **Motorways:** sales in this channel totalled €423.2m, compared with €417m in the previous year. The increase of 1.5% (+1.1% at constant exchange rates) was achieved despite unfavourable market conditions, namely high fuel prices in the first half of the year, followed by the weakening of Europe's economies. Trends were quite different from one country to the next: significant progress was made in Switzerland (+20% in local currency) and Belgium (+10%), thanks in part, in both cases, to agreements with the oil companies for the management of their retail operations. Spain was down sharply (-11%), and the situation was stable in France (-0.4%), the Group's main country in this area. Sales in the fourth quarter came to €89.3m, -1% (-2% at constant exchange rates) with respect to the previous year's €90.2m.
- » **Airports:** airport sales climbed to €168.4m, from €141.9m in 2007 (+18.7% or +20.2% at constant exchange rates). Good performance at existing locations in the area (such as Athens, Brussels and Zurich) was magnified by the newly acquired operations of Alpha. Fourth quarter sales stood at €38.3m, a decrease of 6.9% (-4.5% at constant exchange rates) with respect to the previous year (€41.1m).
- » **Railway Stations:** with revenue of €86.4m (€76.2m in 2007), this channel grew by 13.4% (+12.9% at constant exchange rates) thanks to significant progress in all countries where the Group is active. Growth in France (+9.7%) was chiefly the result of the completion of

[1] France, Switzerland, Spain, Belgium, the Netherlands, Luxembourg, Austria, Slovenia, Czech Republic, Germany, Sweden, Greece, Denmark, Ireland and the UK
[2] Figures for 2007 have been adjusted with respect those originally published to include the food & beverage operations of Alpha Group Plc., consolidated from 1 June 2007. Specifically, revenue have been adjusted by €15.6m, EBITDA by €2.1m and capex by €1.1m

refurbishment works at Paris Est and other stations, while the 14.2% rise in Spain stems from the opening of the new high-speed routes connecting Madrid to Barcelona and Malaga, and the reorganisation of some outlets at Madrid Atocha station. Results were also good in Switzerland and Belgium, where some new locations were opened.
Sales in the fourth quarter came to €22.8m, +16.4% (+15.1% at constant exchange rates) compared with the €19.6m earned in the same period of 2007.

» **Other channels:** sales in other channels grew to €41.4m from €37.7m in the previous year, an increase of 9.9% (+7.9% at constant exchange rates). Some of the progress is ascribed to full-scale operations by the recent food & beverage outlets at Telefonica headquarters in Spain and at the Carrousel du Louvre in France. Fourth quarter sales increased by 4.3% (+0.2% at constant exchange rates), from €10.7m in 2007 to €11.2m.

EBITDA

EBITDA in 2008 totalled €61.3m, a decrease of 3.0% (-3.2% at constant exchange rates) with respect to the 2007 figure of €63.2m, and came to 8.5% of sales (9.4% the previous year). On a like-for-like basis and at constant exchange rates, the decrease would be limited to 2.1%. Reorganisation costs affected this result by €1.4m.

In the final quarter, EBITDA made significant progress, rising from €4.2m in 2007 to €6.1m (+43.9% or +37.8% at constant exchange rates), although the 2007 figure includes provisions for onerous contracts (of which €3.4m in Belgium) in the fourth quarter of that year.

Capital expenditure

Investments of €52.6m were 1.3% higher than the previous year's €51.9m (+1.4% at constant exchange rates), and amounted to 7.3% of sales (7.7% in 2007). The increase reflects the numerous development activities (new contracts and extensions) carried out in previous years. Some of these include, in the airport channel, the upgrading of locations at Brussels Airport and the completion of all outlets at Copenhagen and Shannon Airports; in the motorway channel, the reorganisation of the rest stops in Stroe, Holland and Weer, Austria and of various locations in France, and the opening of three new rest stops on the Cofiroute; and at railway stations, the revision of menu offerings at Paris Gare de l'Est.

1.6.2 Travel Retail & Duty-Free

The Group has expanded considerably in the travel retail & duty-free segment with the acquisition of Alpha Group, the remaining shares of Aldeasa, and World Duty Free Europe Ltd. About 99% of its sales are generated in airports and the remaining 1% in museums.

While the income statements of Alpha Group Plc. and World Duty Free Europe Ltd. have been consolidated on a line-by-line basis (Alpha for the entire year and World Duty Free from 1 May 2008), the Aldeasa Group's income statement has been consolidated using the proportional method (50%) for the first quarter and line-by-line since 1 April 2008.

The overall contribution of travel retail & duty-free operations to the main consolidated results for the year is summarised as follows:

(€m)	2008	2007	Change at current exchange rate	Change at constant exchange rate
Revenue	1,438.7	663.3	116.9%	129.0%
EBITDA	123.6	54.1	128.6%	138.2%
EBITDA margin	8.6%	8.2%		
Capex	51 .1	17.0	n.s.	n.s.

Revenue

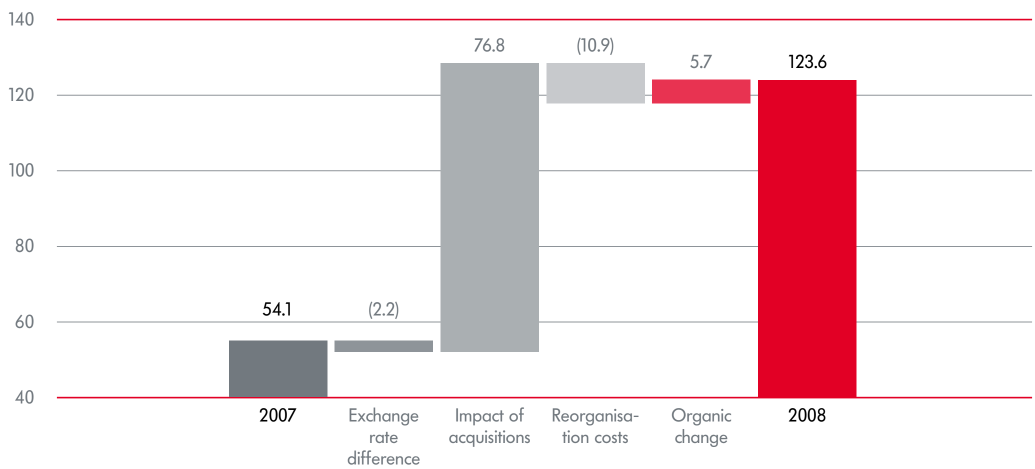
Travel retail & duty-free closed the year with revenue of €1,438.7m, an increase of 116.9% (+129% at constant exchange rates) with respect to the previous year's figure of €663.3m. As the new acquisitions contributed €842.6m, the change on a like-for-like basis would be a negative 5.1%.

Fourth quarter sales amounted to €394.4m, compared with €188.9m in the previous year, for an increase of +108.8% (+124.5% at constant exchange rates). Of the total, €242.5m was earned by the new acquisitions. Without them, there would have been a decrease of €23.8m, due in part to the depreciation of the British pound and in part to the Spanish business, which was seriously weakened by the poor economy.

EBITDA

EBITDA for the travel retail & duty-free segment came to €123.6m: +128.6% (+138.2% at constant exchange rates) on the previous year (€54.1m). Net of the acquisitions and the reorganisation costs associated with the integration process and other efficiency measures (€10.9m), organic growth was 11.1%. Museums and the equivalent generated EBITDA of €1.5m.
EBITDA for the fourth quarter totalled €31.5m, a rise of 131.4% (+145.4% at constant exchange rates) on the final quarter of 2007 (€13.6m). The acquisitions contributed €14.7m, net of €9.3m in reorganisation costs.

Change in Travel Retail & Duty-Free EBITDA - 2008



Capital expenditure

Capex in this segment grew from €17m in 2007 to € 51.1m, of which € 28.6m results from the change in the scope of consolidation.

In Europe, most of the funds went toward upgrading shops at Terminals 1, 2 and 3 of Madrid Airport, revising the product catalogue at Palma de Mallorca, launching the new "Biza" concept at Manchester (T1), Newcastle and East Midlands, and finishing construction at Heathrow's Terminal 5. At Heathrow's T5, all of the investments required to build and open shops were made in 2007, in view of the inauguration in the early months of the following year. Capital expenditure in 2008 went only toward completing the facilities built.

Outside Europe, investment was concentrated in North America, to complete the opening in Vancouver and inaugurate the new shop at Atlanta Airport.

Other expenditure went toward the integration of this segment, starting in the United Kingdom where World Duty Free's operations were spun off from the B.A.A. network and then integrated, logistically and otherwise, with the corresponding activities of Alpha.

Annualised figures

The following comments refer exclusively to airport operations. Museum gift shops produced revenue of €14m in 2008, down from €18.3m the previous year, as the merchandising business at the Prado has been taken over by the museum itself. Fourth quarter sales came to €3.3m, compared with €4m in 2007.

Revenue

Revenue in the travel retail & duty-free segment amounted to €1,679.1m in 2008, a decrease of 7.7% (-0.1% at constant exchange rates) on the previous year's €1,819.9m, and were affected by currency translation losses (mainly between the pound and the euro) and varying traffic trends. Excluding the effects of the major portfolio streamlining measures[1], sales would amount to €1,668.2m, a decrease of 3.7% (+3.9% at constant exchange rates) compared with the 2007 figure of €1,733.1m.

Performance by region was as follows:

- **Spain[2]:** the decrease in traffic (-3.2% year-on-year, according to A.E.N.A.[3]) during the second half the year (-8.2%, versus +2.8% through June; source: Group calculations on A.E.N.A. data) was heavily influenced by the economy. Results took a further hit from the devaluation of the British pound, which reduced the spending power of passengers arriving from the United Kingdom (especially at tourist destinations). Sales in 2008 totalled €584.6m, down 5.6% on the previous year's €619.2m. Another detrimental factor was competition from the high-speed rail service on major routes like Madrid-Barcelona and Madrid-Malaga, and the reorganisation works at Terminals 1, 2 and 3 of Madrid's airport. The Group reacted with a series of promotions that helped recover much of the difference in spending per passenger.
- **United Kingdom[4]:** revenue amounted to €749.1m, -15.9% (-2.1% at constant exchange rates) with respect to the previous year's €891.2m, due mainly to the good performance at London Heathrow and Manchester Airports. Net of the disposals mentioned above, revenue were up by 4.8%, from £560.8m in 2007 to £587.8m.

  Heathrow reported sales growth of 11.6%, from £220.6m to £246.2m, despite a 1.4% decline in traffic (source: B.A.A.[5]). The main event during the year was the opening of the

[1] The transfer to the Italian division of Italian airport shops, and the sale to third parties of Turkish operations and World News outlets
[2] Sales in Spain correspond to the domestic operations of Aldeasa
[3] Aeropuertos Españoles y Navegación Aerea
[4] Sales in the UK refer to World Duty Free and the domestic operations of Alpha
[5] British Airport Authorities

new Terminal 5 for British Airways flights, which has not changed Heathrow's overall capacity but has allowed a better distribution of passengers. As a result of the Open Skies agreement and cost-cutting measures by certain airlines, towards the end of 2008 there was also a gradual shift in-flights from Gatwick and Stansted to Heathrow. The stark contrast between traffic and revenue trends reflects the Group's ability to outpace the market, thanks to the steadfast improvement of its wares with a view to attracting more shoppers, making larger average sales, and increasing penetration.
The improvement in "environmental conditions" (less crowding and faster security checks, for example) in all of Heathrow's terminals has also encouraged travellers to spend, along with the pound's notable depreciation against the euro (mainly to the benefit of international passengers[1]).

» **Rest of the world[2]:** sales rose to €331.4m in 2008, from €291.1m in the previous year, an increase of 13.8% (+19.5% at constant exchange rates). At the airports served by Aldeasa, revenue were up by 21.1%, from €192.8m to €233.5m; net of the businesses launched in the previous year in North America, the increase comes to 13.2%, thanks to outstanding results in Mexico (where a new "walk through" shop has been opened), Kuwait, Chile, and Jordan.

In the fourth quarter, the heightening financial crisis posed a further obstacle to Spanish traffic (-12.7%[3]) and reduced traffic growth in the United Kingdom (-3.6% at Heathrow[4]). The quarter closed with revenue of €394.4m, a decrease of 11.4% (-3.3% at constant exchange rates) on the previous year's €445.3m. On a like-for-like basis, sales would have been lower by 9.3% (-1.2% at constant exchange rates) with respect to €435m in the fourth quarter of 2007.

EBITDA
EBITDA for the travel retail & duty-free segment in 2008 was €143.0m (net of €10.9m in reorganisation expenses), an increase of 1.7% (+8.6% at constant exchange rates) with respect to the previous year's EBITDA of €140.7m[5]. On a like-for-like basis, EBITDA would have grown by 2.4% (+9.3% at constant exchange rates), from €139.8m to €143.1m.
The improvement was driven essentially by the increase in the profit margin, on the strength of Spanish and international operations. The reduction in personnel expense, thanks to reorganisation of the network, was another factor that contributed to the rise in EBITDA. Central costs also started to go down during the year, as a result of the reorganisation efforts begun and completed in 2008. Reorganisation costs (including for the integration of the retail business) came to 0.6% of sales (€10.9m).
In Spain, the improvement in the cost of sales, the successful limitation of payroll expenses, and other cost-cutting measures softened the impact of the business slump. The reduction in the cost of sales reflects a positive change in the sales mix, in terms of both merchandise category and the greater incidence of passengers with destinations outside Europe.
In the United Kingdom, the profit margin was essentially stable despite a slightly less favourable passenger mix (i.e. a higher incidence of European travellers).
The increase in store space at Heathrow, with the opening of Terminal 5, raised personnel and operating costs by an amount nearly totally offset by efficiency gains at the airports served by Alpha Retail UK.

[1] International passengers make up more than 90% of total traffic (source: B.A.A., 2008)
[2] Sales in the rest of the world correspond to Aldeasa's and Alpha's operations in Sri Lanka, the United States, India, Jordan, Chile, Canada, Kuwait, Peru, Portugal, Colombia, Cape Verde, Panama, Maldives, Mexico, Dutch Antilles and France
[3] Source: Group calculations on A.E.N.A. data
[4] Source: B.A.A.
[5] Museum gift shops contributed €1.3m for the year.

1.6.3 In-Flight

The in-flight segment joined the Group in June 2007, with the acquisition of Alpha Group. Therefore, its contribution to consolidated figures refers to different periods in 2007 and 2008, to the detriment of direct comparison.

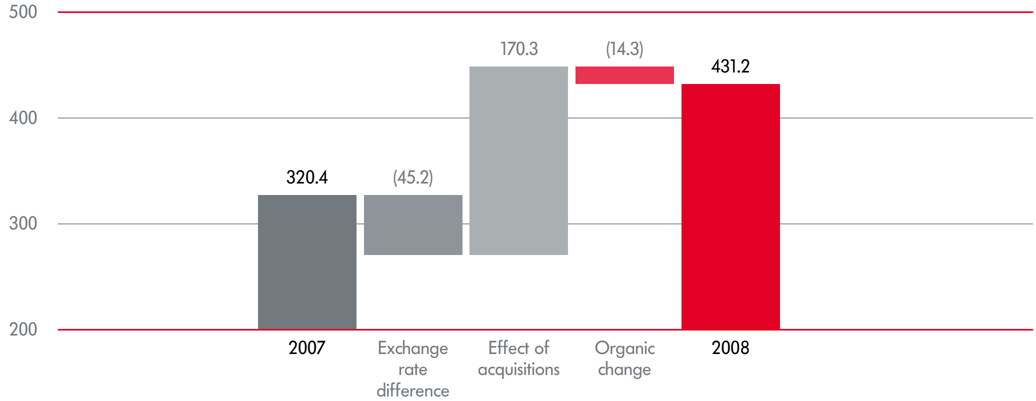
			Change	
(€m)	2008	2007	at current exchange rate	at constant exchange rate
Revenue	431 .2	320.4	34.6%	56.7%
EBITDA	41 .5	32.5	27.5%	48.5%
EBITDA margin	9.6%	10.1%		
Capex	7.5	5.2	45.4%	88.9%

Revenue

The in-flight segment, run by Alpha Flight, earned revenue of €431.2m in 2008: an increase of 34.6% (+56.7% at constant exchange rates) with respect to the previous year's contribution of €320.4m. The change in scope of consolidation refers to the different period of ownership (seven months in 2007 and twelve months in 2008). In addition, since April this segment has included Air Czech Catering A.S., acquired by Alpha on 2 April 2008. The fourth quarter closed with sales of £77.1m, a decrease of 8.2% on the same period in 2007 (£84m).

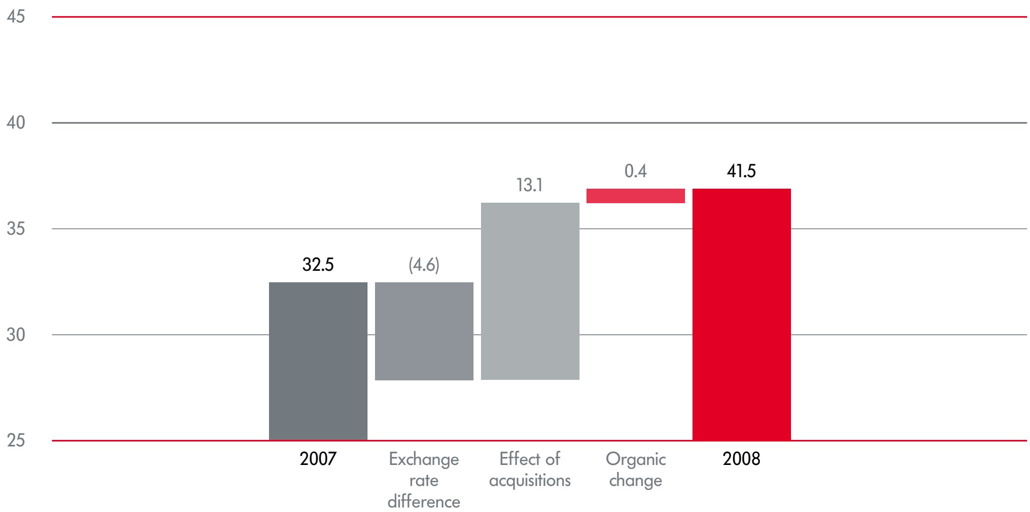
Alpha Flight contributed €41.5m to consolidated EBITDA, compared with €32.5m in 2007, an increase of 27.5% (+48.5% at constant exchange rates).

Change in In-Flight revenue - 2008 (m€)



As a percentage of sales, EBITDA went from 10.1% in the previous year to 9.6%, due mainly to the highly seasonal nature of the business. In 2007 the consolidation covered the most profitable months only (June-December), while in 2008 it covered the entire year, including the months of January through May when volumes are low.

Change in In-Flight EBITDA - 2008



Capital expenditure

The 10% increase in capex (£7.1m, up from £6.5m in 2007) is mainly ascribable to development projects in Australia, the Czech Republic and the United Arab Emirates.

Annualised figures (in £m)

Revenue
Alpha Flight grossed £343.4m in 2008, an increase of 2.5% on the previous year (£335.1m). The significant growth of international operations offset part of the decline in the UK and Ireland.

Region-by-region performance was as follows:
- **United Kingdom and Ireland:** : in 2008 this region reported a 21% drop in sales (£51m), from £243.1m in 2007 to £192.4m, due to the lapsed contract with EasyJet (which contributed £47.8m in 2007) and the bankruptcy of the airline Excel. Net of these two factors, growth would have been 4.1% on the previous year.
- **International[1]:** taken together, the nine countries in this region enjoyed growth of 64.4%, closing the year with sales of £151.0m (£92m in 2007). The main drivers were Australia (+112%, with sales of £48.3m), Jordan (+24.2%, with sales of £15.3m), United Arab Emirates (+127.1% with sales of £7.4m), and Italy (+20% with sales of £35.5m). A further £15.9m was contributed by the newly acquired Air Czech Catering A.S., the Czech Republic's leading provider of in-flight food & beverage. On a like-for-like basis, the increase in international sales was 47.1%.

EBITDA
In 2008, post-acquisition streamlining and strong international growth raised EBITDA for the in-flight segment from £27m in 2007 to £33.0m (+23.6%), and the EBITDA margin from 9.2% to 9.6%.

[1] Australia, Italy, Czech Republic, Jordan, Romania, The Netherlands, United Arab Emirates, Bulgaria and USA

1.7 Corporate Social Responsibility

Over the last few years, Autogrill has increasingly focused on developing sound corporate social responsibility practices. The intent is to consider all social aspects of our organisation and the impact of our activities on the community and the environment, while seeking to raise stakeholder awareness about these issues. For Autogrill, sustainability is also an important way of involving and motivating our workers, as well as an innovation driver that will sharpen our competitive edge.

For several years now we have been providing stakeholders with a Sustainability Report, prepared on the basis of international standards set by the Global Reporting Initiative (GRI-G3). The 2008 report gives stakeholders additional insight into how we manage the many aspects related to the nature and characteristics of our business segments. The structure of the new report reflects the philosophy of Afuture, Autogrill's project to instill a conception of the business founded on sustainability and on the quest for ways to better meet the needs of all who interact with our Group.

The purpose of Afuture is to lead Autogrill towards a tomorrow built on the sustainable use of the earth's resources and the consumption of natural, alternative forms of energy. It is also a model for constructing and nurturing relationships, aimed at achieving a proper balance between the social, economic and environmental aspects of development and guiding the Group toward greater sustainability in general.

The information provided here supplements the full Sustainability Report, available online at www.autogrill.com.

1.7.1 Human resources

The Autogrill Group employs 70,404 individuals around the world. The increase on 2007 (66,820) reflects the acquisition of the rest of Aldeasa and 100% of World Duty Free, which has reinforced our global leadership in food & beverage and retail services for travellers.

Our business is affected by seasonal factors, with peaks in activity during holidays and vacation periods, which vary around the globe. Flexibility is therefore paramount, starting with the flexibility we offer our staff. To ensure that our operations are well managed and efficiently organised, especially during these periods, we take pains to use our employees' time wisely. Through collective bargaining in each country, we offer part-time contracts and organise work in weekly shifts, to achieve the best possible balance between work and family.

Employees are our main resource, both as the driving engine of the business and as the basic point of contact with consumers. Respect for people, fair treatment, development of individual skills, teamwork, continuous training, and open communication are therefore key values for Autogrill. Our constant geographical expansion has signified broader responsibilities and an ever greater need to consider the cultures, laws and traditions of the countries where we operate and the people we employ.

Some of the initiatives we pursue in this regard are as follows:

- Social Accountability 8000 certification for Autogrill S.p.A., demonstrating our commitment to human rights and workers' rights and to preventing child exploitation, while ensuring a safe and healthy place of work;
- OHSAS 18001 certification for World Duty Free Europe Ltd., which promotes a safe and healthy workplace by maintaining an infrastructure that allows it to systematically monitor health and safety risks, reduce hazards, foster regulatory compliance and improve overall standards;
- diversity management programmes that value women and foreign workers.

Health and safety in the workplace

Autogrill considers health and safety in the workplace to be a fundamental priority for each and every employee. It constantly endeavours to find procedures and technology that will guarantee the highest standards of worker safety and to organise specific training programmes. It has incorporated Italy's worker health and safety regulations (Legislative Decree no. 81 of 9 April 2008) into its operating procedures and in the Organisational Model pursuant to Legislative Decree 231/2001.

1.7.2 Environment

Autogrill's commitment to the environment led it to conduct initiatives in 2008 based on the philosophy of the Afuture project, demonstrating its care for natural resources and making its locations comfortable and inviting.
The focus of the project is to help the environment and cut costs by improving everything from the store itself (structure, interior fixtures, lighting, air conditioning, water supply, furnishings, equipment) to what it sells (selection of raw materials, reduction and recycling of packaging).
Store innovation is focused on three main aspects: energy efficiency of the building; improvement in plants and systems, including the use of renewable energy (geothermal, solar, etc.); and ease of access and the customer experience.

The more significant projects carried out are described below.
Mensa di Ravenna (E45) and Viverone Nord and Sud (Ivrea-Santhià link road on the A5) are the Group's first "green-built" locations. A defining element of both is the use of geothermal power, through a direct exchange system with vertical probes, considered to be one of the best means of long-term energy conservation and of reducing environmental impact.
During the expansion to four lanes of the A4 between Milan and Bergamo, Autogrill added a high-efficiency energy plant to its "bridge" location across the motorway at Brembo, to overhaul the HVAC system of the entire complex. The new trigeneration plant combines cogeneration with the use of heat to produce industrial cooling.

1.8 The Parent Company

Condensed income statement

(€m)	2008	%	2007	%	Change
Revenue	1,296.2	100.0%	1,257.1	100.0%	39.1
Other operating income	70.6	5.4%	64.8	5.2%	5.8
Total revenue and income	**1,366.8**	**105.4%**	**1,321.9**	**105.2%**	**44.9**
Cost of raw materials, consumables and supplies	(628.3)	(48.5%)	(616.8)	(49.1%)	(11 .5)
Personnel expense	(300.1)	(23.2%)	(280.0)	(22.3%)	(20.1)
Leases, rents, concessions and royalties	(140.3)	(10.8%)	(127.7)	(10.2%)	(12.6)
Other operating costs	(155.4)	(12.0%)	(142.0)	(11 .3%)	(13.4)
EBITDA	**142.7**	**11.0%**	**155.4**	**12.4%**	**(12.7)**
Depreciation, amortisation and impairment losses	(47.7)	(3.7%)	(48.3)	(3.8%)	0.6
EBIT	**95.0**	**7.3%**	**107.1**	**8.5%**	**(12.1)**
Net financial income (costs)	(35.2)	(2.7%)	88.6	7.0%	(123.8)
Impairment losses on financial assets	(11 .2)	(0.9%)	(3.3)	(0.3%)	(7.9)
Profit before non-recurring items and tax	**48.6**	**3.8%**	**192.4**	**15.3%**	**(143.8)**
Profit before tax	**48.6**	**3.8%**	**192.4**	**15.3%**	**(143.8)**
Tax	(30.3)	(2.3%)	(46.2)	(3.7%)	15.9
Profit for the year	**18.3**	**1.4%**	**146.2**	**11.6%**	**(127.9)**

In addition to managing and controlling the Group by way of its business units, Autogrill S.p.A. directly conducts the businesses that earn over 98% of revenue in the Italian market. The remaining 2% is generated by its Italian subsidiaries, mainly Trentuno S.p.A., Nuova Sidap S.r.l., Aviogrill S.r.l., and Alpha Retail Italia S.r.l.
The year closed with revenue of €1,296.2m, up from €1,257.1m in 2007 (+3.1%).
See section 1.6.1.2 for comments on the performance of domestic operations.
EBITDA came to €142.7m, with respect to €155.4m in the previous year. Aside from the slight drop in EBITDA from commercial operations discussed in section 1.5.1.2, the decrease reflects a rise in corporate expenses from €25.3m to €30.4m (including €1.3m in reorganisation costs), and 2007 income of €6.4m in connection with the curtailment of post-employment benefits (“TFR”).
EBIT amounted to €95m (€107.1m in 2007), after amortisation, depreciation and impairment losses of €47.7m (€48.3m the previous year), as a result of expansion and modernisation of the network.

Net financial expense of €4.6m in 2008 compare with net income of €85.3m in the previous year. The change is due primarily to the reduction in dividends from subsidiaries, from €84.5m in 2007 to €1.9m in 2008, but also to net exchange losses of €11.2m on loans granted and received and the net effect of interest rate spreads on derivatives (€19.8m).
Autogrill S.p.A.’s net profit, reflecting the above trend in financial income/charges, amounted to €18.3m in 2008 (€146.2m the previous year) after taxes of €30.3m.

Condensed balance sheet[1]

(€m)	31.12.2008	31.12.2007	Change
A) Non-current assets			
Intangible assets	127.4	120.3	7.1
Property, plant and equipment	223.1	196.7	26.4
Equity investments	616.9	893.0	(276.1)
	967.4	**1,210.0**	**(242.6)**
B) Working capital			
Inventories	51 .5	48.6	2.9
Trade receivables	25.0	31 .2	(6.2)
Other current assets	48.0	67.3	(19.3)
Trade payables	(281 .9)	(281 .9)	-
Other current liabilities	(94.7)	(80.2)	(14.5)
	(252.1)	**(215.0)**	**(37.1)**
C) Invested capital, less current liabilities	**715.3**	**995.0**	**(279.7)**
D) Post-employment benefits and non-current non-financial liabilities	(83.2)	(131.6)	48.4
E) Net invested capital	**632.1**	**863.4**	**(231.3)**
financed by			
F) Equity	**553.0**	**653.7**	**(100.7)**
G) Net non-current financial position			
Non-current financial liabilities	(1,629.5)	(763.6)	(865.9)
Non-current financial assets	1,250.3	293.4	956.9
	(379.2)	**(470.2)**	**91.0**
H) Net current financial position			
Bank current overdrafts	(4.8)	(8.9)	4.1
Current financial liabilities	(113.1)	(22.9)	(90.2)
Cash and cash equivalents	52.2	45.7	6.5
Current financial assets	365.8	246.6	119.2
	300.1	**260.5**	**39.6**
Net financial position (G+H)	**(79.1)**	**(209.7)**	**130.6**
I) Total, as in E)	**632.1**	**863.4**	**(231.3)**

The balance sheet shows a decrease of €231.2m in net invested capital, due mainly to the sale of the investment in Alpha Group Plc. to World Duty Free Europe Ltd. as part of the Group streamlining process. There was also a decrease in working capital, mostly as a result of the dividend paid in 2008 by Autogrill International in the amount of €84m.
Assets were financed mainly by long-term bank loans, as discussed in section 1.4.2.

[1] The main balance sheet figures are directly derived from the consolidated financial statements and notes

Capital expenditure

The Company invested €84m in 2008 (€113.2m the previous year). See section 1.6.1.2 for further information.

Workforce

At the end of 2008 there were 11,359 employees on the payroll, a decrease of 145 (mainly store personnel) since the previous year.

	31.12.2008			31.12.2007		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Managers	67	-	67	70	-	70
White collars	842	166	1,008	900	167	1,067
Blue collars	3,708	6,078	9,786	3,723	6,174	9,897
Junior managers	492	6	498	462	8	470
Total	**5,109**	**6,250**	**11,359**	**5,155**	**6,349**	**11,504**

1.9 Outlook

Significant subsequent events

In the early months of 2009 the Group continued to win new concessions and sign commercial agreements, including:

- a contract to manage two new food & beverage outlets at the railway station in Seville, Spain (estimated cumulative sales of €5m over the seven-year contract), thus strengthening our foothold in the Spanish high-speed market;
- debut in Poland through a joint venture with Impel Group, where Autogrill Polska will operate 11 rest areas by 2010 and earn estimated revenue of some €14m from 2011 onwards;
- a five-year in-flight catering contract with Romania's flagship carrier Tarom Airlines.

On 21 January 2009, the Board of Directors of Autogrill S.p.A. and the extraordinary general meeting of its wholly-owned subsidiary, Autogrill International S.p.A., approved the merger of Autogrill International into Autogrill. Pursuant to Art. 2503 of the Italian Civil Code, existing creditors have 60 days from the last filing of these decisions in the companies register to oppose the merger. The deed of merger should therefore be drawn up in April 2009.
The purpose of the merger is to streamline the ownership structure of the Group headed up by Autogrill, as Autogrill International no longer serves as a sub-holding company for the Group's foreign investments. Autogrill International's operations will be incorporated into Autogrill's financial statements, including for tax purposes, as from the first day of the financial year during which the merger becomes effective - thus in all likelihood from 1 January 2009.

Business forecast

As 2009 takes shape, household consumption is seriously weakened by recession, the credit crunch, and uncertainty as to the effectiveness of the measures governments have taken to restore confidence to the markets and eventually reverse the downward trend. At the moment, economists unanimously expect 2009 to be negative for all of the main countries and markets.

There is little agreement, however, as to how hard the crisis will strike and especially how long it will last. This makes it extremely difficult to predict the future, so the best approach is to build scenarios based on a limited number of factors relevant to the industry in question.

For the travel concession market, the key variable is traffic. Given the importance of certain countries and channels to the Group's overall results, assumptions have been made about:

- airport traffic in the US;
- motorway traffic in Italy;
- airport traffic in Spain;
- airport traffic in the UK.

The sales generated by these four countries and channels make up around 60% of consolidated revenue, and are therefore significant for projecting results in 2009.

The following table shows the trend in these four indicators in the recent past (average for 2008, fourth quarter of 2008, and January 2009) and a range of projections for 2009.

	2008		2009	2009 full year	
	Year average	4th quarter	January	Scenario with traffic recovery in second half of 2009	Scenario with negative traffic for full 2009
US airport traffic	-4.7%	-8.9%	-10.6%	-5%	-7%
Italian motorway traffic	-0.8%	-2.0%	-7.0%	-3%	-5%
Spain airport traffic	-3.2%	-12.7%	-17.0%	-10%	-14%
UK airport traffic[1]	-2.8%	-7.5%	-6.3%	-3%	-5%

[1] Includes all airports in the B.A.A. network and Manchester. Sources: A.T.A., Group estimates for Italian motorways and UK airports (B.A.A. airports and Manchester), A.E.N.A.

In one scenario, the steep decline in traffic reported in January (of little importance as it only amounts to 7% of the Group's annual sales, but still indicative of a trend) continues throughout the year, leading to a reduction in spending per passenger; in the other, the trend is still negative but gradually improves in the second half of the year. On this basis, Autogrill forecasts results in 2009[2] within the following range:

(€m)	Scenario with traffic recovery in second half of 2009	Scenario with negative traffic for full 2009
Revenue	5,900	5,720
EBITDA	625	575
Capex	160	160

In the first nine weeks of 2009, the Group earned sales of €771.4m (+12.4% at actual exchange rates and +9.9% at constant exchange rates), while the organic trend was a decline of 5.9% due to the plunge in traffic in the month of January.

Results will not be evenly distributed throughout the year. More specifically, the first quarter of 2009 will be penalised (on a like-for-like basis) by the drop in traffic, by the fact that Easter falls in the second quarter this year (as opposed to the first quarter in 2008), and by one fewer week's worth of sales in North America (the 53rd week counted among 2008 revenue), due to HMSHost's different calculation of quarters and weeks with respect to the rest of the Group.

[2] Average €/$ exchange rate 1:1.30; average €/£ exchange rate 1:0.90

1.10 Other information

1.10.1 Management and coordination

At its meeting of 27 April 2004, the Board of Directors decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the parent, Edizione Holding S.p.A., pursuant to Art. 2497 bis of the Italian Civil Code. Following Edizione Holding's transfer of its entire investment in Autogrill to its wholly-owned subsidiary Schematrentaquattro S.r.l., on 18 January 2007 the Board of Directors agreed that there were still no conditions whereby Autogrill would be subject to the management and coordination of its new parent, Schematrentaquattro.
Effective 1 January 2009, Edizione Holding S.p.A. was merged into Ragione S.A.p.A. di Gilberto Benetton e C., which changed its name and legal status to Edizione S.r.l.

1.10.2 Related party transactions

See the section "Other information" in the Notes to the consolidated and separate financial statements.

1.10.3 Statement pursuant to Art. 2.6.2(12) of the Regulations for Markets Organised 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 parent companies, companies formed or governed under the laws of countries outside the European Union that are of material significance to the consolidated financial statements, we report that four companies fall under these provisions (Autogrill Overseas Inc., Autogrill Group Inc., 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.

1.10.4 Research and development

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

1.10.5 Data protection

Autogrill S.p.A. has implemented and updated for 2008 the Data Protection Document, required by Italy's data protection law and prepared in consideration of our particular business needs.

In 2008, Autogrill S.p.A. continued to monitor compliance with the law, by:
- » training new data protection personnel and improving the training start-up and control procedure;
- » revising the measures for backing up and restoring systems and databases;
- » extending the use of swipe cards for the identification of cashiers;
- » continuously adapting IT infrastructures to security best practices.

During the year, Autogrill was Italy's first food & beverage company to earn PCI DSS certification for credit card payment systems. It also passed anti-hacking tests for its network, data center, email and PCs.

1.10.6 Shares held by Directors, statutory auditors and general managers

As required by Art. 79 of the implementation rules for Legislative Decree February 24, 1998 no. 58, adopted by Consob with Resolution 11971 of 14 May 1999, the following table shows the shares of Autogrill S.p.A. and its subsidiaries held by Directors and statutory auditors of Autogrill S.p.A., general managers and executives with strategic responsibilities, and their spouses (unless legally separated) and minor children.

	Shares in	Number of shares held at the end of 2007	Number of shares purchased	Number of shares sold	Number of shares held at the end of 2008
Gianmario Tondato Da Ruos	Autogrill S.p.A.	14,700	-	-	14,700
Gianni Mion	Autogrill S.p.A.	-	5,000	-	5,000

1.10.7 Treasury shares

At 31 December 2008, Autogrill S.p.A. held 125,141 treasury shares, or 0.049% of the share capital. Its subsidiaries do not own shares or other securities representing the share capital of Autogrill S.p.A.

1.10.8 Reconciliation between parent company and consolidated equity

Below is a reconciliation between the profit and equity of the Group with those of the Parent company, Autogrill S.p.A., as required by Consob's Resolution 15519 and Circular DEM/6064293.

(€k)	Equity at 31.12.2007	Changes in equity	Profit for 2008	Equity at 31.12.2008
Autogrill S.p.A. Separate Financial Statements	653,671	(118,826)	18,305	553,150
Effect of the consolidation of subsidiaries' Financial Statements and related deferred taxes	(54,211)	(20,491)	106,597	31,895
Valuation of the convertible bond option	1,744	-	(1,744)	-
Translation reserve	(38,559)	(60,183)	-	(98,742)
Hedging reserve[1]	754	(601)	-	153
Consolidated Financial Statements	**563,399**	**(200,101)**	**123,158**	**486,456**
Minority interests	58,169	(21,160)	19,913	56,922
Total consolidated equity	**621,568**	**(221,261)**	**143,071**	**543,378**

[1] Shown net of tax effect

1.11 Proposal for approval of the financial statements and allocation of the 2008 profit

Dear shareholders,

The year ended 31 December 2008 closed with a profit of €18,305,168.

The Board of Directors recommends that the profit be allocated as follows:

I. €915,259 (5%) to the legal reserve
II. €17,389,909 to be carried forward

Given the above, we submit for your approval the following

motion:

"The annual general meeting of shareholders:
- » having examined the financial statements at 31 December 2008 which close with a profit of €18,305,168;
- » having acknowledged the report of the Board of Statutory Auditors and of the Independent auditors, KPMG S.p.A.;

hereby resolves:

1) to approve
   a) the Directors' report;
   b) the financial statements as at and for the year ended 31 December 2008, showing a profit of €18,305,168;
2) to approve the recommended allocation of profit as follows:
   a) €915,259 (5%) to the legal reserve;
   b) €17,389,909 to be carried forward."

12 March 2009

The Board of Directors

2. Consolidated Financial Statements

2.1 Consolidated Balance Sheet

(€k)		31.12.2008	31.12.2007 *	Change
Note				
I	Cash and cash equivalents	209,538	202,023	7,515
II	Other financial assets	22,778	21,920	858
III	Tax credits	17,977	6,358	11,619
IV	Other receivables	171,774	173,153	(1,379)
V	Trade receivables	98,360	104,808	(6,448)
VI	Inventories	266,995	196,775	70,220
	Total current assets	**787,422**	**705,037**	**82,385**
VII	Property, plant and equipment	1,065,484	908,103	157,381
VIII	Goodwill	2,001,484	1,294,082	707,402
IX	Other intangible assets	311,417	120,498	190,919
X	Equity investments	10,170	10,367	(197)
XI	Other financial assets	24,394	17,630	6,764
XII	Deferred tax assets	113,437	104,940	8,497
XIII	Other receivables	24,348	13,811	10,537
	Total non-current assets	**3,550,734**	**2,469,431**	**1,081,303**
XIV	**Assets held for sale**	**1,095**	**5,779**	**(4,684)**
	TOTAL ASSETS	**4,339,251**	**3,180,247**	**1,159,004**
XV	Trade payables	711,725	529,380	182,345
XVI	Tax liabilities	11,451	15,704	(4,253)
XVII	Other payables	318,620	303,492	15,128
XVIII	Due to banks	168,960	125,168	43,792
XIX	Other financial liabilities	92,710	19,518	73,192
XXIV	Provisions for risks and charges	18,315	12,949	5,366
	Total current liabilities	**1,321,781**	**1,006,211**	**315,570**
XX	Other payables	56,819	44,243	12,576
XXI	Loans, net of current portion	1,761,314	852,525	908,789
XXII	Bonds	382,255	393,959	(11,704)
XII	Deferred tax liabilities	78,648	55,314	23,334
XXIII	Post-employment and other employee benefit provisions	126,129	135,842	(9,713)
XXIV	Provisions for risks and charges	68,927	70,585	(1,658)
	Total non-current liabilities	**2,474,092**	**1,552,468**	**921,624**
	TOTAL LIABILITIES	**3,795,873**	**2,558,679**	**1,237,194**
	EQUITY	**543,378**	**621,568**	**(78,190)**
XXV	pertaining to the Group	486,456	563,399	(76,943)
	pertaining to minorities	56,922	58,169	(1,247)
	TOTAL LIABILITIES AND EQUITY	**4,339,251**	**3,180,247**	**1,159,004**

* See pages 88 and 102 for a description of adjustments made to the originally published figures

2.2 Consolidated Income Statement

(€k)		2008	2007 *	Change
Note				
XXVI	Revenue	5,898,875	4,949,182	949,693
XXVII	Other operating income	123,447	93,600	29,847
	Total revenue and other operating income	**6,022,322**	**5,042,782**	**979,540**
XXVIII	Cost of raw and ancillary materials and goods	2,302,163	1,895,318	406,845
XXIX	Personnel expense	1,486,398	1,323,569	162,829
XXX	Leases, rentals, concessions and royalties	1,007,449	727,624	279,825
XXXI	Other operating costs	624,764	533,885	90,879
XXXII	Depreciation and amortisation	260,349	212,459	47,890
XXXII	Impairment losses on property, plant and equipment and intangible assets	9,494	10,814	(1,320)
	EBIT	**331,705**	**339,113**	**(7,408)**
XXXIII	Financial income	6,703	8,544	(1,840)
XXXIV	Financial expense	(130,480)	(72,672)	(57,808)
X	Impairment losses on financial assets	3,347	432	2,915
	Pre-tax profit	**211,275**	**275,417**	**(64,142)**
XXXV	Income tax	(68,204)	(103,569)	35,365
	Profit for the year	**143,071**	**171,848**	**(28,777)**
	- pertaining to the Group	123,158	158,081	(34,923)
	- pertaining to minorities	19,913	13,767	6,146
	Earnings per share (in €cents)			
XXV	- basic	48.4	62.1	
XXV	- diluted	48.0	61 .5	

* See pages 88 and 102 for a description of adjustments made to the originally published figures

2.3 Statement of changes in equity

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve*	Other reserves and retained earnings*	Profit for the year	Group's portion of equity	Minorities' portion of equity
31.12.2006	**132,288**	**10,745**	**395**	**(22,782)**	**247,883**	**152,502**	**521,031**	**32,111**
Allocation of 2006 profit:								
- reserves	-	4,763	-	-	57,243	(62,006)	-	-
- dividends	-	-	-	-	(11,264)	(90,496)	(101,760)	(20,083)
Change in translation reserve and other movements	-	-	-	(9,423)	(5,634)	-	(15,057)	7,263
Fair value gains (losses) on hedging instruments	-	-	880	-	224	-	1,104	-
Impact of acquisition of non-controlling investments	-	-	-	-	-	-	-	25,111
Profit for the year*	-	-	-	-	-	158,081	158,081	13,767
31.12.2007	**132,288**	**15,508**	**1,275**	**(32,205)**	**288,452**	**158,081**	**563,399**	**58,169**

* See pages 88 and 102 for a description of adjustments made to the originally published figures

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Profit for the year	Group's portion of equity	Minorities' portion of equity
31.12.2007	**132,288**	**15,508**	**1,275**	**(32,205)**	**288,452**	**158,081**	**563,399**	**58,169**
Allocation of 2007 profit:								
- reserves	-	7,417	-	-	74,345	(81,762)	-	-
- dividends	-	-	-	-	-	(76,320)	(76,320)	(23,575)
Treasury shares	-	-	-	-	(944)	-	(944)	-
Change in translation reserve and other movements	-	-	-	(60,183)	(20,491)	-	(80,674)	11
Fair value gains (losses) on hedging instruments	-	-	(58,432)	-	16,269	-	(42,163)	-
Impact of acquisition of non-controlling investments	-	-	-	-	-	-	-	2,404
Profit for the year	-	-	-	-	-	123,158	123,158	19,913
31.12.2008	**132,288**	**22,925**	**(57,157)**	**(92,388)**	**357,630**	**123,158**	**486,456**	**56,922**

Statement of consolidated gains/(losses) recognised directly in equity

(€k)	31 December 2008	31 December 2007
Fair value gains (losses) on hedging instruments[1]	(42,163)	1,104
Treasury shares	(944)	-
Translation gains (losses) and other movements	(80,674)	(15,057)
Total gains (losses) recognised directly in equity	**(123,781)**	**(13,953)**

[1] Shown net the tax effect classified under "Other reserves and retained earnings"

2.4 Consolidated cash flow statement

(€m)		2008	2007[4]
Note			
	Opening net cash and cash equivalents	**152.7**	**181.6**
	Pre-tax profit and net financial expense for the year (including minorities)	335.1	339.5
XXXII	Amortisation, depreciation and impairment losses, net of reversals	269.8	223.3
	Adjustments in value and capital (gains)/losses on the disposal of financial assets	(3.3)	(0.4)
	Capital (gains)/losses on the disposal of non-current assets	(2.7)	(4.8)
	Change in working capital in the year [1]	79.7	(32.2)
	Net change in non-current assets and liabilities	(29.9)	(18.1)
	Cash flows from operating activities	**648.6**	**507.3**
	Taxes paid	(77.8)	(126.2)
	Net interest paid	(141 .3)	(60.3)
	Net cash flows from operating activities	**429.6**	**320.8**
VII - IX	Investments in property, plant and equipment and intangible assets	(337.3)	(278.2)
	Sale price of assets sold	13.2	37.4
	Purchase of consolidated equity investments [2]	(863.0)	(318.8)
	Net change in non-current financial assets	(1 .2)	9.6
	Cash flows from investing activities	**(1.188.2)**	**(550.0)**
	(Repayment)/issue of bonds	(31 .2)	101 .9
	New long-term loans	1 .019.7	396.8
	Repayments on long-term loans	(136.7)	(39.9)
	Repayments on short-term loans, net of new borrowings	58.9	(136.4)
XXV	Dividend payments	(76.3)	(101 .8)
	Other movements [3]	(25.8)	(16.8)
	Cash flows from financing activities	**808.7**	**203.7**
	Cash flows for the year	**50.0**	**(25.6)**
	Impact of exchange rate differences on net cash and cash equivalents	(10.7)	(3.3)
	Closing net cash and cash equivalents	**192.0**	**152.7**

1 Including translation gains (losses)
2 Net of net cash and cash equivalents on the acquisition date (€44.6m). Figures have been translated at the exchange rate prevailing on 31 December 2008 and therefore differ from those reported in the table in section 3.2. "Business combinations". The purchase cost valued on the respective acquisition dates amounts to €1,044.6m
3 Including dividend payments to the minority shareholders of consolidated companies
4 Figures adjusted to reflect the new method of accounting for actuarial gains and losses on defined benefit pension plans and completion of the fair value measurement of the assets and liabilities of Alpha Group, consolidated since 1 June 2007. See pages 88 and 103 for a description of adjustments to the originally published figures

Reconciliation of net cash and cash equivalents (€m)

	Opening net cash and cash equivalents at 31 December 2008 and at 31 December 2007	**152.7**	**181.6**
I	Cash and cash equivalents	202.0	216.8
XVIII	Current account overdrafts	(49.3)	(35.2)
	Closing net cash and cash equivalents at 31 December 2008 and at 31 December 2007	**192.0**	**152.7**
I	Cash and cash equivalents	209.5	202.0
XVIII	Current account overdrafts	(17.5)	(49.3)

3. Notes

3.1 Accounting policies and consolidation methods

Group operations

The Autogrill Group operates in the food & beverage and travel retail sectors in Italy, and in other countries through subsidiaries. Most of its business takes place at airports, motorway rest stops and railway stations, by way of concession contracts, as well as on-board planes. Autogrill is the only group among the main players in its market that operates almost exclusively under concession.

General standards

These financial statements were prepared in accordance with the International Accounting Standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved 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 Interpretation Committee (IFRIC).
Below is a list of the accounting standards, amendments and interpretations adopted by the European Union that will be applicable from 1 January 2009:
IFRS 8 - Operating Segments
IAS 1 revised - Presentation of financial statements
IAS 23 revised - Financial expense
Amendments to IAS 32 and IAS 1 - Puttable financial instruments and obligations arising on liquidation
Amendments to IFRS 1 and IAS 27 - Cost of an investment in a subsidiary, jointly controlled entity or associate
IFRS 2 revised: Share-based payments: vesting conditions and cancellations
IFRIC 13 - Customer loyalty programs
IFRIC 14 - IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
The Group has opted for the early adoption of IFRS 8, starting with the 2008 financial statements. The new accounting standard, which supersedes IAS 14 - Segment reporting, requires an entity to base the information contained in its segment reporting on factors used by management for taking operating decisions, thereby requiring the identification of operating segments based on internal reports that are regularly reviewed by the entity's management in order to allocate resources to the different segments and to assess their performance. Adoption of this standard has had no effect on the amounts of financial statement items, and merely entails the restatement of information by business segment and geographical segment. See section 3.7 of this report for a review of results by segment.
We believe that the application, where necessary, of the other standards and interpretations listed above would not affect the consolidated financial statements to an extent requiring mention in these notes.
The accounting standards and consolidation methods are the same as those used to prepare the 2007 consolidated financial statements, except for the early adoption of IFRS 8 and the policy for recognising actuarial gains and losses on defined benefit post-employment plans, which were previously recognised immediately in profit or loss.
Carrying on with that method, especially after the recent acquisition of British companies with their sizable pension plans, would have made reported results more volatile due to the wide fluctuations in actuarial estimates.
Therefore, the Group has maintained the option to recognise actuarial gains/losses in the income statement, but has adopted the "corridor" method by which actuarial gains and losses are not reported as long as they are within ±10% of the greater of the plan assets or the present value of the plan obligations. Any excess is recognised in profit or loss over the average remaining service lives of the beneficiaries.
The 2007 figures have been adjusted accordingly, as shown in the table hereafter.

(€k)	2007 consolidated
Consolidated Income Statement for 2007	
Increase in personnel expense	883
Decrease in income tax	(247)
Decrease in Group's profit for the year	636
Consolidated Balance Sheet as at 31 December 2007	
Cumulative increase in employee post-employment and other employee benefit provisions	5,301
Increase in deferred tax assets	(321)
Decrease in deferred tax liabilities	(905)
Cumulative decrease in retained earnings	(4,074)

The impact on 2007 earnings per share comes to €0.3 cents, from €62.4 to €62.1 cents per share.
The consolidated financial statements were prepared on a going-concern basis using the euro as the functional currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k), while those in the cash flow statement are in millions of euros (€m).

Structure, form and content of the consolidated financial statements

In accordance with IAS 1 and IAS 7, the formats used in the 2008 consolidated financial statements are as follows:

- Balance Sheet: with assets and liabilities split between current and non-current items;
- Income Statement: with costs classified by nature;
- Statement of changes in equity;
- Cash flow statement: using the indirect method to determine cash flows from operating activities.

The financial statements of each company in the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with a functional currency other than the euro are translated at the rates prevailing on the balance sheet date. Income and expense are converted at average exchange rates for the year. Exchange differences are recognised in the "translation reserve" under equity. Goodwill and remeasurement at fair value on acquisition of a foreign company are recognised in the appropriate currency and converted at the year-end exchange rate.
Figures at 31 December 2007 have been adjusted with respect to those originally published, to reflect the definitive valuation of the assets and liabilities acquired with Alpha Group Plc. (consolidated from 1 June 2007), which took place within the 12 month permitted by IFRS 3. See section 3.2 for details.
Below are the exchange rates used to translate the financial statements of the main subsidiaries with a functional currency other than the euro:

	2008		2007	
	Rate at 31 December	Average rate for the year	Rate at 31 December	Average rate for the year
US dollar	1.3917	1.4707	1.4721	1.3707
Canadian dollar	1.6998	1.5594	1.4449	1.4675
Swiss franc	1.4850	1.5874	1.6547	1.6427
British sterling	0.9525	0.7963	0.7334	0.6839

Scope and methods of consolidation

The scope of consolidation includes subsidiaries (companies for which Autogrill S.p.A. has the power to determine financial and operational policies so as to obtain benefits from their business, pursuant to IAS 27), joint-ventures (entities subject to joint control, as per IAS 31), and associates (entities subject to significant influence, as per IAS 28, which are consolidated using the equity method). The list of consolidated companies is annexed to these notes.
Specifically, the consolidated financial statements include the financial statements at 31 December 2008 of Autogrill S.p.A., and all companies of which it directly or indirectly holds the majority of the voting rights or over which it exerts dominant influence. These latter include Sorebo S.A., Soberest S.A., Volcarest S.A. and S.R.S.R.A. S.A., which are controlled on the basis of a 50% stake and an agreement that puts their business under the management of Autogrill.
The financial statements of subsidiaries are consolidated on a line-by-line basis, i.e. by recognising the full amount of each asset, liability, income and expense item of the individual company and eliminating the carrying amount of the consolidated equity investments held by the parent against the relative share of equity.
Minority interests in the net assets of consolidated subsidiaries are identified separately from Group equity. Minority interests are determined on the basis of the minority investors' share of the fair value of the assets and liabilities recognised at the date of acquisition (see "Business combinations", below) and of changes in equity after that date.
Any material unrealised gains and losses arising out of transactions between consolidated companies are eliminated, as are all significant payables, receivables, income and expenses between Group companies. These adjustments, like the other consolidation adjustments, take account of any deferred tax effects.
The Autogrill Group holds joint control of Steigenberger Gastronomie GmbH (Germany), Caresquick N.V. (Belgium), Servair Air Chef S.r.l. (Italy), Servizi di Bordo S.r.l. (Italy), and Alpha ASD Ltd. (United Kingdom). All are consolidated using the proportional method.
Since 31 December 2007, the scope of consolidation has expanded to include World Duty Free Europe Ltd. (100%) and Air Czech Catering A.S. (100%).
In addition:

- on 14 April 2008 Autogrill acquired Altadis S.A.'s 49.95% interest in Aldeasa S.A., making this company a wholly-owned subsidiary rather than a joint venture with Altadis;
- on 17 November 2008, Alpha Airport Retail Holdings Pvt. Ltd. acquired the remaining 50% of Alpha Future Airport Retail Pvt. Ltd. (India), gaining 100% control.

See section 3.2 below for a more thorough description of these acquisitions.
Results for 2008 benefit from the full-year consolidation of Alpha Group Plc., which had contributed to just seven month in the previous year as it was consolidated from 1 June 2007, and of Trentuno S.p.A., acquired on 3 May 2007 and consolidated from 1 May of that year.
The income and expense of subsidiaries acquired or sold during the year are included in the consolidated income statement from the actual date of acquisition or to the actual date of disposal, with slight timing adjustments where these dates do not coincide with monthly accounting dates. If necessary, adjustments are made to subsidiaries' financial statements to bring their accounting policies into line with those of the Group.
World Duty Free Europe Ltd. was acquired on 21 May 2008. Prior to the acquisition, its fiscal year was divided into periods of four weeks each, or five weeks when the period coincided with the end of a quarter. On the basis of that calendar, the monthly accounting date closest to the acquisition date is 2 May, so the accounts included in the consolidated financial statements cover the period 3 May to 31 December 2008. In June, the company's closing date was brought into line with the calendar year.
Air Czech Catering A.S., acquired on 2 April 2008, has been consolidated on a line-by-line basis since 1 April.
Aldeasa S.A. and Alpha Future Airport Retail Pvt. Ltd., previously consolidated using the proportional method as they were under joint control, were switched to line-by-line consolidation with effect from 1 April 2008 and 17 November 2008, respectively.
Autogrill Overseas Inc. and its subsidiaries close their fiscal year on the Friday closest to December 31 and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last which is a 16-week quarter. As a result, the accounts included in the 2008 consolidated financial statements cover the period 29 December 2007 to 2 January 2009, while the previous year's accounts covered the period 30 December 2006 to 28 December 2007.

Accounting policies

Business combinations

The Group accounts for all business combinations by applying the purchase method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange of the assets given, liabilities incurred or assumed, and the equity instruments issued by the Group in exchange for control of the acquiree. Any costs directly attributable to a business combination also form part of its overall cost.
The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognised under IFRS 3 - Business Combinations are posted at their fair value on the date of acquisition.
Goodwill arising from the acquisition is recognised as an asset and valued initially at cost, i.e., the amount by which the acquisition cost exceeds the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised on acquisition.
Minority interests in the acquiree are initially measured according to their percentage interest in the fair value of the assets, liabilities and contingent liabilities recognised on acquisition.
On first-time adoption of IFRS (1 January 2005), the Group decided not to apply IFRS 3 - Business Combinations retroactively to the acquisitions made prior to the date of transition to IFRS (1 January 2004). Consequently, goodwill arising on acquisitions made prior to that date has been maintained at the previous value determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

Associates

An associate is a company over which the Group has a significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies.
The associate's income, expenses, assets and liabilities are recognised in the consolidated financial statements using the equity method, except where the investment is classified as held for sale.
Under this method investments in associates are recognised at cost, adjusted to reflect subsequent changes in the associates' net assets and any impairment losses on individual equity investments.
The amount by which the acquisition cost exceeds the Group's share of the fair value of the associate's assets, liabilities and contingent liabilities identifiable on acquisition is recognised as goodwill.

Joint ventures

Entities set up or acquired on the basis of agreements giving equal powers to each investor are classified as joint ventures. The Group recognises joint ventures using the proportional method of consolidation. In this case, the Group's share of the joint venture's assets, liabilities, costs and revenue is incorporated line by line with the equivalent items in the consolidated financial statements.
Unrealised gains and losses on transactions between a Group company and a joint venture are eliminated in proportion to the Group's percentage interest in the joint venture, unless the unrealised losses are evidence of an impairment loss on the transferred asset.
Joint ventures are detailed separately in the list of Group companies at the end of these financial statements.

Recognition of income and costs

Purchases and sales of goods are recognised on transfer of title at fair value, i.e., the price paid or received net of returns, rebates, sales discounts and year-end bonuses.
Service income and costs are recognised according to the stage of completion at year end.
Interest income and expense are reported on an accruals basis. Dividends are recognised when the shareholders are entitled to receive payment.
Recoveries of costs borne on behalf of third parties are recognised as a deduction from the related cost.
Financial expense are charged to the income statement on an accruals basis and are not capitalised.

Employee benefits

All employee benefits are recognised and disclosed on an accruals basis.
Group companies provide defined benefit and defined contribution plans.
Post-employment benefit plans are formalised and non-formalised agreements whereby the Group provides post-employment benefits to one or more employees.
The manner in which these benefits are provided varies according to legal, fiscal and economic conditions in the countries in which the Group operates, and are normally based on compensation and years of service.
Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions should the fund have insufficient assets to pay all 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 value of money.
The liability is recognised in the accounts net of the fair value of any plan assets. If this fair value exceeds the value of the liability, it is recognised as an asset. Actuarial valuations are made by actuaries outside the Group. Regarding the actuarial gains and losses arising from the calculation of plan liabilities, since 2008 the Group has opted for the "corridor" method, by which actuarial gains and losses are not reported as long as they are within ±10% of the greater of the plan assets or the present value of the plan obligations. Any excess is recognised in profit or loss over the average remaining service lives of the beneficiaries, under the item "personnel expense," along with the provision accrued for the year. The financial component is included among financial expense.
Due to changes in the system of post-employment benefits ("Trattamento di fine rapporto" or "TFR") brought about by Law 296 of 27 December 2006 and by the decrees and regulations issued in early 2007 (the "social security reform"), the Group has adopted the following accounting rules:

- 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 recognised in the period when the right matures;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognised as costs and shown as a liability under post-employment benefits and other employee benefit provisions, net of any contributions already paid.

Tax

Tax for the year is the sum of current and deferred taxes.
Current tax is calculated on taxable income for the year. Taxable income differs from the result reported in the income statement because it excludes costs and income that will be deducted or taxed in other years, as well as items that will never be deducted or taxed. Current tax liabilities are determined using the tax rates in effect (on an official or de facto basis) as at the reporting date.
For the period 2007-2009, Autogrill S.p.A., together with its wholly-owned Italian subsidiaries Autogrill International S.p.A., Nuova Sidap S.r.l., Trentuno S.p.A., Alpha Retail Italia S.r.l., and Nuova Estral S.r.l., have joined the domestic tax consolidation scheme of the ultimate parent Ragione S.A.p.A. di Gilberto Benetton e C., as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for payment in full of the amount corresponding to the transferred losses or profits times the IRES (corporate tax) rate, as well as the transfer of any tax credits. The net current tax credit or liability for the year, in respect of IRES only, is therefore recognised as a receivable or payable due from/to Ragione S.A.p.A. di Gilberto Benetton e C. and is not shown under tax assets or liabilities but under "other receivables" or "other payables".

Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent that future taxable income is likely to be earned allowing use of the deductible temporary differences. Specifically, the carrying amount of deferred tax assets is reviewed at the close of every period and reduced to the extent that sufficient future taxable income is available to cover them wholly or in part.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill (not in business combination transactions) or of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income. Deferred tax liabilities are recognised on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Group is able to monitor the reversal of the temporary differences and they are unlikely to be reversed in the foreseeable future.
Deferred taxes are calculated using the tax rate expected to be in force at the time the asset is realised or the liability is settled.
Deferred tax assets and liabilities are offset when there is a legal right to offset current tax balances, when they pertain to the same tax authorities, and when the Group plans to settle its current tax assets and liabilities on a net basis.

Non-current assets

Other intangible assets

"Other intangible assets" are recognised when it is likely that use of the asset will generate future economic benefits and when its cost can be reliably determined.
They are recognised at purchase price or production cost, including ancillary charges, and amortised over their useful life.
The Group reviews their estimated useful lives at each year-end and whenever there is evidence of possible impairment. If impairment losses arise - determined in accordance with the section on Impairment of assets - the asset is written down accordingly.
The following are the amortisation periods used for the various kinds of intangible assets:

Concessions, licenses, brands and similar rights:	
Software licenses	3 years
License to sell state monopoly goods	Duration of license
Brands	15-20 years
Agreement rights	Duration of the rights
Other:	
Software on commission	3 years
Other costs to be amortised	5 years or duration of underlying contract

Property, plant and equipment

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

On transition to IFRS, these revaluations were maintained in the financial statements as they are consistent with IFRS 1.
Property, plant and equipment are depreciated on a straight-line basis at rates deemed to reflect their estimated residual useful lives. The Group reviews the useful life of each asset at every year end. The cost of assets to be relinquished free of charge includes expenses (provided they meet the conditions set in IAS 37) that the entity reasonably estimates it will incur at the end of the contract period to ensure that the assets are handed back in the specified condition, assuming the usual frequency and extent of maintenance work. Components of significant value (in excess of €500k) or with a different useful life (50% longer or shorter than that of the asset to which the component belongs) are considered separately when determining depreciation.

The depreciation rates are as follows:

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

Land is not depreciated.
For assets to be transferred free of charge, these rates, if higher, are replaced by those corresponding to the duration 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 recognised, if there are impairment losses (determined as described under "Impairment of assets"), the asset is written down accordingly.
Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalised and increase the carrying amount of the asset. 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 duration of the contract, whichever is shorter.
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 recognised at fair value as at the contract date 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 so as to attain a constant interest rate on the residual liability. Financial expense are recognised in the statement of income.
Operating lease payments are recognised on a straight-line basis 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 recognised on a straight-line basis over the term of the lease.

Impairment of assets
At each balance sheet or interim reporting date, the Group tests whether there is evidence of impairment of its property, plant and equipment or intangible assets. If so, the recoverable amount of the assets is estimated to determine any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs; a cash-generating unit is a group of assets that generates cash flows broadly independent from other assets or groups of assets. With regard to property, plant and equipment used in the sales network, this minimum aggregation unit is the sales outlet or sales outlets covered by a single concession agreement.
Goodwill is tested for impairment at each year end and any time that there is evidence of possible impairment.
The recoverable amount is the higher of fair value less costs to sell and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.
If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, it is reduced to the recoverable amount. Impairment losses are recognised in the income statement.
If the reason for the impairment no longer exists, the asset or cash-generating unit is written back to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the net carrying amount that the asset would have had if the impairment loss had not been charged. The writeback is taken immediately to the income statement.

Current assets and liabilities

Inventories
Inventories are recognised 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 promotions, calculated using the FIFO method.

Financial assets and liabilities

Trade receivables
Trade receivables are disclosed at amortised cost using the effective interest method or at acquisition cost when there is no payment term. In both cases they are reduced by an appropriate amount to account for estimated bad debts.

In accordance with IAS 39, factoring transactions are reported by eliminating the factored assets from the balance sheet if the contract entails the full transfer of contractual rights to receive cash flows from the asset, and the Company has substantially transferred all of the risks and rewards of ownership. The difference between the carrying amount of the asset transferred and the amount received is recognised in the income statement.

Other financial assets
"Other financial assets" are recognised or derecognised on the transaction date and are initially measured at cost, including direct acquisition costs. On subsequent balance sheet dates, the financial assets that the Group has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortised cost net of impairment losses.

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each period end at fair value. If the financial assets are held for trading, gains and losses arising from changes in fair value are recognised in that year's income statement. Fair value gains and losses on other financial assets not held for trading are recognised directly in equity until they are sold or impaired. In this case total gains or losses previously recognised in equity are taken to the income statement.

Share capital and purchase of treasury shares
Ordinary shares form part of equity.

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

Cash and cash equivalents
Cash and cash equivalents include cash and current accounts with banks and post offices, as well as demand deposits and other highly liquid short-term financial investments that are immediately convertible to cash; they are stated at face value as they are subject to no significant risk of impairment.

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

Convertible bonds
Convertible bonds are financial instruments comprised of a liability component and an equity component. The fair value of the liability is measured as at the issue date using the spot market interest rate for similar, non-convertible bonds. The difference between the net amount raised by the issue and the fair value assigned to the liability, which represents the implicit option to convert the bonds into shares of Group companies, is recognised in equity under "Other reserves".

Trade payables
Trade payables are recognised at face value, and since the financial effect of payment deferral is not material, the carrying amount approximates the amortised cost.

Derivative financial instruments and hedge accounting
The Group's liabilities are exposed primarily to financial risks due to changes in interest rates. To manage these risks the Group uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. Some Group companies have a policy of converting part of floating-rate debt into fixed-rate. The use of derivatives is governed by Group policies duly approved by Autogrill S.p.A.'s Board of Directors, which establish precise written procedures concerning the use of derivatives in accordance with the Group's risk management strategies. Derivative contracts were entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.
See the policy described in section 3.6.
In accordance with IAS 39, derivative financial instruments used for hedging qualify for hedge accounting only if, at the inception of the hedge: (i) there is formal designation and documentation of the hedging relationship; (ii) the hedge is assumed to be effective; (iii) effectiveness can be reliably measured; (iv) the hedge is effective throughout the financial reporting periods for which it was designated.
All of the Group's derivative financial instruments are measured at fair value, as established by IAS 39.

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 recognised 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 recognised in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of that item and is recognised in profit or loss;
» Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognised 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 recognised in equity. The cumulative gain or loss is eliminated from equity and reclassified to the income statement in the same year in which the hedged transaction is recognised. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognised in the income statement immediately. If a hedge or a hedging relationship is closed, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in equity are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to occur, the unrealised gains or losses still recognised directly in equity are immediately reclassified to profit or loss;
» Hedge of net investment: if a derivative is designated as a hedge of a net investment in a foreign operation, including a hedge of a monetary amount which is accounted for as being part of the net investment, the effective portion of fair value gains or losses on the hedge is recognised in equity and the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the realised gains and losses on the effective portion of the hedge recognised in equity are taken to the income statement.

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

Provisions for risks and charges

Provisions are recognised when the Group has a present obligation as a result of a past event and it is likely that the expense will be incurred. Provisions are based on the best estimate of the cost of fulfilling the obligation as at the reporting date, and when the effect is material, are discounted to their present value.

Translation of foreign currency balances

Transactions in foreign currencies are converted into the functional currency at the exchange rate in effect on the transaction date. Foreign currency assets and liabilities are converted at the year end exchange rate. Exchange differences arising from translation are recognised in the income statement.

Use of estimates

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

3.2 Business combinations

Acquisitions taking place during the year were recognised in accordance with IFRS 3, as described below.

World Duty Free Europe Ltd.

On 9 March 2008, having submitted the winning bid and completed commercial and financial due diligence, Autogrill signed a contract for the acquisition of 100% of World Duty Free Europe Ltd. (WDFE), a British company registered in London, for a total investment of £574m (comprising £546.6m as the offer price referring to 1 January 2008, £15.7m for revaluation at the time of the closing, and £11.7m of transaction costs).

The acquisition was subject to approval by the European Commission, received on 16 May 2008. The closing took place on 21 May, with the transfer of WDFE's entire capital to Autogrill España S.A.U., after paying out £101.7m to the vendor to represent the cash held by the company at 31 December 2007.

The acquisition was financed entirely through medium-term bank loans. More specifically, a tranche denominated in British pounds of the €1 billion syndicated credit facility taken out by Autogrill S.p.A. on 19 March 2008 was allocated to the acquisition of WDFE. The terms and conditions of the credit facility are discussed in note XXI.

Business activity

WDFE operates in airport travel retail & duty-free, handling all of the usual merchandise under duty-free, tax free, tax paid and duty paid arrangements.
WDFE is the leading company of its kind in the United Kingdom. It has operations at seven of the largest UK airports, including Heathrow, whose 63 million passengers per year make it the third largest in the world in terms of traffic. With about 2,000 employees, it runs 57 stores with a combined size of 15,000 square meters, and an assortment of over 13,000 items. Its store locations attract large numbers of non-EU passengers, who normally generate higher margins than those traveling within the EU. WDFE is specialised in beauty products, a growing segment that has more than offset the decline in tobacco sales in recent years.
Net revenue in 2007 came to £420.5m and EBIT to £25.7m.
When it was sold to Autogrill, WDFE revised its 12-year sub-concession contract with B.A.A. Ltd. (British Airports Authority, the leading operator of UK airports) to provide for a three-year extension if certain contractually agreed standards of service are met.

Consolidation

WDFE was consolidated on a line-by-line basis as from 3 May 2008.
To the Group's 2008 accounts it contributed revenue of €405.8m (7% of the total) and a profit for the year (pertaining to the Group) of €12m, after €4.3m for the amortisation of intangible assets with finite useful lives (€3.1m net of the tax effect), to which part of the purchase price was allocated, and restructuring expenses of €8.1m. The full impact of the acquisition on the consolidated accounts includes €31.4m in financial expense on the relative loan (€22.6m net of the tax effect).
Had WDFE been acquired at the start of the year, consolidated revenue for the Autogrill Group would have been higher by €144.1m and the consolidated profit from the year by €8.1m, before financial expense and amortisation as described above.
The accounts as at the acquisition date have been adjusted for:

» the recognition of £2.6m (€3.2m) for alignment of the useful life of software (4 or 7 years) to the Autogrill Group's policy (3 years) and the relative tax effect (£0.8m or €1m);
» the recognition of £4.2m (€5.2m) in repair and replacement costs for concessions requiring that premises be returned in a given condition. The item "Property, plant and equipment" has been increased as a contra-entry. This higher value will be amortised across the residual life of the contracts;

» attribution of €128.3m (£102.8m) to the World Duty Free tradename. Fair value was measured using the premium profits method, which discounts the differential income that the intangible asset is able to produce for its owner. That income is determined by estimating the specific benefits (higher margins/lower costs) that the intangible can theoretically provide to its owner with respect to the normal situations of competitors unable to use it. The tradename's useful life is estimated at 20 years. A tax effect of €35.9m (£28.8m) was also recorded;
» recognition at fair value of the "World of Whisky" brand (€1m or £0.8m) and the relative tax effect (€0.2m or £0.2m). Fair value was estimated using the relief from royalty method.

Below are the assets and liabilities of WDFE at the acquisition date, with the relative attribution of the purchase price as described above. IFRS 3 allows the recognition of any further items that should emerge as applicable at the time of the acquisition, within 12 month of the acquisition date.

	World Duty Free Europe Ltd.	Adjustments	World Duty Free Europe Ltd. adjusted	
	(£m)	(£m)	(£m)	(€m)*
Intangible assets	8.8	101 .1	109.9	137.1
Property, plant and equipment	26.3	4.2	30.5	38.1
A) Non-current assets	**35.1**	**105.3**	**140.4**	**175.2**
Inventories	28.4	-	28.4	35.4
Other receivables	7.4	-	7.4	9.2
Trade payables	(39.3)	-	(39.3)	(49.0)
Other payables	(19.8)	-	(19.8)	(24.7)
B) Working capital	**(23.3)**	**-**	**(23.3)**	**(29.1)**
C) Capital employed, net of current liabilities	**11.8**	**105.3**	**117.1**	**146.1**
D) Other non-current non financial assets and liabilities	**(1.1)**	**(32.4)**	**(33.5)**	**(41.8)**
E) Net capital employed	**10.7**	**72.9**	**83.6**	**104.3**
F) Equity	**37.1**	**72.9**	**110.0**	**137.2**
G) Net financial position	**(26.4)**	**-**	**(26.4)**	**(32.9)**
H) Total, as in E)	**10.7**	**72.9**	**83.6**	**104.3**
Cost of purchase				730.6
Goodwill				593.4

* The balances were converted at the exchange rate on the date of the acquisition, £/€0.80145

The euro equivalent of the aforementioned acquisition cost in British pounds, less transaction costs, was set by means of currency hedges contracted in March 2008 for a total notional amount of £563m, against signature of the contract to purchase the investment.

The positive difference between Autogrill S.p.A.'s interest in the adjusted carrying amounts reported above and the cost of the acquisition is recognised as goodwill.

Air Czech Catering A.S.

On 2 April 2008, from Czech Airlines A.S., Alpha Group Plc. acquired the airline's exclusive provider of in-flight services: Air Czech Catering A.S.
The price for the acquisition was 680.2m Czech korunas, or approximately €27.1m.
The table below shows assets and liabilities at the acquisition date. The excess between Autogrill's interest in these values and the cost of the acquisition was recognised as goodwill. IFRS 3 allows the recognition of any further items that should emerge as applicable at the time of the acquisition, within 12 month of the acquisition date.

	Air Czech Catering A.S. (Czkm)	Adjustments (Czkm)	Air Czech Catering A.S. adjusted (Czkm)	(€m)*
Intangible assets	0.9	26.0	26.9	1 .1
Property, plant and equipment	318.4	-	318.4	12.7
A) Non-current assets	**319.3**	**26.0**	**345.3**	**13.8**
Inventories	16.5	-	16.5	0.7
Trade receivables	69.6	-	69.6	2.8
Trade payables	(47.4)	-	(47.4)	(1 .9)
Other payables	(42.1)	-	(42.1)	(1 .7)
B) Working capital	(3.5)	-	(3.5)	(0.1)
C) Capital employed, net of current liabilities	315.8	26.0	341.8	13.6
D) Other non-current non financial assets and liabilities	(7.5)	(5.0)	(12.5)	(0.5)
E) Net capital employed	308.3	21.0	329.3	13.1
F) Equity	408.9	21.0	429.9	17.1
G) Net financial position	(100.6)	-	(100.6)	(4.0)
H) Total, as in E)	308.3	21.0	329.3	13.1
Cost of purchase				27.1
Goodwill				10.0

* Exchange rate on the date of the acquisition, Czk/€25.07

Air Czech Catering was consolidated from 1 April 2008 on a line-by-line basis, contributing revenue of €20m (0.3% of the total) and adding €2.5m to the Group's portion of profit for the year.
Had it been acquired on 1 January 2008, consolidated revenue would have been higher by an estimated €5.5m, while the bottom line would not be substantially different.

Alpha Future Airport Retail Pvt Ltd.

On 17 November 2008 Alpha Airport Retail Holdings Pvt. Ltd. acquired from India's Pantaloon Retail the remaining 50% of Alpha Future Airport Retail Pvt. Ltd., which operates travel retail & duty-free shops at airports.
The acquisition cost was $6.9m, or approximately €5.5m.
The table below shows assets and liabilities at the acquisition date. The excess between Autogrill's interest in these values and the cost of the acquisition was recognised as goodwill. IFRS 3 allows the recognition of any further items that should emerge as applicable at the time of the acquisition, within 12 month of the acquisition date.

	Alpha Future Airport Retail Pvt. Ltd. ($m)	Adjustments ($m)	Alpha Future Airport Retail Pvt. Ltd. adjusted ($m)	(€m)*
Property, plant and equipment	0.4	-	0.4	0.3
A) Non-current assets	**0.4**	**-**	**0.4**	**0.3**
Inventories	4.3	-	4.3	3.4
Trade receivables	0.3	-	0.3	0.2
Other receivables	5.4	-	5.4	4.3
Trade payables	(9.1)	-	(9.1)	(7.2)
Other payables	(1 .6)	-	(1 .6)	(1 .3)
B) Working capital	**(0.7)**	**-**	**(0.7)**	**(0.6)**
C) Net capital employed	**(0.3)**	**-**	**(0.3)**	**(0.2)**
D) Equity	**1.4**	**-**	**1.4**	**1.1**
E) Net financial position	**(1.7)**	**-**	**(1.7)**	**(1.3)**
F) Total, as in E)	**(0.3)**	**-**	**(0.3)**	**(0.2)**
Cost of purchase				5.5
Goodwill				4.4

* Exchange rate on the date of the acquisition, $/€1 .266

Aldeasa S.A.

On 7 March 2008 the Autogrill Group signed an agreement to take over Altadis S.A.'s 49.95% interest in Aldeasa S.A. (Aldeasa), thus acquiring full control.
The acquisition was subject to approval by the European Commission, received on 8 April 2008. On 14 April, Autogrill España S.A.U. therefore completed the acquisition at a price of €275m. Additional transaction costs came to €0.5m.
The acquisition was financed entirely through medium-term bank loans, more specifically, a tranche of the €1 billion credit facility taken out by Autogrill S.p.A. on 19 March 2008. The terms and conditions of the credit facility are discussed in note XXI.
The Aldeasa group was consolidated on a line-by-line basis from 1 April 2008. For the 2008 consolidated financial statements, this meant higher revenue of €330.4m and a decrease of €3.9m in the Group's share of profit for the year. The profit effect includes amortisation of €16.2m for intangible assets with finite useful lives (to which part of the purchase price was allocated), restructuring expenses of €2.7m, and financial expense of an estimated €10.6m on the loan used to purchase the investment, net of tax effects.

Assets and liabilities at the acquisition date are shown below, with the relative attribution of the purchase price. IFRS 3 allows the recognition of any further items that should emerge as applicable at the time of the acquisition, within 12 month of the acquisition date.

(€m)	Aldeasa group 50%	Adjustments	Aldeasa group adjusted 50%
Intangible assets	1.4	98.5	99.9
Property, plant and equipment	28.5	-	28.5
Financial assets	2.6	-	2.6
A) Non-current assets	**32.5**	**98.5**	**131.0**
Inventories	46.5	-	46.5
Trade receivables	1.6	-	1.6
Other receivables	16.0	-	16.0
Trade payables	(48.0)	-	(48.0)
Other payables	(14.1)	-	(14.1)
B) Working capital	**2.1**	**-**	**2.1**
C) Capital employed, net of current liabilities	**34.6**	**98.5**	**133.1**
D) Other non-current non financial assets and liabilities	**0.9**	**(13.7)**	**(12.8)**
E) Net capital employed	**35.5**	**84.8**	**120.3**
Equity pertaining to the Group	(45.0)	84.8	39.8
Equity pertaining to minorities	4.7	-	4.7
F) Equity	**(40.3)**	**84.8**	**44.5**
G) Net financial position	**75.7**	**-**	**75.7**
H) Total, as in E)	**35.5**	**84.8**	**120.3**
Cost of purchase			275.5
Goodwill			235.7

The valuation of assets and liabilities upon acquisition of the remaining share led to the attribution of €98.5m in contractual rights.
The fair value of these rights was measured by comparing the terms and conditions of existing sub-concession contracts with those prevailing in the market for comparable arrangements, and discounting any difference found. The allocation therefore reflects the general increase in contractual fees over the past few years.
In relation to the differences between the values attributed to these assets and the corresponding tax bases, deferred taxes have been recognised for €13.7m.
Total goodwill from the Aldeasa group acquisition, therefore, amounts to €540.7m.
Had full control of Aldeasa been acquired at the start of the year, Autogrill's consolidated revenue for 2008 would have been an estimated €85.6m higher, and the profit for the year €2.6m lower, due in part to the amortisation of intangible assets with finite useful lives identified upon allocation of the higher price paid.

Alpha Group Plc.

In the first half of 2008 Autogrill finished valuing the assets and liabilities of Alpha Group, a British group acquired in stages since May 2007. The acquisition was completed with the squeeze-out of remaining minority shareholders through a takeover bid launched on 4 June 2007. This was followed by the stock's delisting by the UKLA and its exclusion from trading on the London Stock Exchange.

The valuations, completed within the 12 month permitted by IFRS 3 for the finalisation of acquisition accounting, led to the following with respect to the provisional balance sheet figures at 31 December 2007:

» the recognition of £1.6m (€2.3m) in further liabilities for onerous contracts;
» the recognition of £0.6m (€0,9m) in extra provisions, due to a revocatory action on payments received from a customer subject to bankrupcy proceedings;
» the writedown of a receivable due from a joint venture in the amount of £0.4m (€0.6m);
» a reduction of £0.6m (€0.9m) in the carrying amount of software due to alignment with the Autogrill Group's accounting policies;
» an increase of £7.6m (€11.3m) in the deficit on defined benefit pension plans, caused by the revision of actuarial parameters to match those used by the trustee, during periodic valuation of the financial coverage of the fund's liabilities. The tax effect on this adjustment came to £2.1m (€3.2m).

The net impact of these adjustments is £8.7m (€12.9m at the exchange rate in effect on the acquisition date), leading to an increase in the value of goodwill recognised at the time of the acquisition.

The following table shows the final acquisition values and subsequent adjustments made in order to recognise assets, liabilities and contingent liabilities at fair value, and capitalise the difference between the Group's interest in these items and the cost of the acquisition as goodwill.

	Alpha Group Plc. (£m)	Adjustments (£m)	Alpha Group Plc. adjusted (£m)	Alpha Group Plc. adjusted (€m)*
Intangible assets	8.0	32.0	39.9	59.3
Property, plant and equipment	64.3	4.0	68.3	101 .4
Financial assets	0.7	-	0.7	1.0
A) Non-current assets	**73.0**	**36.0**	**108.9**	**161.6**
Inventories	39.8	-	39.8	59.1
Trade receivables	40.7	-	40.7	60.3
Other receivables	28.9	-	28.9	42.9
Trade payables	(47.5)	-	(47.5)	(70.4)
Other payables	(32.6)	-	(32.6)	(48.4)
B) Working capital	**29.3**	**-**	**29.3**	**43.5**
C) Capital employed, net of current liabilities	**102.3**	**36.0**	**138.2**	**205.1**
D) Other non-current non financial assets and liabilities	**(27.6)**	**(17.1)**	**(44.7)**	**(66.3)**
E) Net capital employed	**74.7**	**18.9**	**93.6**	**138.8**
Group's portion of equity	8.3	3.7	12.0	17.8
Minorities' portion of equity	3.2	15.2	18.4	27.3
F) Equity	**11.5**	**18.9**	**30.4**	**45.1**
G) Net financial position	**63.2**	**-**	**63.2**	**93.8**
H) Total, as in E)	**74.7**	**18.9**	**93.6**	**138.9**
Cost of purchase				292.3
Goodwill				274.5

* Exchange rate on the date of the acquisition, £/€0.674

3.3 Notes to the balance sheet

Current assets

I. Cash and cash equivalents

(€k)	31.12.2008	31.12.2007	Change
Bank and post office deposits	139,508	87,331	52,177
Cash and cash equivalents	70,030	114,692	(44,662)
Total	209,538	202,023	7,515

The new consolidated entities contributed €29,409k to this item. The increase on a currency-adjusted basis would have been €16,944k.
Bank and post office deposits consist mainly of time deposits, which pay interest at rates very close to the Libor/Euribor; the increase on 2007 is due primarily to the contribution of the acquired companies.
Cash and cash equivalents include cash floats at stores and amounts in the process of being credited to bank accounts, and may vary according to the frequency of deposit.

II. Other financial assets

(€k)	31.12.2008	31.12.2007	Change
Fair value of interest rate hedges	10,555	6,709	3,846
Receivables from associates	7,187	3,817	3,370
Fair value of exchange rate hedges	2,819	5,763	(2,944)
Other financial assets	2,217	5,631	(3,414)
Total	22,778	21,920	858

The fair value of interest rate hedges refers to derivatives outstanding at 31 December 2008, with a combined notional value of $75m.
The fair value of exchange rate hedges refers in particular to the forward purchase of $14.4m, Chf46.9m, Czk591m, and Sek39m.
See section 3.6, “Financial risk management,” for a more detailed analysis.
Receivables from associates are mostly due from North American companies.
Most of the other financial assets are receivables from joint venture partners.

III. Tax credits

These amount to €17,977k and refer to income tax advances and credits.

IV. Other receivables

(€k)	31.12.2008	31.12.2007	Change
Suppliers	71,516	60,503	11,013
Credit card receivables	7,285	10,356	(3,071)
Lease and concession advance payments	14,876	19,474	(4,598)
Inland revenue and government agencies	19,090	21,476	(2,386)
Sub-concessionaires	3,826	3,768	58
Advances to grantors for investments	3,986	4,862	(876)
Staff	4,938	4,349	589
Other	46,257	48,365	(2,108)
Total	**171,774**	**173,153**	**(1,379)**

The new consolidated entities contributed €37,740k, mostly under the items "Other" (€12,621k), "Inland revenue and government agencies" (€5,544k), "Suppliers" (€15,102k) and "Lease and concession advance payments" (€1,951k). At constant exchange rates, there would have been an increase of €2,683k.
"Other" includes the amount due from the parent Ragione S.A.p.A. di Gilberto Benetton e C. to the main Italian companies that have opted for the domestic tax consolidation scheme for the years 2007 through 2009 (€3,761k).
"Suppliers" refer chiefly to amounts receivable for promotional contributions and supplier bonuses as well as advances for services to be received; "Lease and concession advance payments" refer to fees paid in advance or as a one-off payment when entering into new concession contracts; receivables from "Inland revenue and government agencies" relate mostly to indirect taxes and those from "Sub-concessionaires" to businesses licensed to others, while "Advances to grantors for investments" concern commercial investments carried out on behalf of the grantors.
The item "Other" consists mainly of prepayments for maintenance fees, insurance policies, local taxes, and commissions receivable on commission-generating businesses.

V. Trade receivables

(€k)	31.12.2008	31.12.2007	Change
Third parties	102,201	109,309	(7,108)
Disputed receivables	6,809	5,724	1,085
Provision for bad debts	(10,650)	(10,226)	(424)
Total	**98,360**	**104,807**	**(6,447)**

The newly consolidated entities contributed €4,423k and the increase on a currency-adjusted basis would have been €3,839k.
"Third parties" refers mainly to catering service agreements, accounts with affiliated companies and agreements with airlines to provide meals and retail products, the latter referring to the in-flight operations of Alpha.
Movements in the provision for bad debts are shown below:

(€k)	
Provision for bad debts at 31.12.2007	**10,226**
Increases	779
Other movements	93
Utilisations	(448)
Provision for bad debts at 31.12.2008	**10,650**

Other movements mostly include the contribution of the new consolidated entities.

VI. Inventories

(€k)	31.12.2008	31.12.2007	Change
Food & beverage and retail items	263,110	192,963	70,147
Sundry merchandise and other items	3,885	3,812	73
Total	**266,995**	**196,775**	**70,220**

The new consolidated entities contributed €78,032k. At constant exchange rates, there would have been an increase of €78,285k.
Inventories are shown net of the provision for obsolescence of €4,991k (€2,289k at 31 December 2007), determined on the basis of slow-moving goods. The accrual for the year was €3,783k and utilisations came to €1,184k.

Non-current assets

VII. Property, plant and equipment

	31.12.2008			31.12.2007		
(€k)	Historical cost	Accumulated depreciation and impairment losses	Carrying amount	Historical cost	Accumulated depreciation and impairment losses	Carrying amount
Land and buildings	179,696	(72,149)	107,547	146,581	(60,081)	86,500
Leasehold improvements	1,013,788	(665,405)	348,383	940,878	(628,868)	312,010
Plant and machinery	319,600	(215,978)	103,622	292,686	(209,093)	83,593
Industrial and commercial equipment	755,997	(531,387)	224,610	635,334	(466,330)	169,004
Assets to be transferred free of charge	478,171	(342,980)	135,191	463,777	(321,614)	142,163
Other	118,274	(89,732)	28,542	99,789	(73,867)	25,922
Assets under construction and advances	117,589	-	117,589	88,911	-	88,911
Total	**2,983,115**	**(1,917,631)**	**1,065,484**	**2,667,956**	**(1,759,853)**	**908,103**

The new consolidated entities contributed €82,653k and the increase on a currency-adjusted basis would amount to €153,930k.
Impairment testing of individual locations or contracts resulted in impairment losses of €9,494k. These tests are based on projected cash flows, without taking potential efficiency gains into account. The discount rate used corresponds to the average cost of capital gross of tax and varied from 7.2% to 11.7%, depending on the cost of money and the specific business risks associated with each country of operation.
Investments during the year amounted to €337,265k, while the net carrying amount of disposals was €10,522k; disposals generated net capital gains of €2,699k.
Leasehold improvements refer to expenses incurred to set up or adapt leased premises and concessions. This includes costs for the development of locations managed at airports, on motorways and at shopping centers in the US, as well as several locations in Europe.
Assets under construction and advances refer to North American operations for €65,089k (€57,993k at the end of 2007).
The Group uses third party assets worth €1,397k and rents businesses with assets worth €14,581k.

The items in the following table include the contractual value of property, plant and equipment held under finance leases, calculated using the financial method.

(€k)	31.12.2008 Historical cost	31.12.2008 Accumulated depreciation and impairment losses	31.12.2008 Carrying amount	31.12.2007 Historical cost	31.12.2007 Accumulated depreciation and impairment losses	31.12.2007 Carrying amount
Land and buildings	2,869	(1,007)	1,861	2,869	(797)	2,071
Plant and machinery	294	(176)	118	688	(318)	370
Assets to be transferred free of charge	13,809	(8,491)	5,318	15,148	(9,111)	6,036
Other	2,052	(2,052)	-	2,666	(2,599)	67
Total	**19,024**	**(11,727)**	**7,297**	**21,370**	**(12,826)**	**8,545**

The item "Other" refers to means of transport used by the in-flight business.

The financial payable for these transactions amounts to €11,698k and is included under "Other financial liabilities" (current) for €2,313k (€2,371k at the end of 2007) and "Other financial liabilities" (non-current) for €9,385k (€12,258k the previous year). Future lease instalments total €12,762k.

VIII. Goodwill

At 31 December 2008 goodwill amounted to €2,001,484k, compared with €1,294,082k in the previous year. The increase of €707,402k is due mainly to the recognition of goodwill on the acquisition of 49.95% of Aldeasa and 100% of WDFE. As mentioned in the "Business combinations" section, the amount at 31 December 2007 was adjusted to reflect the definitive fair-value measurement of the assets and liabilities of Alpha Group, consolidated from 1 June 2007.
Although the allocation of the purchase price for acquisitions made in 2008 is essentially complete, IFRS 3 allows the recognition, within 12 month of the acquisition date, of any further items that should emerge as applicable at the time of the acquisition.
At constant exchange rates, the increase in this item would have been €843,078k.
In 2008, considering the extent of acquisitions during the year, the Group began to integrate and reorganise its operations in a process that will be completed in the coming years. The identification of cash generating units (CGUs) takes account of that process and has entailed the re-allocation of goodwill recognised in prior years to the new CGUs. Goodwill was allocated on the basis of business segments, and in some cases further split by geographical region, consistently with the minimum level at which goodwill is monitored for internal management purposes.

Details of goodwill allocation are provided in the table below:

(€k)	31.12.2008	31.12.2007	Change
Food & beverage Italy	87,886	87,937	(51)
Food & beverage HMSHost	424,185	405,344	18,841
Food & beverage Other	268,841	261,651	7,190
Travel retail & duty-free:			
Europe	788,000	208,554	579,446
America	140,121	89,648	50,473
Rest of the world	197,169	125,005	72,164
In-flight	95,282	115,943	(20,661)
Total	**2,001,484**	**1,294,082**	**707,402**

The recoverability of the goodwill allocated to each CGU is tested by estimating their value in use, defined as the present value of estimated future cash flows discounted at a rate reflecting the time value of money (differentiated by currency area) and specific risks of the individual CGUs as at the measurement date. The discount rate was set in consideration of the capital assets pricing model, which is based, as far as possible, on indicators and variables that can be observed from the market.

Future cash flows have been estimated on the basis of the 2009 budget and forecasts for 2010-2013. Cash flows beyond 2013 have been projected by extrapolating information from those forecasts and applying nominal growth rates ("g"), in keeping with the assumptions used to determine discount rates, which do not exceed the long-term growth estimates of each CGU's sector and country of operation.

Below are the main assumptions used with respect to discount rates for future cash flows and nominal growth rates:

	Discount rate	g rate
Food & beverage Italy	10.16%	2.0%
Food & beverage HMSHost	11.65%	2.0%
Food & beverage Other	7.24 - 9.80%	2.0%
Travel retail & duty-free:		
Europe	8.82% - 9.30%	2.0%
America	8.19% - 11.11%	2.0% - 3.5%
Rest of the world	11.38%	3.5%
In-flight	11.14%	2.0%

To estimate cash flows for the period 2009-2013, management made a number of assumptions, including an estimate of air and road traffic volumes and thus of the future growth of sales, operating costs, investments, and changes in working capital.
The principal assumptions used to estimate cash flows can be broken down by business segment:

» **Food & Beverage Italy:**
it was assumed that motorway traffic would continue to decline in 2009, following an initial downturn in September 2008. In the following years it is expected to grow by an average of 3.5% per year. The renewal rate of existing contracts was estimated on the basis of the Group's historical trends. The total incidence of operating costs is assumed to rise slightly as from 2009 and then remain essentially stable.

» **Food & Beverage HMSHost:**
projections for 2009 assume a decline in consumption and traffic. Airport passenger traffic is then expected to recover (CAGR 2010-2013: 6.8%), along with sales. Management estimated the renewal rate of existing contracts on the basis of the Group's historical trends. The total incidence of operating costs is expected to be in line with previous years.

» **Food & Beverage Other:**
projections for 2009 assume that traffic will continue to decline as it did towards the end of 2008. The total incidence of operating costs is expected to be in line with previous years.

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

- **Travel Retail & Duty-Free:**
  - Europe: traffic assumptions were formed by observing trends in the United Kingdom and Spain. Specifically, the decrease in airport traffic that began in the second half of 2008 is expected to continue in 2009. In the following years, however, a recovery is projected to bring average annual traffic growth to around 3.5% for the period 2009-2013. Contract renewals are assumed to be in line with the Group's historical trends. Operating cost projections incorporate the synergies likely to arise from the integration of the three companies acquired in the last two years. The other cost items are expected to continue existing trends, with some variations in the years when important contracts expire.
  - North America: traffic is expected to grow by an average of 3% per year through 2013, and to suffer less of a decline than in Europe in 2009. Projections assume that the profitability of units in the start-up phase (concentrated in North America) will gradually settle in coming years, while the incidence of operating costs for the other units will be essentially stable.
  - Rest of the world: average annual revenue growth is assumed to be 8%, with the incidence of operating costs remaining stable.

For the entire segment, growth investments are correlated with contract renewals, while maintenance investments are assumed to be consistent with historical trends.

- **In-Flight:**
  - revenue growth is projected at 2-6% depending on the location of each production unit, with higher rates prevailing in Australia and the Middle East. Operating costs should be stable as a percentage of sales, save for a reduction in overheads due to the reorganisation begun in 2008. Average annual investments are assumed to be in line with historical trends.

On the basis of these assumptions, the amount of goodwill attributed to each CGU was found to be fully recoverable. Also, with respect to the integration process of the companies acquired in 2008, the goodwill recognised upon acquisition was tested separately for Aldeasa and WDFE, with a positive outcome.

For each CGU, recoverability of the carrying values was tested for sensitivity to changes in the main assumptions used to calculate terminal value and the discount rate for projected cash flows. The sensitivity analysis showed full recoverability up to the levels specified below:

- **Food & Beverage:**
  - Italy: significantly high discount rate, with a nominal growth rate of zero;
  - HMSHost: discount rate >13%, with a nominal growth rate of zero;
  - Other: for Switzerland, France, the Netherlands, Spain and United Kingdom, an increase in discount rates of more than 100 bp, with a nominal growth rate of 0.0 to 1.0%; for Belgium, an increase in the discount rate of more than 50 bp, or a reduction in the nominal growth rate of more than 1 point.
- **Travel Retail & Duty-Free:**
  - Europe: an increase in the discount rate of more than 145 bp or a negative nominal growth rate;
  - North America: an increase in the discount rate of more than 360 bp or a negative nominal growth rate;
  - Rest of the world: an increase in the discount rate of more than 325 bp or a negative nominal growth rate.
- **In-Flight:** an increase in the discount rate of more than 210 bp or a negative nominal growth rate.

As mentioned above, the recoverable amount of the CGUs and the goodwill assigned to them is determined using estimates and assumptions that in part can be controlled and defined on the basis of experience, and in part concern future events and scenarios that are beyond Autogrill's control. Given the uncertainties of today's market, there are many factors affecting the Group's performance that could require the recalculation of goodwill if they fail to meet our assumptions.

IX. Other intangible assets

(€k)	31.12.2008	31.12.2007	Change
Concessions, licenses, brands and similar rights	270,942	92,237	178,705
Assets under construction and advances	15,135	12,067	3,068
Other	25,340	16,194	9,146
Total	**311,417**	**120,498**	**190,919**

"Concessions, licenses, brands and similar rights" at 31 December 2008 consist mainly of the amounts determined upon fair-value measurement of the assets and liabilities acquired with Aldeasa and WDFE, in accordance with IFRS 3. Specifically, the Group has recognised:

» contractual rights of €98,500k, determined by comparing the terms and conditions of existing sub-concession contracts with those prevailing in the market for comparable arrangements, and discounting any difference

Intangible assets

(€k)	31.12.2007			Change in gross carrying amount					
	Gross carrying amount	Amort. and imp. losses	Carrying amount	Change in scope of consolid.	Exchange rate gains (losses)	Increases in historical cost	Decreases	Other movements*	Total
Concessions, licenses, brands and similar rights	133,188	(40,951)	92,237	208,710	(2,202)	1,084	(50)	5,636	213,178
Goodwill	1,295,257	(1,174)	1,294,083	828,437	(114,989)	187	(454)	(890)	712,291
Assets under construction and advances	12,067	-	12,067	-	-	16,968	(160)	(13,740)	3,068
Other	56,778	(39,747)	17,031	27,645	(3,690)	4,450	(101)	5,475	33,779
Total	**1,497,290**	**(81,872)**	**1,415,418**	**1,064,792**	**(120,881)**	**22,689**	**(765)**	**(3,519)**	**962,316**

Property, plant and equipment

(€k)	31.12.2007			Change in gross carrying amount					
	Gross carrying amount	Depr. and imp. losses	Carrying amount	Change in scope of consolid.	Exchange rate gains (losses)	Increases in historical cost	Decreases	Other movements*	Total
Land and buildings	146,581	(60,081)	86,500	15,847	3,949	2,814	(1,023)	11,528	33,115
Leasehold improvements	940,878	(628,868)	312,010	222	8,840	54,507	(57,448)	66,789	72,910
Plant and machinery	292,686	(209,093)	83,593	34,129	(12,765)	32,467	(40,459)	13,542	26,914
Industrial and commercial equipment	635,334	(466,330)	169,004	64,593	4,886	45,374	(54,619)	60,429	120,663
Assets to be transferred free of charge	463,777	(321,614)	142,163	-	(28)	13,239	(15,281)	16,464	14,394
Other	99,789	(73,867)	25,922	19,089	(7,180)	4,961	(884)	2,499	18,485
Assets under construction and advances	88,911	-	88,911	22,726	3,029	161,401	(1,209)	(157,269)	28,678
Total	**2,667,956**	**(1,759,853)**	**908,103**	**156,606**	**731**	**314,763**	**(170,923)**	**13,982**	**315,159**

* The balance shown for "Other movements" refers to the reclassification from "Assets held for sale" to "Industrial and non-industrial land and buildings" of properties held by the Spanish units that are no longer up for sale, and the reclassification from "Industrial and non-industrial land and buildings" to "Assets held for sale" of properties held by the Swiss units that will be sold in the coming year

found as the basis for valuation. These rights are amortised across the duration of the contract and for 2008 amount to €16,210k;

» tradenames, in the amount of €107,971k (£102,843k). Fair value was measured using the premium profits method, which discounts the differential income that the intangible asset is able to produce for its owner. That income is determined by estimating the specific benefits (higher margins/lower costs) that the intangible can theoretically provide to its owner with respect to the normal situations of competitors unable to use it. A tradename's useful life is estimated at 20 years; amortisation in 2008 came to €3,599k (£3,428k);

» the value of a brand, for €876k (£834k), whose fair value was estimated using the relief from royalty method.

The increase on a currency-adjusted basis would have been €200,917k.
"Other" intangible assets have finite useful lives and are therefore amortised over their respective useful lives.

Amortisation/Impairment losses						31.12.2008		
Change in scope of consolidation	Exchange rate gains (losses)	Increases: Amortisation	Increases: Impairment losses	Decreases	Total	Gross carrying amount	Amort. and imp. losses	Carrying amount
(111)	2,480	(37,132)	(19)	308	(34,474)	346,366	(75,425)	270,941
-	(5,109)	-	(235)	454	(4,890)	2,007,548	(6,064)	2,001,484
-	-	-	-	-	-	15,135	-	15,135
(20,313)	3,038	(8,283)	(20)	109	(25,469)	90,557	(65,216)	25,341
(20,424)	**409**	**(45,415)**	**(274)**	**871**	**(64,833)**	**2,459,606**	**(146,705)**	**2,312,901**

Depreciation/Impairment losses						31.12.2008		
Change in scope of consolidation	Exchange rate gains (losses)	Increases: Depreciation	Increases: Impairment losses	Decreases	Total	Gross carrying amount	Depr. and imp. losses	Carrying amount
(4,720)	(2,394)	(4,883)	-	(71)	(12,068)	179,696	(72,149)	107,547
-	(12,259)	(76,192)	(3,201)	55,115	(36,537)	1,013,788	(665,405)	348,383
(22,169)	10,453	(26,861)	(19)	31,711	(6,885)	319,600	(215,978)	103,622
(47,632)	(4,203)	(72,197)	(959)	59,934	(65,057)	755,997	(531,387)	224,610
-	-	(27,125)	(5,907)	11,666	(21,366)	478,171	(342,980)	135,191
(16,068)	5,073	(7,676)	866	1,940	(15,865)	118,274	(89,732)	28,542
-	-	-	-	-	-	117,589	-	117,589
(90,589)	**(3,330)**	**(214,934)**	**(9,220)**	**160,295**	**(157,778)**	**2,983,115**	**(1,917,631)**	**1,065,484**

X. Equity investments

Any surplus of an equity investment's carrying amount over pro rata equity represents future profitability inherent in the investment.
Using the equity method, €3,347k was recognised in the income statement under "Adjustments to the value of financial assets".

Name	Registered office	Country	%	Currency (000)	Revenue	Profit/(loss) for the year	Total assets	Total liabilities	Carrying amount (€k)
Equity investments in associates									
Estación Aduanera de Zaragoza S.A.	Zaragoza	Spain	31%	Euro	12	(21)	1,125	48	748
Creuers del Port de Barcelona S.A.	Barcelona	Spain	23%	Euro	16,189	5,690	41,049	21,684	4,219
Souk Al Mohuajir	Casablanca	Morocco	36%	Mad	966	2,548	1,685	315	475
Lanzarote de Cultura y Ocio, S.A.	Tias	Lanzarote	30%	Euro	-	-	-	-	25
Dewina Host Sdn Bhd	Kuala Lumpur	Malesia	49%	Myr	24,978	3,213	9,641	2,474	721
HMSC-AIAL Ltd.	Auckland	New Zealand	50%	Nzd	15,260	2,108	13,254	2,259	2,298
TGIF National Restaurant JV	Texas	USA	25%	Usd	3,026	122	367	119	217
PH Co-op, Inc.	Bruxelles	Belgium	n.a.	Euro	n.a.	n.a.	n.a.	n.a.	11
Virgin Express Catering Services	Bruxelles	Belgium	49%	Euro	-	-	-	-	753
Other					-	-	-	-	703
Total									**10,170**

XI. Other financial assets

(€k)	31.12.2008	31.12.2007	Change
Interest bearing sums with third parties	4,476	3,865	611
Guarantee deposits	14,685	9,243	5,442
Receivables from associates	-	341	(341)
Other financial receivables from third parties	5,233	4,182	1,051
Total	**24,394**	**17,630**	**6,763**

The increase in guarantee deposits is due mainly to the contribution of WDFE (€7,329k).
"Other financial receivables from third parties" are primarily due from US joint venture partners.

XII. Deferred tax assets

Deferred tax assets, shown net of offsettable deferred tax liabilities, amount to €113,437k (€104,940k at 31 December 2007). The increase on a currency-adjusted basis would have been €5,284k.

The main components of this item are detailed below:
- €41,175k (€59,775k at 31 December 2007) for the US units, where deferred tax assets are generated primarily by the different amortisation period of leasehold improvements and the deferred deductibility of provisions for concession fees;
- €31,338k (€16,331k at 31 December 2007) for the Aldeasa Group, mostly in relation to tax losses carried forward, and provisions for higher future concession fees recognised upon acquisition as they derive from transactions concluded with grantors in previous periods and are deductible upon payment;
- €11,421k (€9,593k at 31 December 2007) for the French units, in connection chiefly with tax losses carried forward and the different amortisation and depreciation periods.

At 31 December 2008, deferred tax liabilities not offsettable against deferred tax assets amounted to €78,648k (€55,314k the previous year). The increase on a currency-adjusted basis would have been €23,909k.
Most of this liability stems from temporary differences relating to property, plant and equipment belonging to Dutch, Spanish and Italian units and assets recognised under purchase accounting, as well as the estimated tax charge on consolidated companies' undivided profits.

The recoverability of the deferred tax assets recognised in the financial statements has been confirmed on the basis of the companies' prospects for future taxable income.

Total net deferred tax assets at 31 December 2008 (€34,789k) are analysed below:

	2008		2007	
(€k)	Temporary differences	Tax effect	Temporary differences	Tax effect
Trade receivables	22,873	9,080	6,775	1,863
Other receivables	665	(801)	35,774	14,301
Property, plant and equipment and other intangible assets	(114,747)	(30,889)	38,483	7,822
Total temporary differences on assets	**(91,209)**	**(22,610)**	**81,031**	**23,985**
Trade payables	(86)	(24)	7,590	1,837
Other payables	(21,399)	(6,774)	4,185	(64)
Post-employment and other employee benefit provisions	(79,606)	(27,164)	(40,335)	(15,011)
Provisions for risks and charges	8,593	2,903	(51,889)	(16,107)
Other reserves and retained income	136,694	8,026	208,152	22,331
Total temporary differences on liabilities & equity	**44,196**	**(23,034)**	**127,703**	**(7,014)**
Net deferred tax assets		**424**		**31,000**
Deferrred tax assets arising from losses carried forward		34,366		18,627
Total net deferred assets		**34,789**		**49,626**

XIII. Other receivables

Most of the other non-current receivables (€24,348k at 31 December 2008) consist of premiums due from suppliers under long-term agreements and concession fees paid in advance.

XIV. Assets held for sale

This item is made up exclusively of some properties held by the Swiss company, carried at €1,095k.

Current liabilities

XV. Trade payables

Trade payables at 31 December 2008 amounted to €711,725k (€529,380k at the end of 2007). The increase of €182,345k includes €112,254k contributed by the newly consolidated entities. Net of the exchange effect, this item would have grown by €191,245k.
The rest of the difference is due mainly to higher business volumes on a like-for-like consolidation basis.

XVI. Tax liabilities

At €11,451k, these decreased by €4,253k and refer to taxes accrued during the year.
The tax liability of the main Italian companies participating in the Group's election for the domestic tax consolidation scheme is recognised under "Other payables".
The new consolidated entities contributed €4,032k; on a currency-adjusted basis there would have been a decrease of €2,880k.

XVII. Other payables

(€k)	31.12.2008	31.12.2007	Change
Personnel expense	115,305	119,259	(3,954)
Due to suppliers for investments	57,590	53,363	4,227
Indirect taxes	28,090	22,341	5,749
Withholding taxes	10,119	11,080	(961)
Social security and defined contribution plans	38,685	46,476	(7,791)
Accrued expenses and deferred income	33,166	35,518	(2,352)
Other	35,665	15,456	20,209
Total	**318,620**	**303,492**	**15,127**

The new consolidated entities contributed €44,461k, mainly under the items "Personnel expense" (€6,250k), "Indirect taxes" (€4,388k), and "Accrued expenses and deferred income" (€17,195k). Net of exchange rate differences, the increase for the year would have been €16,924k.
Accrued expenses and deferred income refer mainly to insurance premiums, lease payments and utilities pertaining to the subsequent year.

The item "Other" includes the amount due to the parent, Ragione S.A.p.A. di Gilberto Benetton e C., under the Group's election for the domestic tax consolidation scheme for the period 2007-2009 (€14,760k).

XVIII. Due to banks

(€k)	31.12.2008	31.12.2007	Change
Unsecured bank loans	151,428	75,835	75,593
Current account overdrafts	17,532	49,333	(31,801)
Total	**168,960**	**125,168**	**43,792**

The new consolidated entities contributed €13,454k. The increase on a currency-adjusted basis would have been €40,021k.
This item covers drawdowns on short-term credit facilities.

XIX. Other financial liabilities

(€k)	31.12.2008	31.12.2007	Change
Fair value of exchange rate hedges	9,705	2,368	7,337
Accrued liabilities and deferred income for interest on loans	15,420	11,412	4,008
Fair value of interest rate hedges	65,083	2,362	62,721
Lease expenses due to others	2,313	2,371	(58)
Other financial accrued expense and deferred income	189	1,005	(816)
Total	**92,710**	**19,518**	**73,192**

The fair value of exchange rate hedges refers to derivatives outstanding at 31 December 2008. The change in value during the year corresponds to the change in the underlying exposure.
The fair value of interest rate hedges refers to derivatives (mostly interest rate swaps) outstanding at 31 December 2008, with notional values of €340m, £400m and $110m. The change since 2007 results from interest rate trends during the year and from new contracts with values of £400m and €220m. Details of the derivatives outstanding at year end are provided in section 3.6, "Financial risk management".

Non-current liabilities

XX. Other payables

The balance of €56,819k consists mainly of concession fees to be paid by Aldeasa by the end of 2012. The change includes the effect of acquiring the remaining 49.95% of the Aldeasa Group in 2008. This item also contains the provision for long-term employee incentive plans (€7,223k).

XXI. Loans net of current portion

(€k)	31.12.2008	31.12.2007	Change
Unsecured bank loans	1,759,942	840,870	919,072
Commissions on bond issues	(9,004)	(1,604)	(7,400)
Total due to banks	**1,750,938**	**839,266**	**911,672**
Lease liabilities due to others	9,385	12,258	(2,873)
Liabilities due to others	991	1,001	(10)
Total	**10,376**	**13,259**	**(2,883)**

The new consolidated entities contributed €82,883k. On a currency-adjusted basis the increase would have been €947,303k.

Most of the change concerns the acquisitions made during the year.
In particular, on 19 March 2008 Autogrill S.p.A. took out a new €1 billion credit facility, made up of:

- A five-year term loan of €275m, to be reimbursed in full at maturity (19 March 2013).
- A term loan of €600m (drawn down entirely in British pounds for £477.5m), due on 19 March 2013 and payable in three annual instalments of £79.6m starting in 2010, plus a final payment of £238.7m at maturity. Both of these loans, with consent from the lenders, might be extended by one year and then for a subsequent year. The financial market crisis and the substantial rise in margins on loans have made it impractical to extend the loans, which will therefore mature as originally planned.
- A revolving credit facility of €125m, due on 19 March 2013.

Both of the term loans finance acquisitions and were fully drawn down during the year. In particular, the first was used to acquire 49.95% of Aldeasa and the second to acquire WDFE.
The revolving credit facility can be used to cover financial needs arising from the ordinary course of business, as well as acquisitions.
In addition to the above, non-current bank debt at 31 December 2008 is mostly made up of:

- a €200m loan to be paid back in a single instalment in June 2015;
- a loan with a remaining balance of €75m on the original €125m, taken out by Aldeasa in 2006 and being reimbursed through half-yearly payments of €12.5m until August 2011;
- drawdowns on a revolving credit facility of €300m granted in 2005, to be paid back in a single instalment in June 2012;
- British pound drawdowns on a revolving credit facility of €500m granted in May 2007, to be paid back in a single instalment by May 2014.

At 31 December 2008 the credit facilities maturing beyond one year had been drawn down by about 82.4%.
Adjustable interest is charged on all debt with banks. The average duration of bank loans, including unutilised credit lines, is about five years.
Long-term loan agreements require regular monitoring of financial ratios relating to debt coverage and interest coverage. Specifically, Aldeasa's loans include covenants referring exclusively to its own consolidated financial statements, whereby the leverage ratio (debt/EBITDA) must not exceed 3.5 and the interest coverage (EBITDA/financial expense) must not be lower than 3. The other contracts refer to the Autogrill Group as a whole and set a limit of 3.5 for the leverage ratio and at least 4.5 for interest coverage. Except for those taken out by Aldeasa, in the event of acquisitions, the loans allow the leverage ratio to exceed 3.5 but not 4 for three half-years (or six quarters), not necessarily in a row.
For the calculation of the leverage ratio and interest cover, net financial position, EBITDA and financial expense are measured according to definitions in the loan contracts and therefore differ from the amounts in the financial statements.
At 31 December 2008, as in all previous observation periods, these covenants were fully satisfied.

XXII. Bonds

(€k)	2008	2007	Change
Non-convertible bonds	384,002	355,215	28,787
Convertible bonds	-	40,219	(40,219)
Commissions on bond issues	(1,747)	(1,476)	(272)
Total	**382,255**	**393,959**	**(11,703)**

On 22 December 2008 the convertible bonds issued by Autogrill Finance S.A. in 1999 were fully redeemed, for a residual nominal value of €47,680k. The reason for the early redemption was to help simplify the Group's ownership structure.

"Non-convertible bonds" refer to:

» a private placement issued on 23 January 2003 by HMSHost Corp. for a total of $370m. The issue was guaranteed by Autogrill S.p.A. and is in three tranches of $44m, $60m and $266m, maturing respectively in 2010, 2011, and 2013. The tranches pay fixed-rate interest half-yearly;

» a private placement issued on 9 May 2007 by Autogrill Group Inc. for a total of $150m. Guaranteed by Autogrill S.p.A., these bonds pay fixed annual interest of 5.73% half-yearly, and mature on 9 May 2017. Exposure to fair value fluctuations is hedged by an interest rate swap with a notional value of $75m. Under the rules for fair value hedge accounting, the gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of that item and is recognised in profit or loss, as is the gain or loss from the subsequent fair value measurement of the hedge. In 2008 there was a loss on the hedged item of $11.5m (€7.8m) and a gain on the hedge of the same amount, so the effect on the income statement was nil. Since the inception of the bond loan, fair value has changed by $14.4m (€10.4m).

As do long-term bank loans, the private placement regulations include covenants requiring the periodic monitoring of the Group's financial ratios (leverage and interest coverage). The leverage ratio must not exceed 3.5, although it can reach 4.0 for a maximum of three half-years (not necessarily in a row), and the interest coverage cannot be lower than 4.5.
For the calculation of the leverage ratio and interest coverage, net financial position, EBITDA and financial expense are measured according to definitions in the loan contracts and therefore differ from the amounts in the financial statements.
At 31 December 2008, as in all previous observation periods, these covenants were fully satisfied.
On a currency-adjusted basis there would have been a decrease of €32,140k.

XXIII. Post-employment and other employee benefit provisions

This item amounted to €126,129k at the close of the year, a decrease of €9,713k with respect to 31 December 2007. As mentioned earlier, since 2008 the Group has opted for the corridor method of recognising actuarial gains and losses, which is more gradual than the previous method of full recognition in the income statement. The opening balances have been adjusted accordingly.
The table below shows details of the employee benefit provisions included in this item. The legal obligation for Italian post-employment benefits ("trattamento di fine rapporto", or "TFR") is €82,949k, compared with €72,695k determined on an actuarial basis.

(€k)	31.12.2008	31.12.2007	Change
Defined benefit plans:			
Post-employment benefits	76,533	79,479	(2,946)
Health insurance plans	300	581	(281)
Other	30,669	37,227	(6,559)
Total	**107,502**	**117,288**	**(9,786)**
Other provisions for employees	18,627	18,555	72
Total	**126,129**	**135,842**	**(9,713)**

The following is a reconciliation of the present value of the obligation and the fair value of assets against the liability recognised at 31 December 2008:

(€k)	
Current value of the funded plans	161,495
Fair value of the assets	(139,731)
	21,764
Current value of the plans, unfunded	76,863
Actuarial gains (losses) not recognised	8,875
Net liabilities recognised in the financial statements	**107,502**

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

Discount rate	3.7%-7.1%
Inflation rate	0.5%-3.2%
Yield on assets	4.0%-6.3%
Salary increase rate	1 .0%-3.8%
Pension increase rate	0.5%-3.9%
Increase in healthcare costs	9.4%

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

(€k)	2008	2007	Change
Cost of benefits for current service	6,474	(4.857)	11,331
Interest expense	12,515	4,395	8,120
Estimated yield on plan assets	(8,187)	-	(8,187)
Total	**10,803**	**(461)**	**11,264**

Interest expense is recognised under "Financial expense" net of the expected yield on plan assets, while the post-employment benefit cost is recognised under "Personnel expense". The benefit cost at 31 December 2007 reflected the rule changes introduced by Italy's TFR reform, which caused the recognition of a net excess in the amount of €6,404k.

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

(€k)	
Present value of the obligation at 31.12.2007	**287,501**
Cost of benefits for current service	6,474
Interest expense	12,515
Actuarial losses (gains)	(26,622)
Employees' share of contributions	3,095
Benefits paid	(16,437)
Exchange rate gains (losses)	(28,369)
Other	201
Present value of the obligation at 31.12.2008	**238,358**

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

(€k)	
Fair value of the assets at 31.12.2007	**172,611**
Estimated yield on plan assets	8,187
Actuarial losses (gains)	(25,601)
Employees' share of contributions	3,038
Group's share of contributions	7,445
Benefits paid	(6,326)
Exchange rate gains (losses)	(19,622)
Fair value of the assets at 31.12.2008	**139,731**

The main categories of plan assets are:
- capital instruments;
- bonds;
- other securities;
- other debt instruments issued by third parties;
- real estate.

XXIV. Provisions for risks and charges

(€k)	Balance at 31.12.2007	Other movements	Accruals	Utilisations	Balance at 31.12.2008
Provision for taxes	4,554	709	105	-	5,368
Other provisions	8,088	(533)	9,044	(7,620)	8,979
Restructuring provision	-	212	6,270	(2,655)	3,827
Provision for legal disputes	307	1,104	(77)	(1,193)	141
Total provisions for current risks and charges	**12,949**	**1,492**	**15,342**	**(11,468)**	**18,315**
Provision for taxes	1,425	3,666	-	(65)	5,026
Other provisions	30,379	(1,699)	1,504	(3,071)	27,113
Onerous contracts provision	19,565	1,164	942	(3,088)	18,583
Provision for the refurbishment of third party assets	10,676	(420)	359	-	10,615
Provision for legal disputes	4,392	845	211	(1,573)	3,875
Provision for assets to be transferred free of charge	4,148	-	-	(434)	3,714
Total provisions for non-current risks and charges	**70,585**	**3,556**	**3,016**	**(8,231)**	**68,926**

There were no significant changes in the composition of this item with respect to 31 December 2007. The difference results from ordinary accruals and utilisations for the year, and the contribution of the newly consolidated entities (€7,220m).
Net of the exchange effect, this item would have grown by €6,277k.

Provision for taxes
This relates primarily to disputes over US companies' direct and indirect tax obligations (€5,369k).

Other provisions
These mainly concern:
- a "self-insurance" provision (€18,088k) to cover the deductibles on third-party liability provided for in insurance plans. In 2008, an allocation of €5,056k was made and €2,840k was taken out for settlements;
- provisions for concession renewal costs totalling €8,235k.

Decreases, pertaining mostly to "Other provisions", refer chiefly to the use of the self-insurance provision.

Restructuring provision
This covers the restructuring of central and local corporate units headed up by Autogrill Group Inc.

Provision for legal disputes
This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilisations concern actual payments during the year as well as revised estimates.

Provision for the refurbishment of third party assets
This represents estimated liabilities for ensuring that assets to be relinquished are returned in the contractually agreed condition. Utilisations refer to the release of funds due to the expiration of certain contracts.

Onerous contracts provision
These funds cover loss-making concession contracts at unprofitable units.
The allocations in 2008 are based on projections by certain stores where earnings are not expected to cover lease payments; the stores are managed under multi-year concessions from which the Group cannot withdraw in advance.

XXV. Equity

The share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to €132,288k and consists of 254,400,000 ordinary shares of par value €0.52 each.
The shares are 59.28% owned by Schematrentaquattro S.r.l., a wholly-owned subsidiary of Edizione Holding S.p.A.
At Autogrill S.p.A.'s annual general meeting of 30 April 1999, the shareholders voted to increase the share capital by issuing up to 33,500,000 new shares to service the convertible bond loan of €471,055k issued in June 1999 by the subsidiary Autogrill Finance S.A., which generated proceeds of €350m net of implicit interest and gross of issuing expense. Following redemptions of €432,304k in 2004, the loan was paid off in advance on 22 December 2008.

Movements in equity items during the year are detailed in the statement of changes in equity.
The more important movements were as follows:
- decrease of €76,320k for the dividend payment approved by the AGM of 23 April 2008 (€0.30 per share) and liquidated on 24 July 2008;
- decrease of €60,183k for the translation of foreign currency financial statements, net of the effects of recognising hedges of net investments (+€60,609k);
- reduction of €20,491k in "Other reserves and undistributed profits" due to the tax effect arising from the recognition of hedges of net investments;
- decrease of €944k for the purchase of 125,141 treasury shares. No treasury shares were sold in 2008;
- net decrease of €42,163k for the change in the cash flow hedge reserve (-€58,432k), net of the tax effect (+€16,269k);
- increase for the consolidated net profit of €123,158k.

Information on earnings per share is given at the end of the income statement. In calculating this ratio, the numerator is the Group's share of profit for the year (€123,158k in 2008 and €158,081k in 2007), while the denominator is the number of ordinary shares issued net of treasury shares for the duration of their possession (basic earnings per share), or that same number adjusted to include the pro-rata portion of the 2,478,000 shares that could be used for conversion under the Autogrill Finance convertible bond loan, redeemed in advance on 22 December 2008 (diluted earnings per share).

3.4 Notes to the income statement

Comments on the items making up the income statement are provided below.
Figures for 2008 reflect the first-time consolidation of WDFE (from 3 May 2008), of the Aldeasa Group (line-by-line from 1 April 2008 and proportionally at 50% beforehand), of Air Czech Catering A.S. (from 1 April 2008) and of Alpha Future Retail Pvt. Ltd. (line-by-line from 17 November 2008). Comments regarding the impact of the new consolidated entities refer to these acquisitions.

XXVI. Revenue

Revenue in 2008 amounted to €5,898,875k, compared with €4,949,182k in 2007.
The new consolidated entities contributed €763,833k to the year's revenue. The increase at constant exchange rates would have been €1,159,672k.
Revenue include the sale of fuel, mostly at rest stops on Swiss and Italian motorways, which came to €104,327k in 2008 and €87,843k the previous year.
See section 3.7 (Segment reporting) for further information.

XXVII. Other operating income

(€k)	2008	2007	Change
Bonuses from suppliers	66,153	46,271	19,882
Income from business leases	14,267	12,397	1,870
Affiliation fees	4,174	5,792	(1,618)
Gains on disposal of property, plant and equipment	3,273	5,662	(2,389)
Other	35,580	23,478	12,102
Total	**123,447**	**93,600**	**29,847**

The new consolidated entities contributed €23,303k in 2008.
The item "Other" refers chiefly to commissions from commission-generating businesses and prior year income.

XXVIII. Cost of raw and ancillary materials and goods

(€k)	2008	2007	Change
Food & beverage and retail sales	2,300,454	1,901,509	398,945
Change in inventories	1,709	(6,191)	7,900
Total	**2,302,163**	**1,895,318**	**406,845**

The new consolidated entities contributed €356,196k in 2008.
At constant exchange rates, the increase would have been €480,212k.

XXIX. Personnel expense

(€k)	2008	2007	Change
Wages and salaries	1,183,476	1,081,874	101,602
Social security contributions	190,712	167,018	23,694
Employee benefits	29,703	13,526	16,177
Other costs	82,507	61,151	21,356
Total	**1,486,398**	**1,323,569**	**162,829**

The new consolidated entities contributed €86,158k.
At constant exchange rates, the increase would have been €221,168k.
"Other costs" include fees paid to the members of the Group's Boards of Directors.
The average headcount, expressed in terms of equivalent full-time employees, was 54,427 (49,053 in the previous year).

XXX. Leases, rental, concessions and royalties

(€k)	2008	2007	Change
Leases, rentals and concessions	944,321	666,600	277,721
Royalties	63,128	61,024	2,104
Total	**1,007,449**	**727,624**	**279,825**

The new consolidated entities contributed €220,675k.
At constant exchange rates, the increase would have been €313,757k.
This item also increased as a result of the higher sales volumes and the sales mix, mainly at businesses that pay fees in proportion to the turnover.

XXXI. Other operating costs

(€k)	2008	2007	Change
Utilities	102,974	87,652	15,322
Maintenance	73,234	63,914	9,320
Cleaning and disinfestations	56,052	47,297	8,755
Consulting services	44,742	42,498	2,244
Advertising and market research	20,783	20,408	375
Travel expenses	30,379	25,631	4,748
Storage and transport	33,603	25,998	7,605
Insurance	10,529	7,437	3,092
Commissions on credit card payments	30,331	23,568	6,763
Telephone and postal charges	19,367	15,137	4,230
Transport of valuables	5,820	4,999	821
Surveillance	8,801	6,821	1,980
Banking services	4,751	5,893	(1,142)
Equipment hire and lease	14,976	15,102	(126)
Sundry materials	36,891	32,851	4,040
Other services	53,280	44,877	8,403
Costs for materials and services	**546,513**	**470,083**	**76,430**
Bad debt provision on trade receivables	779	148	631
Bad debt provision on other receivables	247	(774)	1,021
Total bad debt provisions	**1,026**	**(626)**	**1,652**
For taxes	105	1,890	(1,785)
For legal disputes	133	1,298	(1,165)
For restructuring	6,270	-	6,270
For onerous contracts	942	3,782	(2,840)
For other risks	10,547	7,909	2,638
Provisions for risks	**17,997**	**14,879**	**3,118**
Indirect and local taxes	**27,610**	**20,469**	**7,141**
Cash differences	2,920	2,889	31
Gains (losses) on disposals	574	901	(327)
Other charges	28,124	25,290	2,834
Other operating costs	**31,618**	**29,080**	**2,538**
Total	**624,764**	**533,885**	**90,879**

The new consolidated entities contributed €51,792k, including €12,101k for “Costs of materials and services” and €210k for “Other operating costs”.
At constant exchange rates, the increase would have been €112,005k.
“Sundry materials” refer to the purchase of inexpensive equipment and to various consumables such as uniforms, office supplies, and advertising materials.
The item “Other services” includes miscellaneous items such as medical check-ups, public relations, general services, and personnel recruitment and training.

XXXII. Depreciation, amortisation and impairment losses

In detail:

(€k)	2008	2007	Change
Other intangible assets	45,416	22,051	23,365
Property, plant and equipment	187,808	160,654	27,154
Assets to be transferred free of charges	27,125	29,754	(2,629)
Total	**260,349**	**212,459**	**47,890**

The new consolidated entities contributed €22,457k, including €20,561k for the amortisation of intangible assets recognised upon allocation of the price paid for their acquisition. At constant exchange rates the increase would have been €56,958k.
Impairment losses were recognised in 2008 in the amount of €9,494k, following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each cash generating unit.

The following table provides a breakdown by type of asset:

(€k)	2008	2007	Change
Goodwill	235	1,174	(939)
Other intangible assets	38	739	(701)
Property, plant and equipment	3,314	6,470	(3,156)
Assets to be transferred free of charges	5,907	2,431	3,476
Total	**9,494**	**10,814**	**(1,320)**

Goodwill impairment of €235k concerns a store for which key money was paid upon acquisition.
See notes VII and IX for details of the assumptions and criteria used to measure impairment.

XXXIII. Financial income

(€k)	2008	2007	Change
Interest income	4,939	6,370	(1,431)
Exchange rate gains	-	1,098	(1,098)
Interest differential on exchange rate hedges	1,146	-	1,146
Other financial income	618	1,075	(457)
Total	**6,703**	**8,544**	**(1,841)**

XXXIV. Financial expense

(€k)	2008	2007	Change
Interest paid	114,745	63,264	51,480
Discounting of long-term liabilities	4,272	3,445	826
Exchange rate losses	4,353	-	4,353
Interest differential on exchange rate hedges	260	2,824	(2,564)
Fees paid	1,607	998	610
Time value and inefficient hedging instruments	3,523	-	3,523
Other financial expense	1,720	2,140	(420)
Total	**130,480**	**72,672**	**57,808**

The rise in interest expense relates primarily to the higher debt contracted to finance the acquisition of WDFE and Alpha Group and full control of Aldeasa. Alpha Group was acquired in 2007, but did not affect that year's financial expense to the full extent, as it was acquired in stages starting in the month of May. The net increase in financial expense as a result of borrowing to finance acquisitions in 2008 came to about €53m.

XXXV. Income tax

The balance of €68,204k (€103,569k in 2007) includes €50,858k in current taxes (€106,481k the previous year) and €3,882k in net deferred tax liabilities (net deferred tax assets of €17,487k in 2007). Regional tax on productive activities (IRAP), which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense, came to
€13,464k (€14,822k in 2007).
In 2008 the Group's theoretical tax rate, excluding IRAP, was approximately 30%. The substantial decrease with respect to the previous year's 35% stems from nominal rate reductions in various countries (including Italy, from 33% to 27.5%) and from the higher proportion of income earned in countries where tax rates are lower than average.
Below is a reconciliation between the tax charge recognised in the consolidated financial statements and the theoretical tax charge.
The latter was determined by applying the theoretical tax rate to the gross income earned in each jurisdiction, including additional taxes on future profit distributions by subsidiaries.

(€k)	2008	2007
Theoretical income tax	**64,171**	**96,705**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(3,398)	(3,744)
Net effect of unrecognised tax losses, of utilisation of losses carried-forward and the revision of estimates on the taxability/deductibility of temporary differences	(8,839)	(2,883)
Effect of changes in tax rates	-	(4,171)
Other permanent differences	2,806	2,840
Income tax, excluding IRAP	**54,740**	**88,747**
IRAP	13,464	14,822
Recognised income tax	**68,204**	**103,569**

3.5 Net financial position

Details of the net financial position at 31 December 2008 and 31 December 2007 are as follows:

Note	(€k)	31.12.2008	31.12.2007	Change
I	A) Cash on hand	70,030	114,692	(44,662)
I	B) Cash equivalents	139,508	87,331	52,177
	C) Cash and cash equivalents (A+B)	**209,538**	**202,023**	**7,515**
II	**D) Current financial assets**	**22,760**	**22,468**	**292**
XVIII	E) Due to bank, current	168,960	125,168	43,792
XIX	F) Current portion of long-term loans	2,368	2,498	(130)
XIX	G) Other current financial liabilities	90,343	17,019	73,324
	H) Current financial position (E+F+G)	**261,671**	**144,685**	**116,986**
	I) Net current financial position (H-D-C)	**29,373**	**(79,806)**	**109,179**
XI	**J) Non-current financial assets**	**5,233**	**4,523**	**710**
XXI	K) Loans, net of current portion	1,750,938	839,266	911,672
XXII	L) Bonds issued	382,255	393,959	(11,704)
XXI	M) Loans net of current portion	10,376	13,260	(2,884)
	N) Non-current financial liabilities (K+L+M)	**2,143,569**	**1,246,485**	**897,084**
	O) Net non-current liabilities (N-J)	**2,138,336**	**1,241,962**	**896,374**
	P) Net financial position (I+O)	**2,167,709**	**1,162,156**	**1,005,553**

For further commentary, see the notes indicated above for each item.
At the close of 2008 and 2007 there were no financial liabilities or assets due to or from related parties.

3.6 Financial risk management

The Group is exposed to the following risks due to the use of financial instruments:
- » market risk;
- » credit risk;
- » liquidity risk.

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

Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument may fluctuate due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to monitor these risks and keep them within acceptable levels, along with their potential impact on the Group's results and financial position.
Autogrill's financial policy places a strong emphasis on the management and control of market risk, in particular with respect to interest rates and exchange rates, given the extent of the Group's borrowings and its international profile.
There is a single, centralised risk management unit for all Group companies.

Interest rate risk

The aim of risk management is to control financial expense within a risk limit, i.e., a range of variability of the amount of liabilities and/or the financial expense itself. This entails - through a mix of fixed- and floating-rate liabilities - the predetermination of a portion of finance cost out to a time horizon in keeping with the structure of debt, which in turn 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 with maturities in line with those of the liabilities to which they refer. The derivatives used are mainly interest rate swaps (IRS) and interest rate collars.

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). Currently, with regard to interest rate risk management, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) must as a matter of policy be in the range of 40% to 60%. At the moment the Group complies with that range (53%, compared with 46% at the end of 2007), although the percentage of fixed-rate debt is higher when considering debt denominated in British pounds (66%) and US dollars (77%) as opposed to debt in euros (33%).

At 31 December 2008 gross debt denominated in US dollars amounted to $827m. Of the total, $534m stands for the fixed-rate bond loan of which $75m was converted to floating rate through two interest rate swaps classified as fair value hedges, while a further $110m has been converted to fixed rate until October 2009 by way of a fixed-against-floating IRS.

Gross debt in British pounds at year end amounted to £614m: £477m for use of the term loan for the acquisition of WDFE and the rest for drawdowns on committed multicurrency facilities. Of the total, £400m has been converted to fixed-rate for the first year (until May 2009). Thereafter, through an interest rate collar until the final expiration of the term loan (March 2013), there may be fluctuation within a pre-set range.

When applying the policy and procedures described above, interest rate risk management instruments were accounted for as cash flow hedges in Group companies' balance sheets where they were subject to this risk, and thus recognised as financial assets or liabilities with change in fair value recognised in the hedging reserve under equity. With regard to the instruments that tested effective in 2008, the negative change of €58,432k was recognised in the equity reserve mentioned above.

The details of IRS contracts used as cash flow hedges at 31 December 2008 are as follows:

Interest Rate Swap Underlying		Notional amount (value)	Expiry	Average fixed rate paid	Floating rate received*	Fair value in €k
€200m term loan	€k	120,000	24.06.2015	4.66%	6-month Euribor	(10,596)
€275m term loan	€k	120,000	07.03.2013	4.59%	6-month Euribor	(7,678)
£477.5m term loan	£k	150,000	07.03.2013	5.65%	6-month Gbp Libor	(16,564)
Revolving credit facility	$k	110,000	16.10.2009	5.40%	1m Usd Libor +21 .5 bps	(3,368)

* From 11 July 2008 to 11 July 2009 for the €200m term loan, and from 21 May 2008 to 21 May 2009 for the €275m and £477.5m term loans, the rates were respectively the 1-month Euribor +20-25 bps, the 1-month Euribor and the 1-month Gbp Libor, respectively

Interest rate collars* Underlying		Notional amount (value)	Expiry	Cap	Floor	Floating rate received	Fair value in €k
£477.5m term loan	£k	150,000	07.03.2013	6.50%	0.05	6-month Gbp Libor	(13,774)
£477.5m term loan	£k	100,000	07.03.2013	6.75%	0.0535	6-month Gbp Libor	(10,432)
€275m term loan	€k	100,000	21 .05.2010	5.44%-5.45%	0.045	6-month Euribor	(2,672)

* Regarding the £477.5m term loan, from 21 May 2008 to 21 May 2009 the contract refers to an interest rate swap with an average fixed rate paid of 5.78-5.91% and a variable rate received of the 1-month Gbp Libor

Hedges of fixed-rate debt ($75m, as above) were accounted for as fair value hedges in Group companies' balance sheets where they were subject to this risk, and thus recognised as financial assets or liabilities contra an entry in the income statement. In 2008, the change in fair value was $11.5m (€7.8m), which cancelled the effects on the income statement of changes in the payable's fair value.
The details of these contracts at 31 December 2008 are as follows:

Interest Rate Swap Underlying		Notional amount (value)	Expiry	Spot rate	Floating rate paid	Fair value in €k
Bond	$k	75,000	09.05.2017	5.73%	Jsd Libor + 47.55/50.55 bps	10,555

The fair value of derivatives was calculated on the basis of market parameters at the balance-sheet date and using valuation models widely used in the financial industry. The fair value of interest rate swaps was calculated by discounting estimated future cash flows, using the interest rate curves at 31 December 2008.

Currency risk

The objective of currency risk management is to neutralise this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the euro.
The Group's exposure to currency risk is detailed in the following table:

	Usd	Gbp	Cad	Chf
Net assets	246,668	57,683	157,824	214,230
Profit (loss) for the year	128,588	7,251	(12,309)	19,662

If the euro had risen by 5% against the above currencies, at 31 December 2008 net assets and profit for the year would have been reduced as shown in the following table:

	Usd	Gbp	Cad	Chf
Net assets	9,329	3,187	4,887	7,593
Profit (loss) for the year	4,602	479	(415)	652

This analysis was based on the assumption that the other variables, especially interest rates, remained unchanged.
Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending conversion into euros in the parent company's or its subsidiaries' accounts of equity investments in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognised at fair value under financial assets or liabilities.
Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to the income statement, as is the corresponding change in the value of the hedged assets and liabilities.
The fair value of hedges outstanding at 31 December 2008 is shown below:

Currency	Notional amount	Expiry	Spot rate	Forward rate	Fair value €k
$k	9,450	30.06.2009	1.253-1.279	1.253-1.279	647
Kwd	645	29.01.2009	0.401	0.402	75
Chfk	35,997	30.06.2009	1.571-1.604	1.551-1.604	1,232
Czkk	591,500	09.01.2009	26.560	26.580	255
Chfk	11,000	29.01.2009	1.502	1.499	83
$k	5,000	31.03.2009	1.549	1.532	(343)
Sekk	39,142	09.01.2009	10.960	10.951	27
Cadk	25,000	19.01.2009	1.546	1.544	(1,477)
£k	8,906	02.01.2009	0.896	0.896	(591)
£k	1,518	21.01.2009	0.944	0.943	(15)
£k	11,500	21.05.2009	0.795-0.808	0.799-0.812	(2,318)

For instruments hedging translation risk that are therefore designated as hedges of net investments, the effective component of fair value is allocated to the translation reserve under equity. The fair value of these hedges outstanding at 31 December 2008 is shown in the following table:

Currency	Notional amount	Expiry	Spot rate	Forward rate	Fair value €k
Chfk	60,000	30.03.2009	1.524	1.518	(1,030)
$k	30,000	20.02.2009	1.468-1.584	1.450-1.560	(1,636)
$k	60,000	20.02.2009	1.365-1.366	1.363-1.364	843
$k	55,000	05.01.2009	1.548-1.575	1.492-1.501	(2,637)

The acquisition of WDFE increased the Group's exposure to translation risk, as the new acquiree operates solely in the UK with the British pound as its functional currency. To finance the acquisition, as mentioned in note XIV, a loan was contracted in British pounds. For that matter, the Group was already exposed to the pound through its acquisition of Alpha Group (most of whose activities are in the UK), which was partially funded by Gbp debt. Therefore, for the purpose of limiting total net exposure in British currency, debt denominated in pounds has been partially designated - to the extent allowed by the policy - as a hedge of net investments.

The fair value of derivatives was calculated on the basis of market parameters at the balance-sheet date and using valuation models widely used in the financial industry, with special attention to the exchange rate and interest rates in the two currencies at the year-end date.

Credit risk

Credit risk is the risk that a customer or a financial instrument counterparty may cause a financial loss by defaulting on an obligation. It arises principally in relation to the Group's debtors and financial investments.
The carrying amount of the financial assets is the Group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties, as detailed in section 3.9.

Exposure at 31 December 2008 was as follows:

Financial assets

(€k)	31.12.2008	31.12.2007	Change
Cash and cash equivalents	98,360	104,808	(6,448)
Other current financial assets	214,100	193,322	20,778
Trade receivables	209,538	202,023	7,515
Derivative instruments	13,374	13,161	214
Other non-current financial assets	33,841	26,837	7,004
Total	**569,213**	**540,151**	**29,063**

Exposure to credit risk depends on the specific characteristics of each customer. The Group's business model, centred on the relationship with the end consumer, means that trade receivables 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. Most credit risk is concentrated in the in-flight segment, with airlines; and in Italy, where there are significant commercial affiliations. In most cases, in fact, the Group's trade receivables stem from catering service agreements, commercial affiliations, and contracts with airlines for in-flight food & beverage and retail sales.
Other receivables consist mainly of amounts due from Inland Revenue and other government agencies, fees paid in advance or as one-off payments, 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 recognised net of impairments calculated on the basis of the counterparty's risk of default. Impairments are determined according to local procedures, which may require impairments of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or generic impairments calculated on the basis of historical and statistical data.
The following table shows the age of trade receivables by category of debtor at 31 December 2008:

Trade receivables		Expired not written down				
(€k)	Not expired	1-3 month	3-6 month	6 month -1 year	over 1 year	Total
Air companies	4,237	47,704	68	462	136	52,609
Franchises	7,842	1,157	-	3,225	-	12,224
Catering services agreements	2,485	17,047	593	2,060	336	22,520
Other	8,049	1,684	1,206	51	17	11,007
Total	**22,614**	**67,592**	**1,867**	**5,798**	**490**	**98,360**

There is no significant concentration of credit risk: the top 10 customers account for 13% of total trade receivables, and the largest customer (Autostrade per l'Italia S.p.A.) for 3%.

Liquidity risk

Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities.
The elements that make up the Group's liquidity are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, the liquidity of its financial investments, and financial market conditions.
At the moment, liquidity risk is substantially heightened due to the crisis in the credit market since the second half of 2008. Government efforts to support the banking industry have not yet had an appreciable effect on business loans, which are severely limited and much more expensive than before the crisis.
The Group has acted promptly to ensure adequate financial coverage with respect to amounts and maturities, and has no significant imminent payments to meet on existing debt.
The poor economy, which by reducing business volumes could prejudice compliance with loan covenants, has been countered with initiatives designed to maintain operating profitability and generate net cash through the reprogramming of investment projects.
Exposure and maturity data at 31 December 2008 were as follows:

Non derivative financial liabilities		Contractual cash flows					
(€k)	Carrying amount	Total	1-3 month	3-6 month	6 month - 1 year	1-5 years	over 5 years
Bank accounts	17,533	15,623	14,018	-	1,605	-	-
Unsecured laons	1,911,370	1,911,371	30,998	49	120,381	1,191,532	568,411
Lease payables	11,698	11,697	502	1,588	2,091	6,642	875
Other financial liabilities	1,046	821	-	-	143	175	503
Bonds	382,255	382,255	-	-	-	264,115	118,140
Trade payables	711,725	769,315	625,444	9,419	134,445	15	-
Other trade payables	57,590	57,590	56,972	227	376	15	-
Total	**3,035,627**	**3,091,081**	**670,961**	**11,055**	**258,665**	**1,462,479**	**687,929**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of whom the largest ten account for 4% of the total and the leading supplier (Consorzio Lotterie Nazionali Italiano) for 1%.

3.7 Segment reporting

As mentioned in the "General standards" section, the Group has opted for the early adoption of the new accounting standard IFRS 8 - Operating segments, starting with the 2008 financial statements, which supersedes IAS 14 - Segment reporting.
The Autogrill Group operates almost exclusively in three business segments, whose common denominator is direct or indirect service to people on the move. The three segments are food & beverage (or F&B), airport shopping (travel retail & duty-free), and the sale of meals and food products to airlines for the on-board catering service (in-flight).
Food & beverage takes place wherever people travel (mostly airports, motorways and railway stations), with a mainly local or at least domestic clientele. Offerings are strongly influenced by the local palate, although at airports, many international brands are sold in consideration of the high proportion of non-domestic travellers.
To a greater or lesser degree depending on the country and channel, and either separately or in conjunction with food and drink, the F&B division also sells everyday items (newspapers and magazines, tobacco products, toys) and other food and non-food items that travellers stopping for a meal will find convenient.
The operational levers are typically assigned to local organisations that are centralised at the country level.
The segment's performance is monitored separately for each organisation/country (HMSHost is an exception, as it covers the US, Canada, the Pacific Region and Schiphol Airport in the Netherlands), followed by an analysis of performance by sales unit.
Travel retail & duty-free has a clientele made up chiefly of people travelling abroad, who are offered a uniform assortment of merchandise with minor forays into local products. The operating structure (marketing, purchasing, etc.) is highly centralised.

Immediately following the acquisition of WDFE and exclusive control of Aldeasa, the Group began to integrate these with the duty-free division of Alpha Group Plc., acquired in 2007. At the end of 2008, the initial phase of integrating activities in the United Kingdom was completed and the international phase of the project was launched with the formation of committees. The worldwide integration of this sector will be completed in 2009.

Group management tracks the performance of this segment as a whole, and then breaks down the trends by airport and type of merchandise.
In-Flight is a segment that depends on the production capacity of the individual site and on business relations with the airlines. The operating levers are mainly assigned to local organisations, but the segment reports to a single unit, and under the tradename "Alpha" presents a united front to the global air transport market.
Group management monitors the performance of the segment as a whole, then analyses the performance of the individual units and supply contracts.

With early adoption of IFRS 8, the Group has therefore identified the following operating segments:
1. Food & Beverage
2. Travel Retail & Duty-Free
3. In-Flight

F&B is split into countries, but since many of these are too insignificant to be presented as separate operating segments, only Italy and North America are reported individually while the rest are grouped together as "Other European countries".

The revenue and costs presented are those directly pertaining to the segment as a result of its core business. The Group has taken earnings before interest and taxes (EBIT) as a measure of each segment's performance, while financial income and charges are assigned to the "non-attributable" column.
Key information on operating segments is presented below, along with a breakdown of sales by region.
The accounting policies are the same as those used to prepare the consolidated financial statements.

Segments	2008						
(€k)	Food & Beverage Italy	Food & Beverage HMSHost	Food & Beverage Other	Travel Retail & Duty-Free	In-Flight	Non-allocated	Consolidated
Revenue	1,394,371	1,885,607	748,980	1,438,700	431,217	-	5,898,875
Other operating income	61,037	1,063	22,979	35,954	489	1,924	123,447
Total revenue and other operating income	**1,455,408**	**1,886,671**	**771,959**	**1,474,655**	**431,705**	**1,924**	**6,022,322**
Depreciation, amortisation and impairments losses on property, plant, equipment and intangible assets	(47,394)	(98,533)	(56,130)	(52,055)	(15,450)	(280)	(269,843)
Operating profit	**126,154**	**132,123**	**5,136**	**71,559**	**26,012**	**(29,278)**	**331,705**
Financial income (charges)						(123,777)	(123,777)
Adjustments to the value of financial assets						3,347	3,347
Pre-tax profit						**(149,708)**	**211,275**
Income tax						(68,204)	(68,204)
Profit for the year						**(217,912)**	**143,071**
Goodwill	87,886	424,185	268,841	1,125,290	95,282	-	2,001,484
Other intangible assets	28,823	18,543	26,652	205,434	31,965	-	311,417
Property, plant and equipment	224,860	400,008	251,969	121,801	66,846	1,095	1,066,579
Equity investments	-	-	-	-	-	29,332	29,332
Non-current assets	**341,569**	**842,735**	**547,461**	**1,452,526**	**194,094**	**30,426**	**3,408,811**
Net working capital	(246,814)	(151,308)	(83,534)	(27,744)	7,954	26,827	(474,620)
Other non-current assets and liabilities	376	(32,239)	(11,421)	(44,019)	(12,022)	(123,780)	(223,105)
Capital invested, net	**95,131**	**659,187**	**452,506**	**1,380,763**	**190,026**	**(66,527)**	**2,711,087**

Region/geographical area	2008						
(€k)	Italy	USA and Canada	United Kingdom	Spain	Other Europe	Other world	Consolidated
Food & beverage revenue	1,394,371	1,780,229	-	95,543	711,311	47,503	**4,028,958**
Travel retail & duty-free revenue	-	63,909	605,022	535,980	8,972	224,817	**1,438,700**
In-flight revenue	44,542	2,885	231,606	-	52,910	99,274	**431,217**
Total revenue	**1,438,914**	**1,847,023**	**836,628**	**631,523**	**773,193**	**371,594**	**5,898,875**

Segments	2007						
(€k)	Food & Beverage Italy	Food & Beverage HMSHost	Food & Beverage Other	Travel Retail & Duty-Free	In-Flight	Non-allocated	Consolidated
Revenue	1,334,356	1,934,534	696,573	663,279	320,439	-	4,949,182
Other operating income	58,159	823	20,159	11,367	31	3,062	93,600
Total revenue and other operating income	**1,392,515**	**1,935,357**	**716,732**	**674,646**	**320,469**	**3,062**	**5,042,781**
Depreciation, amortisation and impairments losses on property, plant, equipment and intangible assets	(48,825)	(95,609)	(54,749)	(12,194)	(11,725)	(171)	(223,273)
Operating profit	**127,157**	**159,448**	**8,410**	**41,891**	**20,787**	**(18,579)**	**339,113**
Financial income (charges)						(64,128)	(64,128)
Adjustments to the value of financial assets						432	432
Pre-tax profit						**(82,275)**	**275,417**
Income tax						(103,569)	(103,569)
Profit for the year						**(185,844)**	**171,848**
Goodwill	87,937	405,344	261,651	423,206	115,943	-	1,294,082
Other intangible assets	20,340	22,533	29,832	24,877	22,915	-	120,498
Property, plant and equipment	198,197	347,953	253,213	65,497	43,243	5,779	913,882
Equity investments	-	-	-	-	-	23,474	23,474
Non-current assets	**306,474**	**775,830**	**544,696**	**513,581**	**182,101**	**29,253**	**2,351,935**
Net working capital	(218,876)	(111,477)	(77,782)	23,253	13,250	10,648	(360,985)
Other non-current assets and liabilities	(14,232)	(30,336)	(13,317)	(34,214)	(8,918)	(106,210)	(207,227)
Capital invested, net	**73,366**	**634,017**	**453,598**	**502,619**	**186,433**	**(66,309)**	**1,783,724**

Region/geographical area	2007						
(€k)	Italy	USA and Canada	United Kingdom	Spain	Other Europe	Other world	Consolidated
Food & beverage revenue	1,334,356	1,839,921	-	100,016	654,409	36,761	**3,965,463**
Travel retail & duty-free revenue	4,059	30,407	187,694	317,115	4,845	119,159	**663,279**
In-flight revenue	30,209	2,005	221,741	-	22,044	44,439	**320,439**
Total revenue	**1,368,625**	**1,872,333**	**409,436**	**417,131**	**681,298**	**200,360**	**4,949,182**

3.8 Seasonal patterns

The Group's volumes are closely related to the flow of travellers, which is highly seasonal in some businesses, and this in turn affects consolidated results. A breakdown of 2008 results by quarter shows that volumes are concentrated in the second half of the year, and particularly in the third quarter, when business is at a peak due to summer holidays.

	2008			
(€m)	1st quarter	1st half	1st nine month	Full year
Revenue	1,090.9	2,544.5	4,238.4	5,794.5
% on full year	**18.8%**	**43.9%**	**73.1%**	**100.0%**
EBIT	21 .7	116.1	277.9	331 .7
% on full year	**6.5%**	**35.0%**	**83.8%**	**100.0%**
Pre-tax profit	2.5	68.1	198.9	211 .3
% on full year	**1.2%**	**32.2%**	**94.2%**	**100.0%**
Profit for the year pertaining to the Group	(4.1)	33.9	111 .9	123.2
% on full year	**-3.3%**	**27.5%**	**90.9%**	**100.0%**

Notes:
Figures have not been adjusted for currency differences and change in scope of consolidation
Revenue do not include sales of fuel mainly performed in Swiss and Italian motorway service areas

It should be noted that the above figures are merely indicative and cannot be used to predict results.
Seasonal trends are then magnified by cash flows, with the first quarter seeing a concentration of annual payments (namely concession fees), both as settlement of amounts accrued in the previous year and as advances on the year in course. Cash generation, by contrast, is most intensive in the third quarter.
The consolidation of Alpha Group and WDFE and the line-by-line consolidation of Aldeasa, whose revenue and margins are concentrated in the central part of the year, have enhanced these seasonal patterns.

3.9 Guarantees given, commitments and contingent liabilities

Guarantees

At 31 December 2008 the guarantees given by the Autogrill Group amounted to €153,353k and referred to performance bonds and other personal guarantees issued in favour of grantors and business counterparties.

Commitments

Commitments outstanding at 31 December 2008 concern:
- €2,272k to be paid for the purchase of two commercial properties;
- the value of third-party assets in use (€1,397k);
- the value of the assets of leased businesses (€14,581k);
- the value of sale-or-return motorway toll cards held at Autogrill S.p.A. locations (€2,168k).

The Group has also agreed to minimum future payments under operating leases, as detailed in section 3.10.

Contingent liabilities

For the sake of continuity of information, we report that in October 2004, the previous majority shareholders of Receco S.L. (Spain) began an arbitration proceeding requesting cancellation of the sale and purchase agreement. On 6 February 2006 the court of arbitration issued a ruling which states, inter alia, that the sale and purchase agreement is valid and orders that once the amount of the guarantee to be given by the sellers has been determined, the shares making up the remaining 15% of Receco S.L. shall be transferred against simultaneous payment of the sum of €6.5m. The ruling also orders that a bank guarantee be issued in favour of Autogrill Partecipaciones S.L. for the amount of the guarantee determined. The sellers were formally asked to honour their obligations under the sale contract and failed to do so, initiating two further arbitration proceedings before the International Chamber of Commerce. The first request is that due to exceptional events the court of arbitration should establish that the final sale price be determined on the basis of operating income (EBIT) for 2009, and not for 2006 as originally agreed in the contract. The second request is to invalidate the method and computation of an outside expert, chosen by agreement between the parties under the above arbitration ruling, for the determination of 2004 operating income functional to the sale of the remaining 15% of Receco S.L. and the amount of the guarantee to be provided by the sellers. In 2007, the arbitration court accepted a request from Autogrill Partecipaciones S.L. that the two proceedings be unified.

The arbitration court has completed all evidence gathering and other preliminary steps. In the coming month it should announce a partial ruling as to which year is relevant for the calculation of EBIT as the basis of the final transaction price.
Our legal advisors consider that the requests and claims of the applicants are completely groundless. It is reasonably believed that there is no risk of contingent liabilities.
The decision concerning the method and calculation of EBIT by an outside expert will likely depend on the findings announced by the court in its partial ruling.

3.10 Operating leases

For the purposes of these financial statements, operating leases are defined as the various kinds of contract by which Group companies carry on their core business.
The management and provision of catering services along motorways or in airports is assigned by the motorway or airport operator to specialised 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 specialised firms.
The most common forms of agreement are commercially described as follows.

Access concession

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

Area concession

The motorway company authorises an entity (i) to build a service station and/or shop/restaurant on land which it owns and (ii) to carry on this business against payment of 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 relinquished free of charge to the motorway company.
Usually the holder of an area concession is a petrol company, which in turn can assign management of restaurant services to a specialised firm, generally through a business lease.

Service concession

The motorway operator authorises 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 authorised 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. organised to serve food and beverage products. In some cases the business consists of an authorisation to operate and an administrative license. 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 authorisation and the necessary buildings and equipment. Leasing a company in the concession business entails the obligation to ensure continuity of service and payment of an all-inclusive fee.
In a commercial lease, the operator uses buildings for business activity against payment of rentals. The premises are equipped and furnished according to the specifications and at the expense of the operator, who must clear the premises when the lease expires.
These kinds of concession are common (i) along motorways, where there are area or service sub-concessions assigned to a petrol company, which then turns to a caterer, and (ii) in cities, railway stations and shopping centers, according to the business objectives of the owner of the property.

Business lease is preferred by shopping center management companies and sometimes in other business segments, with the aim of precluding fixed duration which, together with other rights (e.g., pre-emption and loss of goodwill), may be stipulated in commercial leases, and to ensure coordinated management of the administrative licenses to trade.

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. This type of contract is prevalent in the in-flight segment and at certain Italian units.
The table below gives details by due date of the Group's future minimum lease payments at 31 December 2008, under the types of contract described above.

(€k)	Total future lease payments	Sub-lease future payments[1]	Net future lease payments
2009	523,532	22,785	500,747
2010	431,146	17,945	413,200
2011	367,471	12,667	354,804
2012	326,898	10,355	316,543
2013	255,701	8,415	247,286
After 2013	1,142,889	13,306	1,129,583
Total	**3,047,636**	**85,473**	**2,962,163**

[1] Referred to part of the sub-concessions mainly given in the USA, as agreed with the grantor, and in Italy

In 2008, the fees recognised in the income statement amount to €312,295k for leases and €7,356k for sub-leases.

3.11 Other information

Related party transactions

Autogrill S.p.A. is controlled by Schematrentaquattro S.r.l., which owns a 59.28% interest. Until 31 December 2008, Schematrentaquattro S.r.l. was a wholly-owned subsidiary of Edizione Holding S.p.A., controlled by Ragione S.A.p.A. di Gilberto Benetton e C.
Effective 1 January 2009, Edizione Holding S.p.A. was merged into Ragione S.A.p.A. di Gilberto Benetton e C., which changed its legal status and name to Edizione S.r.l.
All related-party transactions are carried out in the Group's interest and at arm's length.

Transactions with associates are negligible. No transactions have taken place with Schematrentaquattro S.r.l.

Transactions with Ragione S.A.p.A. di Gilberto Benetton e C.

	Ragione S.A.p.A. di Gilberto Benetton e C.		
(€k)	31.12.2008	31.12.2007	Change
Balance Sheet			
Other receivables	3,761	3,632	129
Other payables	14,760	-	14,760

"Other receivables" refer to Autogrill S.p.A.'s excess IRES advances on 2007 taxable income, paid to Ragione S.A.p.A. di Gilberto Benetton e C. (under the domestic tax consolidation scheme for 2007-2009) on the basis of its individual tax history.
"Other payables" consist of the IRES liability on 2008 income, also due to Ragione S.A.p.A. di Gilberto Benetton e C. under the domestic tax consolidation scheme.

Transactions with Edizione Holding S.p.A.

	Edizione Holding S.p.A.		
(€k)	2008	2007	Change
Income Statement			
Revenue	-	4	(4)
Other operating costs	113	5	108

(€k)	31.12.2008	31.12.2007	Change
Balance Sheet			
Trade payables	113	59	54
Other payables	-	966	(966)

"Other operating costs" refer to the fees accrued for two Edizione Holding S.p.A. directors for their service on the Board of Directors of Autogrill S.p.A.
Trade payables also relate to these directors' compensation.
All payables are current.

Transactions with subsidiaries of Ragione S.A.p.A. di Gilberto Benetton e C.

	Fabrica S.p.A.			Verde Sport S.p.A.		
(€k)	2008	2007	Change	2008	2007	Change
Income Statement						
Revenue	-	-	-	59	64	(5)
Other operating income	-	-	-	2	2	-
Other operating costs	112	78	34	67	61	6

(€k)	31.12.2008	31.12.2007	Change	31.12.2008	31.12.2007	Change
Balance Sheet						
Trade payables	105	60	45	2	3	(1)
Trade receivables	-	-	-	16	17	(1)

	Benetton Group S.p.A.			Bencom S.r.l.		
(€k)	2008	2007	Change	2008	2007	Change
Income Statement						
Revenue	4	-	4	-	-	-
Other operating income	-	-	-	367	362	5
Lease, rentals, concessions and royalties	53	-	53	-	-	-

(€k)	31.12.2008	31.12.2007	Change	31.12.2008	31.12.2007	Change
Balance Sheet						
Trade payables	6	4	2	-	-	-
Trade receivables	1	-	1	875	987	(112)

	Olimpias S.p.A.			AD Moving S.p.A.		
(€k)	2008	2007	Change	2008	2007	Change
Income Statement						
Other operating income	63	40	23	-	-	-
Other operating costs	-	-	-	517	-	517

(€k)	31.12.2008	31.12.2007	Change	31.12.2008	31.12.2007	Change
Balance Sheet						
Trade payables	38	23	15	13	-	13

	Atlantia Group			Edizione Property S.p.A.		
(€k)	2008	2007	Change	2008	2007	Change
Income Statement						
Revenue	7	-	7	6	5	1
Other operating income	1,973	977	996	-	-	-
Other operating costs	597	2,774	(2,177)	-	-	-
Lease, rentals, concessions and royalties	52,122	45,646	6,476	-	-	-
(€k)	31.12.2008	31.12.2007	Change	31.12.2008	31.12.2007	Change
Balance Sheet						
Trade payables	29,568	31,231	(1,663)	-	-	-
Trade receivables	1,760	1,048	712	6	6	-

Atlantia Group: other income refers to commissions on sales of Viacards (automatic toll collection cards) and the contribution for the co-marketing initiative "discounted coffee on the motorway".
Costs are comprised of concession fees and ancillary charges on several contracts for the provision of food & beverage and retail sales at rest stops along Italian motorways.
Olimpias S.p.A.: operating costs refer to the purchase of uniforms for sales personnel.
Benetton Group S.p.A.: rental costs refer to the hire of meeting rooms.
Verde Sport S.p.A.: revenue and trade receivables refer to sales of food & beverage products under the commercial affiliation contract for operating a Spizzico restaurant at La Ghirada - Città dello Sport. Costs and trade payables concern promotional events held at that sports facility.
AD Moving S.p.A.: other operating costs concern the purchase of advertising space.
Fabrica S.p.A.: transactions refer to graphic design consulting.
Bencom S.r.l.: income and receivables stem from the sub-lease of premises in Via Dante in Milan.
All liabilities are current; the receivable from Bencom S.r.l. will be paid off in instalments over the residual life of the sub-lease.

Transactions with associates of Ragione S.A.p.A. di Gilberto Benetton e C.

	Grandi Stazioni S.p.A.		
(€k)	2008	2007	Change
Income Statement			
Revenue	10	-	10
Lease, rentals, concessions and royalties	1,330	1,295	35

(€k)	31.12.2008	31.12.2007	Change
Balance Sheet			
Trade receivables	114	-	114
Trade payables	239	275	(36)

	SAGAT S.p.A.		
(€k)	2008	2007	Change
Income Statement			
Revenue	53	-	53
Lease, rentals, concessions and royalties	604	745	(141)

(€k)	31.12.2008	31.12.2007	Change
Balance Sheet			
Trade receivables	39	-	39
Trade payables	5	5	-

	Aeroporto di Firenze S.p.A.		
(€k)	2008	2007	Change
Income Statement			
Revenue	54	66	(12)
Other operating income	18	-	18
Lease, rentals, concessions and royalties	432	435	(3)

(€k)	31.12.2008	31.12.2007	Change
Balance Sheet			
Trade receivables	21	41	(20)
Trade payables	166	149	17

Grandi Stazioni S.p.A.: with this company there is an ongoing lease for premises in Rome Termini railway station. Costs refer to lease installments and related charges.
SAGAT S.p.A.: costs refer to rental and related charges for the premises at Turin airport.
Aeroporti di Firenze S.p.A.: costs refer to rental and related charges for the premises at Florence airport. Revenue come from the sale of products and the fee for the management of the Florence airport VIP lounge.

Emoluments of key managers with strategic responsibilities

According to the Company's governance, strategic responsibilities are only held by the CEO and the Board of Directors. Their emoluments in 2008 were as follows.

Name	Office held	Term of office	Emoluments (€)	Bonuses and other incentives (€)	Other fees (€)
Board of Directors					
Benetton Gilberto	Chairman	01.01-31.12.2008	52,200		
Tondato Da Ruos Gianmario	CEO	01.01-31.12.2008	642,049	390,000	490,171
Benetton Alessandro	Director	01.01-31.12.2008	49,800		
Brunetti Giorgio	Director	01.01-31.12.2008	67,000		
Bulgheroni Antonio	Director	01.01-31.12.2008	60,200		
Giavazzi Francesco	Director	23.04-31.12.2008	35,268		
Gómez-Navarro Javier	Director	23.04-31.12.2008	36,468		
Camuffo Arnaldo	Director	23.04-31.12.2008	46,868		
Roverato Paolo	Director	23.04-31.12.2008	51,268		
Costamagna Claudio	Director	23.04-31.12.2008	45,668		
Mion Gianni	Director	01.01-31.12.2008	61,400		
Malguzzi Alfredo	Director	01.01-31.12.2008	78,600		
De Simoi Sergio	Director	01.01-23.04.2008	15,132		
Erede Sergio	Director	01.01-23.04.2008	15,132		
Morazzoni Gaetano	Director	01.01-23.04.2008	15,732		
Desiderato Marco	Director	01.01-23.04.2008	15,732		
Total directors			**1,288,517**	**390,000**	**490,171**

CEO's fees includes his executive salary, which is shown under "Other fees".
The CEO's contract states that if he resigns with just cause or is dismissed by the Company without just cause, the Company will top up 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 less than €2m.

Emoluments of the statutory auditors

Emoluments of the statutory auditors are as follows:

Name	Office held	Term of office	Emoluments (€)	Bonuses and other incentives (€)	Other fees (€)
Luigi Biscozzi	Chairman	01.01-31.12.2008	72,189		24,654
Gianluca Ponzellini	Standing auditor	01.01-31.12.2008	48,878		16,822
Ettore Maria Tosi	Standing auditor	01.01-31.12.2008	48,878		17,209
Total statutory auditors			**169,945**	-	**58,685**

Significant non-recurring events and operations

In 2008, there were no significant non-recurring events or transactions as defined by Consob's resolution 15519 and communication DEM/6064293.

Atypical or unusual transactions

No atypical or unusual transactions, as defined by Consob's communications DEM/6037577 of 28 April 2006 and DEM/6064293 of 28 July 2006 were performed in 2008.

3.12 Significant subsequent events

Since the balance sheet date, no events have occurred that if known in advance would have entailed an adjustment to the figures reported.

3.13 Authorisation for publication

The Board of Directors authorised the publication of these consolidated financial statements at its meeting of 12 March 2009.

4. Annexes

4.1 List of consolidated companies and other equity investments

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Parent Company					
Autogrill S.p.A.	Novara	Eur	132,288,000	59.280	Schematrentaquattro S.r.l.
Companies consolidated line-by-line					
Autogrill International S.p.A.	Novara	Eur	4,951,213	100.000	Autogrill S.p.A.
Aviogrill S.r.l.	Bologna	Eur	10,000	100.000	Autogrill S.p.A.
Trentuno S.p.A.	Trento	Eur	1,417,875	100.000	Autogrill S.p.A.
Nuova Estral S.r.l.	Novara	Eur	10,000	100.000	Autogrill S.p.A.
Bar del Porto di Nuova Estral S.r.l. S.n.c.	Piombino	Eur	74,303	100.000	Nuova Estral S.r.l.
Nuova Sidap S.r.l.	Novara	Eur	100,000	100.000	Autogrill S.p.A.
Autogrill Germany GmbH	Munich	Eur	25,000	100.000	Autogrill S.p.A.
World Duty Free Europe Ltd.	London	Gbp	10,000,000	100.000	Autogrill España S.A.U.
Alpha Group Plc.	London	Gbp	18,258,499	100.000	World Duty Free Europe Ltd.
Autogrill Retail UK Limited	London	Gbp	180,000	100.000	Alpha Group Plc.
Alpha Flight Group Ltd.	London	Gbp	2	100.000	Alpha Group Plc.
Alpha Flight UK Limited	London	Gbp	190,000	100.000	Alpha Flight Group Ltd.
Alpha Flight Services Overseas Ltd.	St. Helier	Gbp	5,000	80.400	Alpha Flight Group Ltd.
Alpha Airports Group (Jersey) Limited	Jersey Airport, St. Peter	Gbp	4,000	100.000	Autogrill Retail UK Limited
Alpha Retail Ireland Limited	Dublin	Eur	1	100.000	Autogrill Retail UK Limited
Alpha Flight Ireland Ltd.	Dublin	Eur	3	100.000	Alpha Airport Holdings B.V.
Alpha Airport Holdings B.V.	Boesingheliede	Eur	74,874	100.000	Alpha Group Plc.
Autogrill Catering UK Ltd.	London	Gbp	116,358	100.000	Alpha Group Plc.
Alpha Flight Services B.V.	Boesingheliede	Eur	1,623,172	100.000	Alpha Flight Group Ltd.
Alpha Retail Catering Sweden A.B.	Nykoping	Sek	-	100.000	Alpha Flight Group Ltd.
Alpha Retail Italia S.r.l.	Rome	Eur	10,000	100.000	Autogrill S.p.A.
Alpha Rocas S.A.	Otopeni	Leu	335,000	64.200	Alpha Flight Group Ltd.
Alpha Airport Services EOOD	Sofia	Lev	7,519,725	100.000	Alpha Flight Group Ltd.
Alpha Keys Orlando Retail Associates Limited	Wilmington	Usd	1,500,000	85.000	Alpha Airport Services Inc.
Alpha Airport Services Inc.	Wilmington	Usd	-	100.000	Alpha Flight Group Ltd.
Alpha Flight Services Pty. Limited	Broadbeach	Aud	30,515,000	51 .000	Alpha Flight Services B.V.
Orient Lanka Limited	Fort Colombo	Lkr	49,155,000	99.000	Alpha Airport Holdings B.V.
Jordan Flight Catering Company Ltd.	Amman	Jod	800,000	51 .000	Alpha Flight Services Overseas Limited
Alpha MVKB Maldives Pvt Limited	Male	Mvr	25,191	100.000	Alpha Flight Group Ltd.

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Alpha Kreol (India) Pvt Ltd.	Male	Inr	95,883	50.000	Alpha Airport Holdings B.V.
Alpha In-Flight Retail Ltd.	London	Gbp	150,000	100.000	Alpha Flight UK Limited
Alpha Flight Services UAE	Sharjah	Aed	150,000	49.000	Alpha Flight Group Ltd.
Alpha Airport Retail Holdings Pvt Ltd.	Mumbai	Inr	120,578,970	100.000	Alpha Airports Group Ltd.
Alpha Future Airport Retail Pvt Ltd.	Mumbai	Inr	119,470,004	100.000	Alpha Airport Retail Holdings Private Limited
Alpha Airport Pension Trustees Ltd.	London	Gbp	100	100.000	Alpha Group Plc.
Pratt & Leslie Jones Ltd.	London	Gbp	8,900	100.000	Autogrill Retail UK Limited
Alpha SUTL Pte Ltd.	Singapore	Sgd	1	50.000	Alpha Flight Group Ltd.
Alpha ESOP Trustee Ltd.	London	Gbp	100	100.000	Alpha Airports Group Ltd.
Alpha Airports Group Ltd.	London	Gbp	2	100.000	Alpha Group Plc.
Alpha Euroservices Ltd.	London	Gbp	100	100.000	Alpha Airports Group Ltd.
Alpha Airport Services Ltd.	London	Gbp	25,000	100.000	Alpha Airports Group Ltd.
Alpha Catering Services (Scotland) Ltd.	London	Gbp	2	100.000	Alpha Airports Group Ltd.
Alpha Services Group Ltd.	London	Gbp	3	100.000	Alpha Airports Group Ltd.
Alpha Airports Group (Channel Island) Ltd.	St. Helier - Jersey	Gbp	21	100.000	Alpha Airports Group Ltd.
Airport Catering Services (NI) Ltd.	London	Gbp	2	100.000	Alpha Airports Group Ltd.
Alpha Airports (FURBS) Trustees Ltd.	London	Gbp	26,000	100.000	Alpha Airports Group Ltd.
Airport Duty Free Shops Ltd.	London	Gbp	2	100.000	Alpha Airports Group Ltd.
Dynair B.V.	London	Gbp	18,000	100.000	Alpha Airports Group Ltd.
Alpha ATS Pty Ltd.	Broadbeach	Cad	2	100.000	Alpha Flight Services Pty Ltd.
Air Czech Catering A.S.	Praha	Czk	50,000,000	100.000	Alpha Flight Group Ltd.
Autogrill Austria A.G.	Gottlesbrunn	Eur	7,500,000	100.000	Autogrill International S.p.A.
HMSHost Europe GmbH	Munich	Eur	205,000	100.000	Autogrill S.p.A.
HMSHost Ireland Ltd.	Cork	Eur	13,600,000	100.000	HMSHost Europe GmbH
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000	HMSHost Europe GmbH
HMSHost Sabeth Egypt	Cairo	Egp	1,000,000	60.000	HMSHost Europe GmbH
Autogrill España S.A.U.	Madrid	Eur	1,800,000	100.000	Autogrill International S.p.A.
Autogrill Participaciones S.L.	Madrid	Eur	6,503,006	100.000	Autogrill España S.A.U.
Restauracion de Centros Comerciales S.A. (RECECO)	Madrid	Eur	108,182	85.000	Autogrill Participaciones S.L.
Autogrill Finance S.A.	Luxembourg	Eur	250,000	99.996 0,004	Autogrill S.p.A. Autogrill Europe Nord-Ouest S.A.
Autogrill D.o.o.	Lubiana	Eur	1,180,152	100.000	Autogrill S.p.A.
Autogrill Czech S.r.o.	Praha	Czk	35,000,000	100.000	Autogrill International S.p.A.
Autogrill Hellas E.P.E.	Avlona Attikis	Eur	1,696,350	99.990 0.01	Autogrill International S.p.A. Autogrill S.p.A.
Autogrill Overseas Inc.	Wilmington	Usd	33,793,055	99.990	Autogrill International S.p.A.

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Autogrill Europe Nord-Ouest S.A.	Luxembourg	Eur	41,300,000	99.999 0.001	Autogrill International S.p.A. Autogrill Finance S.A.
Autogrill Belgie N.V.	Merelbeke	Eur	26,250,000	99.999 0.001	Autogrill Europe Nord-Ouest S.A. Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels Beheer N.V.	Merelbeke	Eur	7,851,186	99.999 0.001	Autogrill Belgie N.V. Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels S.A.	Grevenmacher	Eur	500,000	99.990 0.010	Autogrill Belgie N.V. Ac Restaurants & Hotels Beheer N.V.
Autogrill Nederland B.V.	Breukelen	Eur	41,371,500	100.000	Autogrill Europe Nord-Ouest S.A.
Maison Ledeboer B.V.	Zaandam	Eur	69,882	100.000	Autogrill Nederland B.V.
Ac Holding N.V.	Breukelen	Eur	150,000	100.000	Maison Ledeboer B.V.
The American Lunchroom Co B.V.	Zaandam	Eur	18,151	100.000	Ac Holding N.V.
Ac Apeldoorn B.V.	Apeldoorn	Eur	45,378	100.000	The American Lunchroom Co B.V.
Ac Bodegraven B.V.	Bodegraven	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Heerlen B.V.	Heerlen	Eur	22,689	100.000	The American Lunchroom Co B.V.
Ac Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	Eur	2,596,984	100.000	The American Lunchroom Co B.V.
Ac Holten B.V.	Holten	Eur	34,034	100.000	The American Lunchroom Co B.V.
Ac Leiderdorp B.V.	Leiderdorp	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Meerkerk B.V.	Meerkerk	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Nederweert B.V.	Weert	Eur	34,034	100.000	The American Lunchroom Co B.V.
Ac Nieuwegein B.V.	Nieuwegein	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Oosterhout B.V.	Oosterhout	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Restaurants & Hotels B.V.	Breukelen	Eur	91,212	100.000	The American Lunchroom Co B.V.
Ac Sevenum B.V.	Sevenum	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Vastgoed B.V.	Zaandam	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Vastgoed I B.V.	Zaandam	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Veenendaal B.V.	Veenendaal	Eur	18,151	100.000	The American Lunchroom Co B.V.
Ac Zevenaar B.V.	Zevenaar	Eur	56,723	100.000	The American Lunchroom Co B.V.
Holding de Participations Autogrill S.a.s.	Marseille	Eur	84,581,920	99.999 0.001	Autogrill Europe Nord-Ouest S.A. Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Eur	1,721,096	100.000	Holding de Participations Autogrill S.a.s.
Autogrill Coté France S.a.s.	Marseille	Eur	31,579,526	100.000	Holding de Participations Autogrill S.a.s.
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	Eur	288,000	50.010	Autogrill Coté France S.a.s.
Société de la Porte de Champagne S.A. (SPC)	Perrogney	Eur	153,600	52.230	Autogrill Coté France S.a.s.
Société de Restauration Autoroutière Dromoise S.a.s. (SRAD)	Marseille	Eur	1,136,000	50.000 50.000	Autogrill Coté France S.a.s. SRSRA S.A.
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	Eur	144,000	50.000	Autogrill Coté France S.a.s.
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	Eur	1,440,000	70.000	Autogrill Coté France S.a.s.

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA)	St Rambert d'Albon	Eur	515,360	50.000	Autogrill Coté France S.a.s.
Volcarest S.A.	Riom	Eur	1,050,144	50.000	Autogrill Coté France S.a.s.
Société de Gestion de Restauration Routière (SGRR S.A.)	Marseille	Eur	879,440	100.000	Autogrill Coté France S.a.s.
Vert Pré Saint Thiebaut SCI	Nancy	Eur	457	99.900 0.100	SGRR S.A. Autogrill Coté France S.a.s.
TJ2D S.n.c.	Nancy	Eur	1,000	99.000 1 .000	SGRR S.A. Autogrill Coté France S.a.s.
Autogrill Restauration Services S.a.s.	Marseille	Eur	15,394,500	100.000	Holding de Participations Autogrill S.a.s.
Autogrill Gares Province S.àr.l.	Marseille	Eur	274,480	100.000	Autogrill Restauration Services S.a.s.
Autogrill Gares Metropoles S.àr.l.	Marseille	Eur	4,500,000	100.000	Autogrill Restauration Services S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	Eur	2,337,000	100.000	Holding de Participations Autogrill S.a.s.
La Rambertine S.n.c.	St. Rambert d'Albon	Eur	1,524	45.000 55.000	Autogrill Coté France S.a.s. SGRR S.A.
Autogrill Commercial Catering France S.A.	Marseille	Eur	2,916,480	100.000	Holding de Participations Autogrill S.a.s.
Autogrill Centres Commerciaux S.àr.l.	Marseille	Eur	447,000	100.000	Holding de Participations Autogrill S.a.s.
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	56.860 43.140	Aldeasa S.A. Autogrill International S.p.A.
Autogrill Pieterlen A.G.	Pieterlen	Chf	2,000,000	100.000	Autogrill Schweiz A.G.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Avry devant Pont	Chf	1,500,000	54.000	Autogrill Schweiz A.G.
Autogrill Group Inc.	Delaware	Usd	225,000,000	100.000	Autogrill Overseas Inc.
CBR Specialty Retail Inc.	Delaware	Usd	-	100.000	Autogrill Group Inc.
HMSHost Corp.	Delaware	Usd	-	100.000	Autogrill Group Inc.
HMSHost Europe Inc.	Delaware	Usd	-	100.000	Autogrill Group Inc.
HMSHost International Inc.	Delaware	Usd	-	100.000	Autogrill Group Inc.
HMSHost Tollroads Inc.	Delaware	Usd	-	100.000	HMSHost Corp.
HMSHost USA LLC	Delaware	Usd	-	100.000	Autogrill Group Inc.
Host International Inc.	Delaware	Usd	-	100.000	HMSHost Corp.
Sunshine Parkway Restaurants Inc.	Florida	Usd	100	50.000 50.000	HMSHost Corp. Gladieux Corp.
Cincinnati Terminal Services Inc.	Delaware	Usd	-	100.000	Host International Inc.
Cleveland Airport Services Inc.	Delaware	Usd	-	100.000	Host International Inc.
HMS-Airport Terminal Services Inc.	Delaware	Usd	1,000	100.000	Host International Inc.
HMS B&L Inc.	Delaware	Usd	-	100.000	Host International Inc.
HMS Holdings Inc.	Delaware	Usd	1,000	100.000	Host International Inc.
HMS Host Family Restaurants Inc.	Maryland	Usd	2,000	100.000	HMS Holdings Inc.
HMS Host Family Restaurants LLC	Delaware	Usd	-	100.000	HMS Host Family Restaurants Inc.
Gladieux Corporation	Ohio	Usd	750	100.000	HMS Holdings Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	Myr	-	100.000	Host International Inc.

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Host Gifts Inc.	California	Usd	100,000	100.000	Host International Inc.
Host International of Canada Ltd.	Vancouver	Cad	75,351,237	100.000	Host International Inc.
Host Canada L.P.	Vancouver	Cad	-	100.000	Host International Inc.
SMSI Travel Centres Inc.	Toronto	Cad	-	100.000	Host International of Canada Ltd.
Host International of Kansas Inc.	Kansas	Usd	1,000	100.000	Host International Inc.
Host International of Maryland Inc.	Maryland	Usd	79,576	100.000	Host International Inc.
HMS Host USA Inc.	Delaware	Usd	-	100.000	Host International Inc.
Host of Holland B.V.	Amsterdam	Eur	-	100.000	Host International Inc.
Horeca Exploitatie Maatschappij Schiphol B.V.	Amsterdam	Eur	45,378	100.000	Host of Holland B.V.
Host Services Inc.	Texas	Usd	-	100.000	Host International Inc.
Host Services of New York Inc.	Delaware	Usd	1,000	100.000	Host International Inc.
Host Services Pty Ltd.	North Cairns	Aud	6,252,872	100.000	Host International Inc.
Las Vegas Terminal Restaurants Inc.	Delaware	Usd	-	100.000	Host International Inc.
Marriott Airport Concessions Pty Ltd.	Melbourne	Aud	3,910,102	100.000	Host International Inc.
Michigan Host Inc.	Delaware	Usd	1,000	100.000	Host International Inc.
The Gift Collection Inc.	California	Usd	1,000	100.000	Host International Inc.
Turnpike Restaurants Inc.	Delaware	Usd	-	100.000	Host International Inc.
HMShost Services India Private Ltd.	Bangalore	Inr	617,833,218	100.000	Host International Inc
HMS-Airport Terminal Services Inc.	Christchurch	Nzd	-	100.000	Host International Inc
HMSHost Singapore Pte Ltd.	Singapore	Sgd	7,384,720	100.000	Host International Inc
AAI Investments Inc.	Delaware	Usd	-	100.000	Autogrill Group Inc.
Anton Airfood Inc. (AAI)	Virginia	Usd	1,000	100.000	AAI Investments Inc.
AAI Terminal 7 Inc.	New York	Usd	-	100.000	Anton Airfood Inc.
AAI Terminal One Inc.	New York	Usd	-	100.000	Anton Airfood Inc.
Airport Architects Inc.	Washington	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood JFK Inc.	New York	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Cincinnati Inc.	Kentucky	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Minnesota Inc.	Minnesota	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of New York Inc.	New York	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of North Carolina Inc.	North Carolina	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Ohio Inc.	Ohio	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Rhode Island Inc.	Rhode Island	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Texas Inc.	Texas	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Virginia Inc.	Virginia	Usd	-	100.000	Anton Airfood Inc.
Palm Springs AAI Inc.	California	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Boise Inc.	Idaho	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Tulsa Inc.	Oklahoma	Usd	-	100.000	Anton Airfood Inc.
AAI Islip, Inc.	New York	Usd	-	100.000	Anton Airfood Inc.
Fresno AAI, Inc.	California	Usd	-	100.000	Anton Airfood Inc.

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Anton Airfood of Newark, Inc.	New Jersey	Usd	-	100.000	Anton Airfood Inc.
Anton Airfood of Seattle, Inc.	Washington	Usd	-	100.000	Anton Airfood Inc.
Lee Airport Concession, Inc.	North Carolina	Usd	-	100.000	Anton Airfood Inc.
Providence Airport Restaurant J.V.	Rhode Island	Usd	-	100.000	Anton Airfood Inc.
Anton/JQ RDU Joint Venture	Delaware	Usd	-	100.000	Anton Airfood Inc.
Host Bush Lubbock Airport J.V.	Texas	Usd	-	90.000	Host International Inc.
Host/Lub-Tech Joint Venture	Michigan	Usd	-	90.000	Host International Inc.
CS Host Joint Venture	Kentucky	Usd	-	70.000	Host International Inc.
Airside C F & B Joint Venture	Florida	Usd	-	70.000	Host International Inc.
Host Kahului Joint Venture Company	Hawaii	Usd	-	90.000	Host International Inc.
Host/Coffee Star Joint Venture	Texas	Usd	-	50.000	Host International Inc.
Host-Chelle-Ton Sunglass J.V.	North Carolina	Usd	-	80.000	Host International Inc.
Southwest Florida Airport J.V.	Florida	Usd	-	80.000	Host International Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	-	90.000	Host International Inc.
Host/Forum Joint Venture	Maryland	Usd	-	70.000	Host International Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	-	55.000	Host International Inc.
Savannah Airport Joint Venture	Georgia	Usd	-	45.000	Host International Inc.
Host/Star Concessions J.V.	Texas	Usd	-	65.000	Host International Inc.
Host & Garrett Joint Venture	Mississippi	Usd	-	75.000	Host International Inc.
Tinsley - Host - Tampa Joint Venture	Florida	Usd	-	49.000	Host International Inc.
Host/NCM Atlanta Joint Venture	Georgia	Usd	-	80.000	Host International Inc.
Phoenix - Host Joint Venture	Arizona	Usd	-	70.000	Host International Inc.
Host Taco Joy Joint Venture	Georgia	Usd	-	80.000	Host International Inc.
Minnesota Retail Partners, LLC	Minnesota	Usd	-	51 .000	Host International Inc.
Host Chelsea Joint Venture	Texas	Usd	-	65.000	Host International Inc.
Providence Airport J.V.	Rhode Island	Usd	-	25.000	Host International Inc.
Host - Tinsley Joint Venture	Florida	Usd	-	84.000	Host International Inc.
Host/Tarra Joint Venture	Florida	Usd	-	75.000	Host International Inc.
Metro-Host Joint Venture	Michigan	Usd	-	70.000	Host International Inc.
Ben-Zey/Host Lottery J.V.	Florida	Usd	-	40.000	Host International Inc.
ASG - Host Joint Venture	Michigan	Usd	-	85.000	Host International Inc.
Host D and D St. Louis Airport J.V.	Missouri	Usd	-	75.000	Host International Inc.
East Terminal Chilis Joint Venture	Missouri	Usd	-	55.000	Host International Inc.
Host - Chelsea Joint Venture #2	Texas	Usd	-	75.000	Host International Inc.
Host/LJA Joint Venture	Missouri	Usd	-	85.000	Host International Inc.
Host/NCM Atlanta E Joint Venture	Georgia	Usd	-	75.000	Host International Inc.
Houston 8/Host Joint Venture	Texas	Usd	-	60.000	Host International Inc.
Seattle Restaurant Associates	Washington	Usd	-	70.000	Host International Inc.
Bay Area Restaurant Group	California	Usd	-	49.000	Host International Inc.
Islip Airport Joint Venture	New York	Usd	-	100.000	Anton Airfood Inc.

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Host Prose #2 J.V.	Virginia	Usd	-	70.000	Host International Inc.
HMS Host/Coffee Partners J.V.	Texas	Usd	-	50.000	Host International Inc.
Host-Grant Park Chili's Joint Venture	Arizona	Usd	-	70.000	Host International Inc.
Host/JV Ventures McCarran J.V.	Nevada	Usd	-	60.000	Host International Inc.
Airside E Joint Venture	Florida	Usd	-	50.000	Host International Inc.
Host-CJ & Havana Joint Venture	California	Usd	-	70.000	Host International Inc.
Xavier-Host Joint Venture	Ohio	Usd	-	60.000	Host International Inc.
Host-Avila of Phoenix Joint Venture	Arizona	Usd	-	85.000	Host International Inc.
Southwest Retail Alliance III	Arizona	Usd	-	70.000	Host International Inc.
Host Whitsett Joint Venture	Nevada	Usd	-	60.000	Host International Inc.
Host/Howell-Mickens Joint Venture	Texas	Usd	-	65.000	Host International Inc.
Host/JZ RDU Joint Venture	North Carolina	Usd	-	75.000	Host International Inc.
MIA Airport Retail Partners J.V.	Florida	Usd	-	30.000	Host International Inc.
Host of Santa Ana J.V. Company	California	Usd	-	75.000	Host International Inc.
Host Marriott Services - D/FW J.V.	Texas	Usd	-	65.000	Host International Inc.
Host Marriott Services - D/FWorth J.V. II	Texas	Usd	-	75.000	Host International Inc.
Host - Prose Joint Venture III	Virginia	Usd	-	51 .000	Host International Inc.
Host Adevco Joint Venture	Arkansas	Usd	-	70.000	Host International Inc.
HMSHost Shellis Trans Air J.V.	Georgia	Usd	-	60.000	Host International Inc.
Host PJJD Jacksonville Joint Venture	Florida	Usd	-	51 .000	Host International Inc.
Host - MPL Airport, LLC	Indiana	Usd	-	75.000	Host International Inc.
Host/JQ Raleigh Durham	North Carolina	Usd	-	100.000	Anton Airfood Inc.
Autogrill Belux N.V.	Merelbeke	Eur	10,000,000	99.999 0.001	Autogrill S.p.A. Autogrill International S.p.A.
Carestel Motorway Services N.V.	Merelbeke	Eur	9,000,000	99.999 0.001	Autogrill Belux N.V. Ac Restaurants & Hotels Beheer N.V.
Carestel Service Center N.V. (in liquidation)	Merelbeke	Eur	62,000	99.840 0,160	Autogrill Belux N.V. Carestel Motorway Services N.V.
Carestel Beteiligungs GmbH & Co. (in liquidation)	Echterdingen	Eur	25,000	100.000	Autogrill Belux N.V.
Carestel Nord S.àr.l.	Mulhouse	Eur	76,225	99.000	Carestel Commercial Catering France S.A.
Autogrill Trois Frontières S.a.s.	Marseille	Eur	621 .999	100.000	Carestel Commercial Catering France S.A.
Restair UK Ltd.	London	Gbp	-	100.000	Autogrill Belux N.V.
Aldeasa S.A.	Madrid	Eur	10,772,462	99.960	Autogrill España S.A.U.
Aldeasa Internacional S.A.	Madrid	Eur	5,409,000	100.000	Aldeasa S.A.
Aldeasa Chile Ltda.	Santiago del Chile	Usd	2,516,819	100.000	Aldeasa S.A.
Sociedad de Distribución Aero-portuaria de Canarias S.L.	Las Palmas	Eur	667,110	60.000	Aldeasa S.A.
Aldeasa Colombia Ltda.	Cartagena de Indias	Cop	2,356,075,724	100.000	Aldeasa S.A.

Company	Registered office	Currency	Share/quota capital	% held	Quotaholders/ Shareholders
Aldeasa México S.A. de C.V.	Cancun	Mxn	60,962,541	100.000	Aldeasa S.A.
Transportes y Suministros Aeroportuarios S.A.	Madrid	Eur	1.202,000	100.000	Aldeasa S.A.
Aldeasa Cabo Verde S.A.	Isla de Sal	Cve	6,000,000	100.000	Aldeasa S.A.
Prestadora de Servicios en Aeropuertos S.A. de C.V.	Cancun	Mxn	50,000	100.000	Aldeasa S.A.
Panalboa S.A.	Panama	Pab	150,000	80.000	Aldeasa S.A.
Audioguiarte Servicios Culturales S.L.	Madrid	Eur	251.000	100.000	Aldeasa S.A.
Aldeasa Servicios Aeroportuarios Ltda.	Santiago del Chile	Usd	15,000	100.000	Aldeasa S.A.
Aldeasa Projets Culturels S.a.s.	Paris	Eur	1.500,000	100.000	Aldeasa S.A.
Cancouver Uno S.L.	Madrid	Eur	3,010	100.000	Aldeasa S.A.
Aldeasa Jordan Airports Duty Free Shops (AJADFS)	Amman	Usd	705,219	100.000	Autogrill Schweiz A.G.
Aldeasa Curaçao N.V.	Curaçao	Usd	500,000	100.000	Autogrill Schweiz A.G.
Aldeasa Atlanta J.V.	Bethesda	Usd	2,200,000	51.000 25.000	Aldeasa S.A. Autogrill Group Inc.
Aldeasa Canada Inc.	Vancouver	Cad	1.000	100.000	Cancouver Uno S.L.
Aldeasa US Inc.	Wilmington	Usd	1.000	100.000	Aldeasa S.A.
Aldeasa Atlanta LLC	Atlanta	Usd	100	100.000	Aldeasa US Inc.
Aldeasa Vancouver L.P.	Vancouver	Cad	48,001.000	87,032 12.969	Cancouver Uno S.L. Host International Inc.
Companies consolidated proportionally					
Steigenberger Gastronomie GmbH	Frankfurt	Eur	750,000	49.900	HMSHost Europe GmbH
Servair Air Chef S.r.l.	Milan	Eur	2,575,000	50.000	Alpha Flight Group Ltd.
Servizi di Bordo S.r.l.	Milano	Eur	40,000	80.000	Servair Air Chef S.r.l.
Alpha ASD Limited	London	Gbp	20,000	50.000	Alpha Airports Group Limited
Caresquick N.V.	Bruxelles	Eur	2,500,000	50.000	Autogrill Belux N.V.
Companies consolidated using the equity method					
Dewina Host Sdn Bhd	Kuala Lumpur	Myr	-	49.000	Host International Inc.
HMSC-AIAL Ltd.	Auckland	Nzd	-	50.000	Host International Inc.
TGIF National Restaurant JV	Texas	Usd	-	25.000	Host International Inc.
PH Co-op Inc.	n.a.	Usd	15,600	n.a.	Host International Inc.
Estación Aduanera Zaragoza S.A.	Zaragoza	Eur	1.670,153	31,260	Aldeasa S.A.
Souk al Mouhajir S.A.	Tangiers	Dhs	6,500,000	35.840	Aldeasa S.A.
Creuers del Port de Barcelona S.A.	Barcelona	Eur	3,005,061	23.000	Aldeasa S.A.
Lanzarote de Cultura y Ocio S.A.	Tias	Eur	180,304	30.000	Aldeasa S.A.
Virgin Express Catering Services N.V.	Bruxelles	Eur	17,740,000	49.980	Alpha Airport Holdings B.V.

Attestation of the Managing Director and the Manager Responsible

Declaration in respect of the Consolidated Financial Statements under Article 154-bis clause 5 of Legislative Decree 58/98

1. The undersigned, Gianmario Tondato Da Ruos, as Managing Director (CEO), and Mario Zanini, as the executive officer responsible for drawing up Autogrill S.p.A.'s financial reports, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest:

   - the adequacy with respect to the company structure, and
   - the effective application

of the administrative and accounting procedures applied in the preparation of the Company's Consolidated Financial Statements during 2008 fiscal year.

2. In this regard no significant matters emerged.

3. The undersigned moreover attest that:

   3.1 The Consolidated Financial Statements at 31 December 2008:

   a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;
   b) correspond to the books and accounting entries; and
   c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries as of 31 December 2008 and for the year then ended.

   3.2 The report on operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Milan, 12 March 2009

Managing Director
Autogrill S.p.A.

Executive officer
responsible for drawing up
Autogrill S.p.A.'s financial reports
Autogrill S.p.A.

External Auditors' Report

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

Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998

To the shareholders of
Autogrill S.p.A.

1 We have audited the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2008, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the parent's directors restated such corresponding figures included in the prior year consolidated financial statements. We audited such financial statements and issued our report thereon on 7 April 2008. Specifically, the restated corresponding figures concern the change in the accounting policy on the recognition of defined benefit plans and completion of the initial recognition of the acquisition of Alpha Group Plc. We have examined the methods used to restate the prior year corresponding figures and related disclosures to the extent that we considered to be necessary to express an opinion on the consolidated financial statements at 31 December 2008.

3 In our opinion, the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2008 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

__Autogrill Group__
Report of the auditors
31 December 2008

and fair view of the financial position of the Autogrill Group as at 31 December 2008, the results of its operations, changes in its equity 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 in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by article 156.4-bis.d of Legislative decree no. 58/98. 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 is consistent with the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2008.

Milan, 3 April 2009

KPMG S.p.A.

(signed on the original)

Giovanni Rebay
Director of Audit

5. Separate Financial Statements of Autogrill S.p.A.

5.1 Balance Sheet

(€k)		31.12.2008	31.12.2007 *	Change
Note				
I	Cash and cash equivalents	52,233	45,734	6,499
II	Other financial assets	365,845	246,566	119,279
III	Tax credits	1,121	2,778	(1,657)
III	Other receivables	46,931	64,512	(17,581)
IV	Trade receivables	24,980	31,192	(6,212)
V	Inventories	51,480	48,594	2,886
	Total current assets	**542,590**	**439,376**	**103,214**
VI	Property, plant and equipment	223,083	196,749	26,334
VII	Goodwill	76,919	76,970	(51)
VIII	Other intangible assets	50,526	43,341	7,185
IX	Equity investments	616,896	892,911	(276,015)
X	Other financial assets	1,250,255	293,417	956,838
XI	Other receivables	18,118	7,208	10,910
	Total non-current assets	**2,235,797**	**1,510,596**	**725,201**
	TOTAL ASSETS	**2,778,387**	**1,949,972**	**828,415**
XII	Trade payables	281,911	281,905	6
XIII	Other payables	94,546	80,201	14,345
XIV	Due to banks	23,159	24,873	(1,714)
XV	Other financial liabilities	94,704	6,936	87,768
	Total current liabilities	**494,320**	**393,915**	**100,405**
XVI	Loans net of current portion	1,629,562	763,572	865,990
XVII	Deferred tax liabilities	7,146	37,538	(30,392)
XVIII	Post-employment and other employee benefit provisions	75,630	80,132	(4,502)
XIX	Provisions for risks and charges	18,579	21,144	(2,565)
	Total non-current liabilities	**1,730,917**	**902,386**	**828,531**
	TOTAL LIABILITIES	**2,225,237**	**1,296,301**	**928,936**
XX	**EQUITY**	**553,150**	**653,671**	**(100,521)**
	TOTAL LIABILITIES AND EQUITY	**2,778,387**	**1,949,972**	**828,415**

* See section 6.1 for a description of adjustments made to the originally published figures

5.2 Income Statement

(€k)		2008	2007 *	Change
XXI	Revenue	1,350,870	1,307,905	42,965
XXI	Other operating income	68,632	62,473	6,159
	Total revenue and other operating income	**1,419,502**	**1,370,378**	**49,124**
XXII	Raw and ancillary materials and goods	681,068	665,353	15,715
XXIII	Personnel expense	300,076	279,978	20,098
XXIV	Leases, rentals, concessions and royalties	140,265	127,714	12,551
XXV	Other operating costs	155,377	141,968	13,409
XXVI	Depreciation, amortisation and impairment losses	47,670	48,297	(627)
	EBIT	**95,046**	**107,068**	**(12,022)**
XXVII	Financial income	230,078	126,537	103,541
XXVIII	Financial expense	(265,250)	(37,924)	(227,326)
XXIX	Impairment losses on financial assets	(11,234)	(3,256)	(7,978)
	Pre-tax profit	**48,640**	**192,425**	**(143,785)**
XXX	Income tax	(30,335)	(46,220)	15,885
	Profit for the year	**18,305**	**146,205**	**(127,900)**

* See section 6.1 for a description of adjustments made to the originally published figures

5.3 Statement of changes in equity

(€k)	Share capital	Legal reserve	Hedging reserve	Other reserves and retained earnings*	Profit for the year	Equity
31.12.2006	132,288	10,745	-	371,048	95,258	609,339
Allocation of 2006 profit:						
- reserves	-	4,763	-	-	(4,763)	-
- dividends	-	-	-	(11,264)	(90,496)	(101,760)
Fair value gains (losses) on hedging derivatives instruments	-	-	(161)	48	-	(113)
Profit for the year	-	-	-	-	146,205	146,205
31.12.2007	132,288	15,508	(161)	359,831	146,205	653,671
Allocation of 2007 profit:						
- reserves	-	7,417	-	62,468	(69,885)	-
- dividends	-	-	-	-	(76,320)	(76,320)
Fair value gains (losses) on hedging derivatives instruments	-	-	(57,326)	15,764	-	(41,562)
Treasury shares	-	-	-	(944)	-	(944)
Profit for the year	-	-	-	-	18,305	18,305
31.12.2008	132,288	22,925	(57,487)	437,119	18,305	553,150

* See section 6.1 for a description of adjustments made to the originally published figures

5.4 Cash flow statement

(€m)	2008	2007*
Opening net cash and cash equivalents	**36.9**	**97.8**
Pre-tax profit and net financial expense for the year	95.0	107.1
Amortisation, depreciation and impairment losses, net of reversals	47.7	48.3
Capital (gains)/losses from the sale of fixed assets	(0.6)	(0.8)
Change in working capital	15.2	4.6
Net change in non-current assets and liabilities	(21 .4)	(18.4)
Cash flows from operating activities	**135.9**	**140.8**
Taxes paid	(23.2)	(70.2)
Net interest paid	(23.0)	(10.0)
Net cash flows from operating activities	**89.7**	**60.6**
Investments in property, plant and equipment and intangible assets	(81 .1)	(113.8)
Sale price of assets sold	0.6	3.8
Disposal of equity investments	279.8	-
Increase in investments in subsidiaries	(27.5)	(307.8)
Receipt of dividends from equity investments	84.6	39.8
Other movements	(1 .0)	-
Cash flows from (used in) investing activities	**255.4**	**(378.0)**
New long-term loans	1,019.8	400.1
Long-term intercompany loans receivable	(956.9)	(7.0)
Payments of long-term loans	(153.7)	126.0
Payments of short-term loans, net of new borrowing	(167.5)	(160.8)
Dividends paid	(76.3)	(101 .8)
Cash flows from financing activities	**(334.6)**	**256.5**
Cash flows for the period	**10.5**	**(60.9)**
Closing net cash and cash equivalents	**47.4**	**36.9**

(€m)	2008	2007
Opening cash and cash equivalents, net	**36.9**	**97.8**
Cash and cash equivalents	45.7	108.5
Current account overdrafts	(8.8)	(10.7)
Closing cash and cash equivalents, net	**47.4**	**36.9**
Cash and cash equivalents	52.2	45.7
Current account overdrafts	(4.8)	(8.8)

* See section 6.1 for a description of adjustments made to the originally published figures

6. Notes

6.1 Accounting policies

Company operations

Autogrill S.p.A. operates in the food & beverage and travel retail sectors 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, as well as on-board planes.

In Italy it specialises in catering for people on the move and in quick service restaurants in locations where there is high passenger traffic and consumer presence.

Restaurant locations along motorways also sell food and non-food products to the public.

General standards

Autogrill S.p.A.'s financial statements were prepared under IFRS as issued 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 Interpretation Committee (IFRIC).

Below is a list of the accounting standards, amendments and interpretations taking effect after 31 December 2008, as adopted by the European Union:
IAS 1 revised - Presentation of financial statements
IAS 23 revised - Financial expense
Amendments to IAS 32 and IAS 1 - Puttable financial instruments and obligations arising on liquidation
Amendments to IFRS 1 and IAS 27 - Cost of an investment in a subsidiary, jointly controlled entity or associate
IFRS 2 revised - Share-based payments: vesting conditions and cancellations
IFRIC 13 - Customer loyalty programs
IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

We believe that the application, where necessary, of these standards and interpretations would not affect Autogrill S.p.A.'s financial statements to an extent requiring mention in these Notes.

The accounting standards are the same as those used to prepare the parent company's 2007 financial statements, except for those concerning segment reporting and the recognition of actuarial gains and losses on defined benefit plans. In particular:

- the Company had previously opted for the immediate recognition in profit or loss of the actuarial gains/losses on such plans. Starting in 2008, the Company has switched to the "corridor" method, by which:
  - actuarial gains and losses are not reported as long as they are within ±10% of the greater of the plan assets or the present value of the plan obligations;
  - any excess is recognised in profit and loss over the average remaining service lives of current employees.

The 2007 figures have been adjusted accordingly, as shown in the table below:

Income Statement for 2007	**(€k)**
Increase in personnel expense	2,935
Decrease in income tax	(807)
Decrease in profit for the year	**2,128**
Balance Sheet as at 31 December 2007	
Cumulative increase in employee post-employment and other employee benefit provisions	2,935
Decrease in deferred tax liabilities	(807)
Cumulative decrease in retained earnings	**2,128**

» the Group has opted for the early adoption of IFRS 8, starting with the 2008 financial statements. The new accounting standard, which supersedes IAS 14 - Segment reporting, requires an entity to base the information contained in its segment reporting on factors used by management for taking operating decisions, thereby requiring the identification of operating segments based on internal reports that are regularly reviewed by the entity's management in order to allocate resources to the different segments and to assess their performance. Adoption of this standard has had no effect on the amounts of financial statement items, and merely entails the restatement of information by business segment and geographical area. IFRS 8 allows companies that jointly present separate and consolidated financial statements to provide segment reporting in the consolidated statements only. For this reason, the disclosures required by IFRS 8 are not presented in Autogrill S.p.A.'s separate financial statements. Please see the consolidated financial statements for details.

The financial statements were prepared on the historical cost principle, except for certain financial instruments, which are measured at fair value, and finance lease assets, also recognised at fair value as at the signing date of the lease. These financial statements were prepared on a going-concern basis using the euro as the functional currency. The figures in the financial statements and notes are in thousands of euros (€k) or millions of euros (€m).

Structure, form and content of the financial statements

In accordance with IAS 1 and IAS 7, the formats used in the 2008 financial statements are as follows:

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

Accounting policies

Recognition of income and costs

Purchases and sales of goods are recognised on transfer of title at fair value, i.e., the price paid or received net of returns, rebates, sales discounts and year-end bonuses.
Service income and costs are recognised according to the stage of completion at year end.
Interest income and expense are reported on an accruals basis.
Dividends are recognised when the shareholders are entitled to receive payment.
Recoveries of costs borne on behalf of others are recognised as a deduction from the related cost.
Financial expense are charged to the income statement on an accruals basis and are not capitalised.

Employee benefits

All employee benefits are recognised 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 formalised agreements whereby the entity provides post-employment benefits to one or more employees.
Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions should the fund have insufficient assets to pay all 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 recognised in the accounts net of the fair value of any plan assets. If this fair value exceeds the value of the liability, it is recognised as an asset. Actuarial valuation is entrusted to actuaries outside the Company.
Although it has maintained the option to recognise actuarial gains/losses in the income statement, since 2008 the Company has adopted the "corridor" method, by which actuarial gains and losses are not reported as long as they are within ±10% of the greater of the plan assets or the present value of the plan obligations. Any excess is recognised in profit or loss over the average remaining service lives of the beneficiaries, under the item "personnel expenses," along with the provision accrued for the year. The financial component is included among financial expense.
Due to changes in the system of post-employment benefits ("Trattamento di fine rapporto" or "TFR") brought about by Law 296 of 27 December 2006 and by the decrees and regulations issued in early 2007 (the "social security reform"), the Company has adopted the following accounting rules:

- 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 recognised in the period when the right matures;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognised as costs and shown as a liability under post-employment benefits and other employee benefit provisions, net of any contributions already paid.

Tax

Tax for the year is the sum of current and deferred taxes.
Current tax is calculated on taxable income for the year. Taxable income differs from the result reported in the income statement because it excludes costs and income that will be deducted or taxed in other years, as well as items that will never be deducted or taxed. Current tax liabilities are determined using the tax rates in effect (on an official or de facto basis) as at the reporting date.
For the period 2007-2009, Autogrill S.p.A., together with its Italian subsidiaries Autogrill International S.p.A., Nuova Sidap S.r.l., Alpha Retail Italia S.r.l., Trentuno S.p.A., and Nuova Estral S.r.l., have joined the domestic tax consolidation scheme of the ultimate parent Ragione S.A.p.A. di Gilberto Benetton e C., as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for payment in full of the amount corresponding to the transferred losses or profits times the IRES (corporate tax) rate, as well as the transfer of any tax credits. The net current tax credit or liability for the year, in respect of IRES only, is therefore recognised as a receivable or payable due from/to Ragione S.A.p.A. di Gilberto Benetton e C. and is therefore not shown under tax assets or liabilities but under "other receivables" or "other payables".
Deferred tax liabilities are generally recognised for all taxable temporary differences, while deferred tax assets are recognised to the extent that future taxable income is likely to be earned allowing use of the deductible temporary differences. Specifically, the carrying amount of deferred tax assets is reviewed at the close of every period and reduced to the extent that sufficient future taxable income is available to cover them wholly or in part.
Deferred tax liabilities are recognised 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 taxes are calculated using the tax rate expected to be in force at the time the asset is realised or the liability is settled.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax balances, when they pertain to the same tax authorities, and when the Company plans to settle its current tax assets and liabilities on a net basis.

Non-current assets

Other intangible assets

"Other intangible assets" are recognised when it is likely that use of the asset will generate future economic benefits and when its cost can be reliably determined.
They are recognised at purchase price or production cost, including ancillary charges, and amortised over their useful life.
The Company reviews their estimated useful lifes at each year-end and whenever there is evidence of possible impairment.
If impairment losses arise - determined in accordance with the section on Impairment of assets - the asset is written down accordingly.
The following are the amortisation periods used for the various kinds of intangible assets:

Amortisation rates:	
Licenses and similar rights	3 years
License to sell state monopoly goods	Duration of license
Brands	20 years
Other:	
Software on commission	3 years
Other costs to be amortised	5 years or duration of underlying contract

Property, plant and equipment

Property, plant and equipment are recognised when it is probable that use of the asset will generate future benefits and when the cost of the asset can be reliably determined.
They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs according to the share that can reasonably be attributed to the asset, and in some cases are revalued under monetary revaluation rules.
On transition to IFRS, these revaluations were maintained in the financial statements as they are consistent with IFRS 1.
Property, plant and equipment are depreciated on a straight-line basis at rates deemed to reflect their estimated residual useful lives. The Company reviews the useful life of each asset at every year end. Cost includes reasonably estimated expenses (if compatible with IAS 37) that are likely to be incurred on expiry of the relevant contract to restore the asset to the contractually agreed condition, assuming that maintenance will continue to be carried out properly and with the usual frequency. Components of significant value (in excess of €500k) or with a different useful life (50% longer or shorter than that of the asset to which the component belongs) are considered separately when determining depreciation.

The depreciation rates are as follows:

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

Land is not depreciated.
For assets to be transferred free of charge, these rates, if higher, are replaced by those corresponding to the duration 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 recognised, if there are impairment losses (determined as described in the section on Impairment of assets), the asset is written down accordingly.
Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalised and increase the carrying amount of the asset. 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 duration of the contract, whichever is shorter.
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 recognised at fair value as at the contract date 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 so as to attain a constant interest rate on the residual liability. Financial expense are recognised in the income statement.
Operating lease payments are recognised on a straight-line basis 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 recognised on a straight-line basis over the term of the lease.

Equity investments
Equity investments in subsidiaries and other companies are measured at cost adjusted for impairment, as described below.

Impairment of assets
At each balance sheet date, the Company tests whether there is evidence of impairment of its property, plant and equipment, intangible assets and equity investments. 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 sales outlet covered by a single concession agreement.
Goodwill is tested for impairment at each year end and any time that there is evidence of possible impairment.
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 equity investments in subsidiaries and associates 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 recognised in the income statement.
If the reason for the impairment no longer exists, the asset or cash-generating unit is written back to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the net carrying amount that the asset would have had if the impairment loss had not been charged. A reversal of impairment losses is taken immediately to the income statement.

Current assets and liabilities

Inventories
Inventories are recognised 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 promotions, calculated using the FIFO method.

Financial assets and liabilities

Trade receivables
Trade receivables are disclosed at amortised cost using the effective interest method or at acquisition cost when there is no payment term. In both cases they are reduced by an appropriate amount to account for estimated bad debts.

In accordance with IAS 39, factoring transactions are reported by eliminating the factored assets from the balance sheet if the contract entails the full transfer of contractual rights to receive cash flows from the asset, and the Company has substantially transferred all of the risks and rewards of ownership. The difference between the carrying amount of the asset transferred and the amount received is recognised in the income statement.

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

On subsequent balance sheet dates, the financial assets that the Company has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortised cost net of impairment losses.

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each period end at fair value. If the financial assets are held for trading, gains and losses arising from changes in fair value are recognised in that period's income statement. Fair value gains and losses on other financial assets not held for trading are recognised directly in equity until they are sold or impaired. In this case total gains or losses previously recognised in equity are taken to the income statement.

Share capital and purchase of treasury shares
Ordinary shares form part of equity.
If treasury shares are purchased, the amount paid - including directly attributable expenses and net of tax effects - is deducted from equity. The shares thus purchased are classified as treasury shares and reduce the amount of total net 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.

Cash and cash equivalents
Cash and cash equivalents include cash and current accounts with banks and post offices, as well as demand deposits and other highly liquid short-term financial investments that are immediately convertible to cash; they are stated at face value as they are subject to no significant risk of impairment.

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

Trade payables

Trade payables are recognised at face value, since the financial effect of payment deferral is not material, and thus the carrying amount approximates the amortised cost.

Derivative financial instruments and hedging accounting

To manage the interest rate risk 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 these instruments is governed by policies duly approved by the Board of Directors which establish precise written procedures concerning the use of derivatives in accordance with risk management strategies. Derivative contracts were entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. The Company does not use derivatives for purely trading purposes, but rather to hedge identified risks.

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

All of the Company's derivative financial instruments are measured at fair value, as established by IAS 39.

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 recognised 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 recognised in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of that item and is recognised in profit or loss.

» Cash flow hedge - If a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognised 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 recognised in equity. The cumulative gains and losses are removed from equity and reclassified to the income statement in the same year in which the hedged transaction is recognised. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognised in the income statement immediately. If a hedge or a hedging relationship is closed, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in equity are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to occur, the unrealised gains or losses still recognised in equity are immediately reclassified 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 recognised in the income statement.

Provisions for risks and charges
Provisions are recognised when the Company has a present obligation as a result of a past event and it is likely that the expense will be incurred. Provisions are based on the best estimate of the cost of fulfilling the obligation as at the balance sheet date, and are discounted to their present value when the effect is material.

Translation of foreign currency balances
Transactions in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. Foreign currency assets and liabilities are converted at the year end exchange rate. Exchange differences arising from translation are recognised in the income statement.

Use of estimates
The preparation of the financial statements and notes in accordance with IFRS requires management to make estimates and assumptions that affect the carrying amounts of assets and liabilities and the disclosure about on contingent assets and liabilities as at the year-end date. Actual results may differ. Estimates are used to determine the fair value of financial instruments, provisions for bad debts and inventory obsolescence, depreciation, amortisation, impairment losses on assets, employee benefits, tax, and other provisions. Estimates and assumptions are periodically reviewed and the effect of any change is immediately taken to the income statement of the current and future years.

6.2 Notes to the balance sheet

Current assets

I. Cash and cash equivalents

This item increased by €6,499k.
See the cash flow statement for details. The components of this item are summarised below.

(€k)	31.12.2008	31.12.2007	Change
Current account balances	15,170	7,673	7,497
Deposits in transit	30,325	32,203	(1,878)
Cash at sales outlets and HQ	6,738	5,858	880
Total	52,233	45,734	6,499

II. Other financial assets

Other financial assets are broken down as follows:

(€k)	31.12.2008	31.12.2007	Change
Financial receivables from subsidiaries	365,845	245,501	120,344
Fair value of exchange rate hedges	-	862	(862)
Fair value of interest rate hedges	-	203	(203)
Total	365,845	246,566	119,279

Financial receivables from subsidiaries mainly comprise short-term loans amounting to €358,170k, including accrued interest; accrued interest on medium/long-term loans of €6,190k; and €1,485k in dividends due from Autogrill International S.p.A.
Most of the change in this item was due to:

» a loan granted to World Duty Free Europe Ltd. of €237,165k (Gbp 225.9m) for the acquisition of Alpha Group Plc., net of repayments during the year and including the exchange rate effect;

» the decrease in dividends due from Autogrill International S.p.A., which amounted to €1,485k at 31 December 2008 (€84,171k at the close of 2007).

The fair value of exchange rate hedges was eliminated due to Autogrill Overseas Inc.'s repayment of a long-term loan and the resulting cancellation of the hedge.

III. Tax credits and other receivables

Tax credits of €1,121k refer to the excess of IRAP (regional tax on productive activities) advance payments with respect to the amount due for 2008.

Other receivables amount to €46,931 and are made up as follows:

(€k)	31.12.2008	31.12.2007	Change
Suppliers	34,828	39,204	(4,376)
Inland revenue, social security and other government agencies	197	197	-
Credit card receipts	-	2,861	(2,861)
Personnel	3,050	3,292	(242)
Accrued income and prepayments	3,204	3,635	(431)
Other receivables	5,652	15,323	(9,671)
Total	**46,931**	**64,512**	**(17,581)**

The item “Suppliers” refers mainly to bonuses and contributions and includes both credit notes to be received and invoices to be issued.
Receivables for credit card receipts were reduced to zero due to a change in crediting time.
Most of the change in the item “Other” is due to:

» the offsetting of the corporate income tax overpayment in 2007 (€6,918k) against the income tax liability for 2008; since the Company has joined the domestic tax consolidation scheme, the payable is now recorded vis-à-vis Ragione S.A.p.A. di Gilberto Benetton e C.;
» the amount gained from offsetting the VAT credit at 31 December 2007 (€3,843k) against the tax liability accrued in 2008.

IV. Trade receivables

Trade receivables of €24,980k at 31 December 2008 are detailed below:

(€k)	31.12.2008	31.12.2007	Change
Due from third parties	20,159	29,121	(8,962)
Disputed receivables	6,150	4,806	1,344
Due from subsidiaries	5,132	3,766	1,366
Due from associates	850	570	280
Provision for doubtful accounts	(7,311)	(7,071)	(240)
Total	**24,980**	**31,192**	**(6,212)**

“Due from third parties” refers mainly to catering service agreements and accounts with affiliated concerns. “Disputed receivables” concern accounts being pursued through the courts. Receivables from subsidiaries relate to trade transactions with Group companies, mainly for the sale of goods.

Movements in the provision for bad debts are as follows:

(€k)	
Balance at 31.12.2007	**7,071**
Accrual	291
Utilisation	(51)
Balance at 31.12.2008	**7,311**

The Company has received sureties from affiliates totalling €5,139k to guarantee the payment of accounts.

V. Inventories

Inventories consist of:

(€k)	31.12.2008	31.12.2007	Change
Food & beverage and retail items	32,164	29,931	2,233
State monopoly goods, lottery tickets and newspapers	16,227	15,738	489
Fuel and lubricants	1,600	1,466	134
Sundry merchandise and other items	1,489	1,459	30
Total	**51,480**	**48,594**	**2,886**

and are shown net of the obsolescence provision, which changed as follows:

(€k)	
Balance at 31.12.2007	**440**
Accrual	88
Utilisation	(107)
Balance at 31.12.2008	**421**

Non-current assets

VI. Property, plant and equipment

Changes for the year reflect the Company's investment in the refurbishment and in the development of new outlets.

	31.12.2008				31.12.2007			
(€k)	Historical cost	Accumulated depreciation	Accumulated impairment losses	Carrying amount	Historical cost	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land and buildings	46,434	(20,653)	(70)	25,711	43,476	(19,596)	(70)	23,810
Plant and machinery	46,875	(35,091)	(363)	11,421	43,798	(32,562)	(364)	10,872
Industrial and commercial equipment	254,865	(197,525)	(3,408)	53,932	237,871	(182,468)	(3,464)	51,939
Assets to be trasferred free of charge	193,650	(149,840)	(532)	43,278	179,273	(141,238)	(22)	38,013
Other	28,207	(23,818)	(130)	4,259	26,164	(21,958)	(130)	4,076
Assets under construction and advances	27,222	-	-	27,222	16,358	-	-	16,358
Leasehold improvements	193,919	(131,229)	(5,430)	57,260	180,338	(123,670)	(4,987)	51,681
Total	**791,172**	**(558,156)**	**(9,933)**	**223,083**	**727,278**	**(521,492)**	**(9,037)**	**196,749**

Impairment losses increased on the previous year, to reflect the reduced probability of recovering the value of assets employed at sales outlets.
Details of changes in all items are given in the table further on.

VII. Goodwill

Goodwill shows a balance of €76,919k, compared with €76,970k at the close of 2007, of which €66,102k originated from the merger of Autogrill S.p.A. and Finanziaria Autogrill S.p.A. into Schemaventidue S.p.A. on the basis of their balance sheets at 31 December 1996 and €10,817k from the acquisition of other businesses.
The latter have been completely integrated, and jointly with the rest of the Company's operating assets, form a single cash generating unit to which the goodwill has been allocated in full.
The recoverability of goodwill is tested by estimating its value in use, defined as the present value of estimated future cash flows discounted at a rate reflecting the time value of money and specific risks as at the measurement date.
Future cash flows have been estimated on the basis of the 2009 budget and forecasts for 2010-2013. Terminal values have been determined assuming stable operating margins and a nominal growth rate of 2%, which does not exceed the sector's long-term growth projections.
Cash flows have been discounted using a pre-tax rate of 10.16%, reflecting the weighted average cost of capital.
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.
To estimate cash flows for the period 2009-2013, management made a number of assumptions, including an estimate of air and road traffic volumes and thus of the future growth of sales, operating costs, investments, and changes in working capital. Specifically, it was assumed that motorway traffic would continue to decline in 2009, following an initial downturn in September 2008. In the following years it is expected to grow by an average of 3.5% per year.
The renewal rate of existing contracts was estimated on the basis of the Group's average historical trends. The total incidence of operating costs was assumed to rise slightly as from 2009 and then remain essentially stable.
On the basis of these assumptions, the recognised amount of goodwill was found to be fully recoverable.
An analysis of sensitivity to changes in the main assumptions used to calculate the terminal value and the discount rate has confirmed that the carrying amount of goodwill is fully recoverable even in the case of major increases in the discount rate and a growth rate of zero for terminal value.

VIII. Other intangible assets

	31.12.2008				31.12.2007			
(€k)	Historical cost	Accumulated depreciation	Accumulated impairment losses	Carrying amount	Historical cost	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Concessions, licenses, brands and similar rights	41,869	(12,940)	(216)	28,713	37,483	(10,179)	(226)	27,078
Assets under development and advances	14,941	-	-	14,941	11,990	-	-	11,990
Other	35,216	(26,954)	(1,390)	6,872	30,360	(24,695)	(1,392)	4,273
Total	**92,026**	**(39,894)**	**(1,606)**	**50,526**	**79,833**	**(34,874)**	**(1,618)**	**43,341**

"Concessions, licenses, brands and similar rights" refer mainly to licenses for the sale of goods held under state monopoly and to proprietary brands. Most of the change stems from an increase in licenses for new openings (€74k), the renewal of expired licenses (€1,549k), and the purchase/renewal of software licenses (€1,894k).
"Assets under development and advances" refer to investments for the design, inspection and development of locations not yet open to the public.
The item "Other" relates mainly to software programs developed as part of the Company's IT development plan.
With the exception of goodwill, no intangible assets have an indefinite useful life.

Changes in other intangible assets, goodwill and property, plant and equipment

Intangible assets

(€k)	31.12.2007 Gross carrying amount	Accumulated amortisation and impairment losses	Net carrying value	Changes in gross carrying amount Additions	Disposals	Other movements	Total
Concessions, licenses, brands and similar	37,483	(10,405)	27,078	3,517	(30)	899	4,386
Assets under development and advances	11,990	-	11,990	7,659	(160)	(4,548)	2,951
Other	30,360	(26,087)	4,273	2,796	(32)	2,092	4,856
Total	**79,833**	**(36,492)**	**43,341**	**13,972**	**(222)**	**(1,557)**	**12,193**

Goodwill

	31.12.2007	Increases	Decreases	31.12.2008
Goodwill	76,970	184	(235)	76,919
Total	**76,970**	**184**	**(235)**	**76,919**

Property, plant and equipment

(€k)	31.12.2007 Gross carrying amount	Accumulated depreciation and impairment losses	Net carrying amount	Changes in gross carrying amount Additions	Disposals	Other movements	Total
Non-industrial land	4,428	-	4,428	1,054	-	-	1,054
Industrial land and buildings	39,048	(19,666)	19,382	1,713	(197)	388	1,904
Plant and machinery	43,798	(32,926)	10,872	2,805	(123)	395	3,077
Industrial and commercial equipment	237,871	(185,932)	51,939	15,924	(535)	1,605	16,994
Assets to be transferred frre of charge	179,273	(141,260)	38,013	11,120	(2,257)	5,514	14,377
Other	26,164	(22,088)	4,076	753	(12)	1,302	2,043
Assets under construction and advances	16,358	-	16,358	19,268	266	(8,670)	10,864
Leasehold improvements	180,338	(128,657)	51,681	17,130	(4,572)	1,023	13,581
Total	**727,278**	**(530,529)**	**196,749**	**69,767**	**(7,430)**	**1,557**	**63,894**

Amortisation/impairment losses					31.12.2008		
Increases	New impairment losses	Decreases	Other movements	Total	Gross carrying amount	Accumulated amortisation and impairment losses	Net carrying amount
(2,770)	(11)	30	-	(2,751)	41,869	(13,156)	28,713
-	-	-	-	-	14,941	-	14,941
(2,279)	-	22	-	(2,257)	35,216	(28,344)	6,872
(5,049)	**(11)**	**52**	**-**	**(5,008)**	**92,026**	**(41,500)**	**50,526**

Depreciation/impairment losses					31.12.2008		
Increases	New impairment losses	Decreases	Other movements	Total	Gross carrying amount	Accumulated depreciation and impairment losses	Net carrying amount
-	-	-	-	-	5,482	-	5,482
(1,176)	-	116	3	(1,057)	40,952	(20,723)	20,229
(2,832)	-	307	(3)	(2,528)	46,875	(35,454)	11,421
(15,364)	(4)	366	1	(15,001)	254,865	(200,933)	53,932
(8,832)	(536)	489	(233)	(9,112)	193,650	(150,372)	43,278
(1,859)	-	5	(6)	(1,860)	28,207	(23,948)	4,259
-	-	-	-	-	27,222	-	27,222
(9,844)	(1,928)	3,532	238	(8,002)	193,919	(136,659)	57,260
(39,907)	**(2,468)**	**4,815**	**-**	**(37,560)**	**791,172**	**(568,089)**	**223,083**

IX. Equity investments

Equity investments at 31 December 2008 were worth €616,896k: €616,877k in subsidiaries and €18k in other companies.
Movements during the year are shown below:

(€k)	31.12.2007 carrying amount	Increases	Decreases	Writedown	31.12.2008 carrying amount
Autogrill International S.p.A.	530,556				530,556
Autogrill Finance S.A.	250				250
HMSHost Europe GmbH	7,154	25,000		(6,801)	25,353
Autogrill Germany GmbH	-	25			25
Aviogrill S.r.l.	778	5			783
Autogrill D.o.o.	2,592	872		(3,068)	396
Autogrill Belux N.V.	46,375				46,375
Alpha Retail Italia S.r.l.	900				900
Alpha Group Plc.	291,891	404	(292,295)		-
Trentuno S.p.A.	12,240				12,240
Bar del Porto di Nuova Estral S.r.l. S.n.c.	-				-
Nuova Estral S.r.l.	13			(13)	-
Nuova Sidap S.r.l.	143			(143)	-
Other	19			(1)	18
Total	**892,911**	**434**	**(292,295)**	**(10,026)**	**616,896**

The more important changes concern:
- the sale of Alpha Group Plc. to World Duty Free Europe Ltd., an indirect wholly-owned subsidiary, to foster synergies between the two companies. The sale produced a capital loss of €5,219k, as described in note XXVIII on financial expense;
- the €25,000k capital increase and €6,801k impairment loss on the investment in HMSHost Europe GmbH;
- the €872k capital increase and €3,068k impairment loss on the investment in Autogrill D.o.o.;
- the set up of Autogrill Germany GmbH on 8 February 2008;
- the acquisition of the remaining 49% of Aviogrill on 31 December 2008;
- the impairment loss on the investment in Nuova Estral S.r.l. for €13k and Nuova Sidap S.r.l. for €143k.

The following table provides key data on subsidiaries at 31 December 2008. Details of all equity investments in subsidiaries held directly and indirectly are given in an annex to the financial statements.

The recoverable amount of the investments in Autogrill International S.p.A., Autogrill Belux N.V. (formerly Carestel Group N.V.), Aviogrill S.r.l., Trentuno S.p.A., and Alpha Retail Italia S.r.l. was estimated by using an average pre-tax rate of about 10% (representing the weighted average cost of capital) to discount future cash flows determined on the basis of income projections by those companies for the period 2009-2013 and a terminal value that assumes stable operating margins and a growth rate of 2% to 3.5%, in relation to the sectors and markets of the companies themselves or, especially in the case of Autogrill International S.p.A., of their subsidiaries.

Name	Registered office	Currency	Share quota/ capital	Number of shares quota (000)	Equity at 31.12.2008	2008 profit (loss)	% held	Carrying amount (€k)
Autogrill International S.p.A.	Novara	Eur	4,951	4,951	167,065	(12,378)	100.0	530,556
Autogrill Finance S.A.	Luxembourg	Eur	250	25	3,380	1,314	100.0	250
HMSHost Europe GmbH	Munich	Eur	205	1	36,069	53	100.0	25,353
Autogrill Germany GmbH	Munich	Eur	25	1	(87)	(112)	100.0	25
Aviogrill S.r.l.	Bologna	Eur	10	10,000	705	640	100.0	783
Autogrill D.o.o.	Ljubljana	Eur	1,180	1	396	(388)	100.0	396
Autogrill Belux N.V.	Merelbeke	Eur	10,000	8,883	12,305	4,242	99.9	46,375
Alpha Retail Italia S.r.l.	Fiumicino (Rome)	Eur	10	1	417	(800)	100.0	900
Trentuno S.p.A.	Trento	Eur	1,418	1,493	2,859	(329)	100.0	12,240
Nuova Estral S.r.l.	Novara	Eur	10	1	(56)	(75)	100.0	-
Nuova Sidap S.r.l.	Novara	Eur	100	1	(367)	(773)	100.0	-
Other		Eur	-	-	-	-	100.0	18
Total								**616,896**

An analysis of sensitivity to changes in the main assumptions used to determine the growth rate and discount rate has confirmed that the carrying amount of Autogrill International S.p.A. is fully recoverable even in the case of major increases in the discount rate and a growth rate of zero.
For Autogrill Belux N.V., Aviogrill S.r.l., Trentuno S.p.A. and Alpha Retail Italia S.r.l., the carrying amount is fully recoverable for an increase in the discount rate of no more than 100 basis points or for reductions in the terminal amount growth rate and differences for each investment of over 100 basis points.
For the other equity investments, impairment was charged as their prospects are more uncertain.

X. Other financial assets

These consist mainly of long-term loans due from Group companies and other receivables:

(€k)	31.12.2008	31.12.2007	Change
Other receivables from Autogrill Group Inc.	93,411	92,694	717
Other receivables from Autogrill International S.p.A.	34,400	36,800	(2,400)
Other receivables from Autogrill España S.A.U.	1,117,265	154,050	963,215
Fair value of interest rate hedges	-	4,450	(4.450)
Other financial receivables	5,179	5,423	(244)
Total	**1,250,255**	**293,417**	**956,838**

The increase in receivables from Autogrill España S.A.U. concerns loans granted to finance the acquisition of 49.95% of Aldeasa S.A. (previously owned by Altadis S.A.) and 100% of World Duty Free Europe Ltd. (previously owned by B.A.A. Ltd.).
All of these loans charge interest at market rates.

In 2007, the item "fair value of interest rate hedges" expressed the fair value of interest rate swaps outstanding at 31 December. At the close of 2008 the value of interest rate hedges was negative, and is therefore listed under financial liabilities.

XI. Other receivables

Most of the balance consists of concession fees paid in advance, primarily for motorway food & beverage operations.

Current liabilities

XII. Trade payables

These amount to €281,911k, as follows:

(€k)	31.12.2008	31.12.2007	Change
Trade payables	280,551	266,066	14,485
Due to subsidiaries	1,299	15,780	(14,481)
Due to parents	61	59	2
Total	**281,911**	**281,905**	**6**

The increase in trade payables was caused by the higher volume of purchases and the lengthening of payment deadlines with suppliers.
The decrease in amounts due to subsidiaries is explained by the settlement, in April 2008, of a loan of €15.1m from the Swiss subsidiary for the purchase of brands.

XIII. Other payables

With a balance of €94,546k (€80,201k at 31 December 2007), these are made up as follows:

(€k)	31.12.2008	31.12.2007	Change
Deferred wages and salaries	23,705	24,268	(563)
Social security payables	15,142	16,608	(1,466)
Due to pension funds	2,491	2,371	120
Due for withholding tax on employee wages and salaries	7,208	8,000	(792)
Trade payables for purchase of fixed assets	18,619	18,144	475
Other tax liabilities	3,583	1,570	2,013
Other payables	23,798	9,240	14,558
Total	**94,546**	**80,201**	**14,345**

Most of the increase concerns corporate income tax (IRES) of €14,725k due to Ragione SApA di Gilberto Benetton e C. in connection with the election for the domestic tax consolidation scheme (at 31 December 2007, due to overpayments during the year, there was a net IRES credit that was classified under "other receivables").

XIV. Due to banks

Bank payables, totalling €23,159k at the close of the year, refer to bank overdrafts of €4,808k and short-term loans taken out from major banks. They charge interest at variable rates.

XV. Other financial liabilities

These amount to €94,704k, an increase of €87,768k on the previous year. Most of the balance is made up of:
- » the fair value recognition of exchange rate hedges (€3,922k) and interest rate hedges (€61,715k) outstanding at year end;
- » a short-term loan of €14,708k due to Host International of Canada Ltd.

For further information on derivative financial instruments, see the financial risk management section.

Non-current liabilities

XVI. Loans net of current portion

Amounting to €1,629,562k (€763,572k at 31 December 2007), this item consists of bank loans net of €9,004k of charges and fees.

The increase refers principally to drawdowns on a new credit line totalling €1,000m, granted on 19 March 2008 and comprised of:
- » a five-year term loan of €275m, to be reimbursed in full at maturity;
- » a term loan of €600m (drawn down entirely in British pounds for £477.5m), due on 19 March 2013 and repayable in three annual instalments of £79.6m each starting in 2010, plus a final payment of £238.7m at maturity.
  Both of these loans, with consent from the lenders, may be extended by one year and then for a subsequent year. The financial market crisis and the substantial rise in margins on loans have made it impractical to extend the loans, which will therefore mature as originally planned;
- » a revolving credit facility of €125m, due on 19 March 2013.

Both term loans finance acquisitions and were fully drawn down during the year. In particular, the first was used to acquire 49.95% of Aldeasa S.A. and the second to acquire World Duty Free Europe Ltd. These were purchased by the subsidiary Autogrill España S.A.U., to which the drawdowns were therefore ascribed. The relative receivables are mentioned in note X, “Other financial assets”.
The revolving credit facility can be used to cover financial needs arising from the ordinary course of business, as well as acquisitions.

In addition to the above, non-current bank loans at 31 December 2008 are mostly made up of:
- » a €200m loan to be paid back in a single instalment in June 2015;
- » drawdowns on a revolving credit facility of €300m granted in 2005, to be paid back in a single instalment in June 2012;
- » British pound drawdowns on a revolving credit facility of €500m granted in May 2007, to be paid back in a single instalment within May 2014.

At 31 December 2008 the credit facilities maturing beyond one year had been drawn down by about 81.9%. Variable interest is charged on all banks loans. The average duration of bank loans is about five years.
The main long-term loan agreements require regular monitoring of financial ratios relating to debt coverage and interest coverage.
The ratios refer to the Autogrill Group as a whole; they set a maximum of 3.5 for the leverage ratio (net debt/EBITDA) and a minimum of 4.5 for interest coverage (EBITDA/net interest). In the event of acquisitions the leverage ratio can exceed 3.5, but not 4 for three half-year measurements (or six quarterly measurements), whether in a row or non-consecutive.
For the calculation of the leverage ratio and interest coverage, net debt, EBITDA and 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 2008, as in all previous observation periods, these covenants were fully satisfied.

XVII. Deferred tax liabilities

These amount to €7,146k, as follows:

(€k)	2008 Temporary differences	2008 Tax effect	2007 Temporary differences	2007 Tax effect
Trade receivables	7,178	1,974	6,775	1,863
Non-current assets	(85,987)	(27,003)	(87,751)	(27,554)
Equity investments	(57,316)	(15,762)	(57,242)	(15,638)
Other payables	9,518	2,620	11,842	3,782
Post-employment and other employee benefit provisions	(7,807)	(2,053)	(7,807)	(2,053)
Provisions for risks and charges	20,865	6,508	21,232	6,636
Equity	93,800	26,570	(16,739)	(4,574)
Total tax effect		**7,146**		**(37,538)**

The change is due mainly to the fair value recognition of hedging derivatives.

XVIII. Post-employment and other employee benefit provisions

This item, consisting solely of post-employment benefits ("Trattamento di Fine Rapporto" or "TFR"), changed as follows:

(€k)	
Defined benefit plans at 31.12.2007	**80,132**
Current service costs	14
Interest expense	3,442
Benefits paid	(7,971)
Other	13
Defined benefit plans at 31.12.2008	**75,630**

TFR is the severance pay required by Italian law that accrues throughout the employee's service with the company and is liquidated upon termination of service, or in specific cases, partly advanced during the employee's service period; the balance covers the amount accrued prior to the 2007 reform. It qualifies as an unfunded defined benefit plan under IAS 19 and is therefore subject to actuarial measurement.
At 31 December 2008 the legal liability for post-employment benefits was €82,949k.

The actuarial assumptions used to calculate year-end TFR are summarised in the table below:

Discount rate	4.3%
Inflation rate	3.2%
Average frequency of termination	6.0%
Average frequency of advances paid	2.0%
Mortality rate	RG 48
Annual increase rate	3.9%

Since 2008, although it has maintained the option to recognise actuarial gains/losses in the income statement, the Company has adopted the "corridor" method by which actuarial gains and losses are not reported as long as they are within ±10% of the greater of the plan assets or the present value of the plan obligations. Any excess is recognised in profit or loss over the average remaining service lives of the beneficiaries.
Due to the use of the corridor method, an adjustment was made to the balance of defined benefit plans at 31 December 2007.
Interest expense of €3,442k was allocated to financial expense, while the actuarial loss of €5,971k was not reported as it falls within 10% of the present value of the plan obligations.

XIX. Provisions for risks and charges

These amounted to €18,579k at the end of 2008, a decrease of €2,565k on the previous year.

(€k)	Balance at 31.12.2007	Reclassifications	Accruals	Utilisations	Balance at 31.12.2008
Provisions for charges:					
refurbishment of assets to be transfered free of charge	1,968	-	(78)	(200)	1,690
motorway/urban business	8,021	-	214	-	8,235
other	7,536	(144)	747	(2,694)	5,445
Provisions for legal risks	3,619	144	647	(1,201)	3,209
Total	**21,144**	**-**	**1,530**	**(4,095)**	**18,579**

Provisions for legal risks (€3,209k, compared with €3,619k at 31 December 2007) concern litigation with employees and with business counterparties.
Provisions for motorway/urban business refer to probable expenses associated with the renewal of certain motorway concessions.
The accruals for the year include the effects of discounting to present value and the relative adjustments, in the amount of -€219k.

XX. Equity

Equity at 31 December 2008 amounts to €553,150k.
The 2007 profit for the year of €146,205k was allocated as follows, in accordance with the shareholders' meeting resolution of 23 April 2008:

- 5% to the legal reserve: €7,417k;
- dividend of €0.30 for each of the 254,400,000 shares: €76,320k.

The remainder of €62,468k was allocated to retained earnings.
The following table details permissible uses of the main components of equity:

(€k)	31.12.2008	Eligibility for use	Amount available
Share capital	**132,288**	-	-
Income related reserves:			
Legal reserve	22,925	B	
Hedging reserve	(57,487)	-	(57,487)
Other reserves and retained earnings *	437,119	A,B,C	431,450

A: for capital increases - B: for loss coverage - C: for dividends
* Utilisations for the last three years amount to €11,264k for dividend payments, pursuant to the shareholders' resolution of 24 April 2007

The share capital, fully subscribed and paid up at 31 December 2008, consists of 254,400,000 ordinary shares of a par value of €0.52 each. This item is unchanged with respect to the previous year.
At the shareholders' meeting of 30 April 1999, the shareholders voted to increase the share capital by issuing up to 33,500,000 new shares to service the convertible bond loan of €471,055k issued in June 1999 granted by the subsidiary Autogrill Finance S.A., which generated proceeds of €350m, net of implicit interest and gross of issuing expense. After redeeming €432,304k in 2004 at the bondholders' request, the issuer paid off the rest of the loan in advance on 22 December 2008.

Legal reserve
The legal reserve amounts to €22,925k and increased due to the allocation of 5% of the 2007 profit, as resolved by the AGM of 23 April 2008.

Hedging reserve
The balance of -€57,487k (-€161k at 31 December 2007) corresponds to effective portion of the fair value of interest rate swaps designated as cash flow hedges. The tax effect of €15,809k has been allocated to "Other reserves".

Other reserves/Retained earnings
This item (€437,119k) includes the reserve arising on first-time adoption of IFRS in 2006, and the reserve for the purchase of treasury shares.
The annual general meeting of 23 April 2008, pursuant to articles 2357 et seq. of the Italian Civil Code, authorised the purchase and subsequent disposal of ordinary shares of a par value of €0.52 each up to a maximum of 12,720,000 shares. In 2008, 125,141 treasury shares were purchased for €944k, and no treasury shares were sold.

6.3 Notes to the income statement

XXI. Revenue and other operating income

These increased by 3.6% on the previous year, to €1,419,502k.
Revenue was up by 3.3% to €1,350,870k and can be broken down as follows:

(€k)	2008	2007	Change
Food & beverage and retail sales	1,245,510	1,203,020	42,490
Fuel sales	54,661	50,815	3,846
Sales to affiliates and third parties	50,699	54,070	(3,371)
Total	**1,350,870**	**1,307,905**	**42,965**

"Food & beverage and retail sales" are comprised chiefly of catering revenue of €693,206k (€665,951k the previous year), sales of goods for €196,828k (€192,789k in 2007), and sales of tobacco products, newspapers and lottery tickets for €355,004k (€343,711k the previous year).

"Other operating income" of €68,632k increased by 10% for the year.

(€k)	2008	2007	Change
Royalties and lease payments from affiliates	12,283	13,444	(1,161)
Contributions from suppliers	36,315	35,974	341
Other income and reimbursements	20,034	13,055	6,979
Total	**68,632**	**62,473**	**6,159**

A reduction in royalties and lease payments from affiliates (-€1,161k) was offset by a rise in other income and reimbursements: damage payments from third parties were up by €860k and fees for ICT services provided to Group companies by €473k. The increase in other income is also ascribable to proceeds from the co-marketing initiative with Autostrade per l'Italia S.p.A. as part of the "complimentary coffee" campaign (€1,082k), and the grant for in-house training received from Fondo Formazione Terziario (€787k).

XXII. Raw and ancillary materials and goods

The cost of raw and ancillary materials and goods increased by €15,715k, consistently with the rise in sales:

(€k)	2008	2007	Change
Total purchases relating to food & beverage and retail sales:	637,612	618,723	18,889
- Merchandise and ingredients	262,383	257,618	4,765
- State monopoly goods, newspapers and lottery tickets	322,529	312,578	9,951
- Fuel for resale	52,700	48,527	4,173
Products for sale to affiliates, third parties and subsidiaries	43,456	46,630	(3,174)
Total	**681,068**	**665,353**	**15,715**

The change in "state monopoly goods, newspapers and lottery tickets" was due to 3.2% growth in sales of these products with respect to 2007, especially for instant lottery tickets (scratch cards).

XXIII. Personnel expense

Personnel expenses totalled €300,076k, an increase of 7.1% on the previous year:

(€k)	2008	2007*	Change
Wages and salaries	218,564	208,202	10,362
Post-employment benefits	13,963	7,438	6,525
Social security contributions	65,313	63,717	1,596
Temporary workers	2,236	621	1,615
Total	**300,076**	**279,978**	**20,098**

* See section 6.1 for a description of adjustments made to the originally published figures

Wages and salaries include the bonuses and rewards paid and additional monthly pay to employees during the year (for the thirteenth and fourteenth month).
The 2007 figure was reduced by a "curtailment" of €6.4m in connection with the TFR reform, as mentioned above.
The average cost per employee increased by 7% in 2008 due to the revision of the supplementary company contract, approved in September 2006 and expiring on 31 December 2009, and to the greater proportion of variable remuneration.
These figures include 34 Junior employees and 7 managers seconded to subsidiaries.
The year-end numbers of full-time and part-time employees are shown below.

	31.12.2008			31.12.2007		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	67	-	67	70	-	70
White collars	842	166	1,008	900	167	1,067
Blue collars	3,708	6,078	9,786	3,723	6,174	9,897
Junior managers	492	6	498	462	8	470
Total	**5,109**	**6,250**	**11,359**	**5,155**	**6,349**	**11,504**

XXIV. Leases, rentals, concessions and royalties

Costs for leases, rentals, concessions and royalties increased by €12,551k and are broken down as follows:

(€k)	2008	2007	Change
Leases, rentals and concessions	138,418	125,539	12,879
Royalties for use of brands	1,230	1,158	72
Other	617	1,017	(400)
Total	**140,265**	**127,714**	**12,551**

The change in "Leases, rentals and concessions" is due primarily to new concessions in the motorway business segment.

XXV. Other operating costs

Amounting to €155,377k, these are made up as follows:

(€k)	2008	2007	Change
Utilities	34,136	30,060	4,076
Consulting services	14,648	13,705	943
Cleaning	17,042	16,352	690
Maintenance	11,634	12,375	(741)
Advertising	5,524	8,344	(2,820)
Other materials	4,585	5,596	(1,011)
Reimbursement of employee expenses	5,708	6,011	(303)
Hired labour	5,491	5,403	88
Other operating costs	21,228	8,779	12,449
Equipment hire and lease	3,878	4,006	(128)
Local taxes	5,621	5,211	410
Data communication, telephone and postal charges	2,745	3,404	(659)
Transportation	9,137	9,266	(129)
Provisions for risks and charges	1,684	1,343	341
Cleaning materials	4,144	4,096	48
Security surveillance	1,284	1,664	(380)
Insurance	1,807	1,659	148
Other services	5,081	4,694	387
Total	**155,377**	**141,968**	**13,409**

The most significant changes concerned:

» utilities which rose by 13.6% due mostly to tariff increases;

» consulting fees: the increase stems from plans to integrate the Group's activities in the travel retail & duty-free business;

» advertising costs: these were down sharply, as the Company's 30th anniversary was celebrated in 2007;

» other materials: the reduction is due chiefly to the lower consumption of uniforms and equipment;

» the change in other operating costs is mainly due to the increase of €8.9m in operating costs in connection with the growth of ship catering services, which involve the contracting of equipment and staff, and to an increase of €0.9m in losses for theft and robbery.

XXVI. Depreciation, amortisation and impairment losses

The item, €47,670k, is as follows:

(€k)	2008	2007	Change
Amortisation	5,049	4,973	76
Depreciation	39,907	41,564	(1,657)
Total amortisation and depreciation	44,956	46,537	(1,581)
Impairment losses on assets	2,714	1,760	954
Total	**47,670**	**48,297**	**(627)**

Impairment losses on assets refer mainly to assets that will transferred free of charge and leasehold improvements.

XXVII. Financial income

Financial income increased by €103,541k, as follows:

(€k)	2008	2007	Change
Dividends from subsidiaries	1,884	84,538	(82,654)
Interest from subsidiaries	58,852	18,522	40,330
Other interest	226	2,330	(2,104)
Exchange rate gains	150,733	20,607	130,126
Other financial income	18,383	540	17,843
Total	**230,078**	**126,537**	**103,541**

The change in interest from subsidiaries reflects Autogrill S.p.A.'s more intense lending to group companies, due mainly to the acquisition of World Duty Free Europe Ltd. and of the exclusive control over Aldeasa S.A. by Autogrill España S.A.U. (the borrower).
Exchange gains, totalling €150.7m, refer almost entirely to bank loans in currencies other than the euro taken out to cover the financial needs of subsidiaries operating in those currencies. Specifically, at 31 December 2008 Autogrill had used medium-term revolving credit facilities in the amount of £137m and $130m, as well as a £478 term loan for the acquisition of World Duty Free Europe Ltd. As shown in note XXVIII, Autogrill S.p.A. has reported practically the same amount in exchange losses on non-euro loans granted to subsidiaries.
"Other financial income" refers to gains on interest rate swaps.

XXVIII. Financial expense

As follows:

(€k)	2008	2007	Change
Financial expense on post-employment benefits	3,442	3,717	(275)
Discounting of other provisions	(219)	(893)	674
Interest paid to subsidiaries	278	568	(290)
Bank interest	75,617	32,619	42,998
Exchange rate losses	156.180	73	156,107
Other financial expense	24,733	1,840	22,893
Capital losses on disposal of equity investments	5,219	-	5,219
Total financial expense	**265,250**	**37,924**	**227,326**

The change in bank interest refers to the increase in loans in support of the Group's development.
Of the exchange losses reported, €79m pertains to the loan of £400m granted to the subsidiary Autogrill España S.A.U. for its acquisition of World Duty Free Europe Ltd., €43m to the loan of £230m granted to World Duty Free Europe Ltd. for the purchase of Alpha Group Plc, and €10m to the loan of $130m granted to Autogrill Group Inc.

"Other financial expense" consist of:
1) €20m in losses on interest rate swaps, denominated:
   » in British pounds for notional £400m, to hedge part of the interest rate risk on the loan of £477.5m;
   » in euros for a notional €220m, to hedge part of the interest rate risk on the bank loan of €275m, maturing in 2013;
   » in euros for a notional €120m, to hedge part of the interest rate risk on the bank loan of €200m, maturing in 2015.
2) €3.5m for the ineffective portion of interest rate swaps designated as cash flow hedges.

Capital losses on the disposal of equity investments refer entirely to the sale of the investment in Alpha Group Plc to World Duty Free Europe Ltd. The investment was sold for £225.9m, with respect to a purchase price of about £202m, reflecting better earnings prospects due in part to the planned integration with World Duty Free Europe Ltd. The substantial depreciation of the British pound between the time amount Alpha Group Plc was acquired and the time of its sale caused the net capital loss with respect to its carrying amount.

XXIX. Impairment losses on financial assets

These amount to €11,234k and refer to impairment losses on the following equity investments:
   » HMSHost Europe GmbH for €6,802k;
   » Autogrill D.o.o. for €3,068k;
   » Nuova Sidap S.r.l. for €1,235k;
   » Nuova Estral S.r.l. for €129k,
as discussed in note IX.

XXX. Income tax

The total of €30,335k consists of current taxes for corporate income tax (IRES) of €27,969k and regional tax on productive activities (IRAP) of €13,104k, as well as deferred taxes of €10,738k.
Reconciliation of effective tax and theoretical tax for 2008:

	2008			2007*		
	IRES	IRAP	Total	IRES	IRAP	Total
(€k)	27.50%	3.90%	31.40%	33.00%	4.25%	37.25%
Pre-tax profit			**48,641**			**192,425**
Theoretical tax	**13,376**	**1,897**	**15,273**	**63,662**	**8,303**	**71,965**
Permanent differences:						
- Personnel expense	-	8,518	8,518	-	8,803	8,803
- Dividends and other financial components	2,480	1,500	3,980	(25,428)	(3,628)	(29,056)
- Other	1,375	597	1,972	1,466	257	1,723
Increase in regional tax rates	-	592	592	-	675	675
Reversal of previous years' temporary differences	(1,444)	18	(1,426)	(10,872)	(267)	(11,139)
Taxed temporary differences deductible in future years	12,182	(17)	12,165	(9,472)	(473)	(9,945)
Current taxes	27,969	13,105	41,074	19,356	13,670	33,026
Effect of changes in tax rates	-	-		(7,524)	(366)	(7,890)
Net temporary differences	(10,738)	(1)	(10,739)	12,820	374	13,194
Income tax	**17,231**	**13,104**	**30,335**	**32,176**	**14,044**	**46,220**

* See section 6.1 for a description of adjustments made to the originally published figures

6.4 Net financial position

The net financial position at the end of 2008 and 2007 is detailed below:

Note	(€m)		31.12.2008	31.12.2007	Change
I	A)	Cash on hand	52.2	45.7	6.5
I	B)	Cash equivalents	-	-	-
	C)	**Cash and cash equivalents (A+B)**	**52.2**	**45.7**	**6.5**
II	D)	**Current financial assets**	**365.8**	**246.5**	**119.3**
XIV	E)	Due to bank	(4.8)	(8.9)	4.1
XIV	F)	Current portion of long-term loans	-	(16.0)	16.0
XV	G)	Other current financial liabilities	(113.1)	(6.9)	(106.2)
	H)	**Current financial debt (E+F+G)**	**(117.9)**	**(31.8)**	**(86.1)**
	I)	**Net current financial debt (H-D-C)**	**300.1**	**260.4**	**39.7**
X	J)	**Non-current financial assets**	**1,250.3**	**293.4**	**956.9**
XVI	K)	Bank loans net of current portion	(1,629.5)	(763.6)	(865.9)
	N)	**Non-current debt (K+L+M)**	**(1,629.5)**	**(763.6)**	**(865.9)**
	O)	**Net non-current debt (N-J)**	**(379.2)**	**(470.2)**	**91.0**
	P)	**Net debt (I+O)**	**(79.1)**	**(209.8)**	**130.7**

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

6.5 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.

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 flow from a financial instrument may fluctuate due to changes in market prices, changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to manage and control exposure to these risks within acceptable levels while optimising return on investments.

Interest rate risk

The aim of risk management is to control finance cost within a risk limit, i.e., a range of variability of the amount of liabilities and/or the finance cost itself. This entails - through a mix of fixed- and floating-rate liabilities - the predetermination of a portion of financial expense out to a time horizon in keeping with the structure of debt, which in turn is to be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, this is achieved by using derivatives of amounts and with maturities in line with those of the liabilities that are subject to this risk. The instruments used are mainly interest rate swaps. Currently, the ratio of fixed-rate debt to net debt (i.e., net of financial assets, which are generally floating-rate) must as a matter of policy be in the range of 40 to 60% with reference to the Autogrill Group as a whole. At the moment, the Group complies with that range at just over 50%, although the percentage of fixed-rate debt is higher when considering debt denominated in British pounds and US dollars as opposed to debt in euros.

When applying the policy and procedures described above, interest rate risk management instruments were accounted for as cash flow hedges, and thus recognised as financial assets and liabilities with changes in fair values recognised in the hedging reserve under equity. With regard to the instruments that tested effective, in 2008 a negative change of €57,487k (net of the tax effect) was recognised in this equity reserve.

The details of IRS contracts at 31 December 2008 are as follows:

Interest rate swaps

Underlying		Notional amount	Expiry	Average fixed rate paid	Floating rate received *	Fair value €k
€200m term loan	€k	120,000	24.06.2015	4.66%	6-month Euribor	(10,596)
€275m term loan	€k	120,000	07.03.2013	4.59%	6-month Euribor	(7,678)
£477.5m term loan	£k	150,000	07.03.2013	5.65%	6-month Gbp Libor	(16,564)

* From 11 July 2008 to 11 July 2009 for the €200m term loan, and from 21 May 2008 to 21 May 2009 for the €275m and £477.5m term loans, the rates were respectively the 1-month Euribor +20/25 bps, the 1-month Euribor and the 1-month Gbp Libor.

Interest rate collars *

Underlying		Notional amount	Expiry	Cap	Floor	Reference floating rate *	Fair value €k
£477.5m term loan	£k	150,000	07.03.2013	6.50%	5.00%	6-month Gbp Libor	(13,774)
£477.5m term loan	£k	100,000	07.03.2013	6.75%	5.35%	6-month Gbp Libor	(10,432)
€275m term loan	€k	100,000	21.05.2010	5.44% - 5.45%	4.50%	6-month Euribor	(2,672)

* Regarding the £477.5m term loan, from 21 May 2008 to 21 May 2009 the contract refers to an interest rate swap with an average fixed rate paid of 5.78-5.91% and a floating rate received of the 1-month Gbp Libor.

The fair value of derivatives was calculated on the basis of market parameters at the balance-sheet date and using valuation models widely used in the financial industry. The fair value of interest rate swaps was calculated by discounting estimated future cash flows, using the interest rate curve at 31 December 2008.

Currency risk

The objective of currency risk management is to neutralise 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 value of the related assets or liabilities.
The fair value of hedges outstanding at 31 December 2008 is as follows:

Notional amount		Expiry	Spot rate	Forward rate	Fair value (€k)
Cadk	25,000	19.01.2009	1.54618	1.54400	(1,477)

The derivatives in the following table are cash flow hedges, and are therefore recognised as financial liabilities with a corresponding entry in the hedging reserve under equity.

Notional amount		Expiry	Spot rate	Forward rate	Fair value (€k)
£k	9,000	21.05.2009	0.79460	0.79940	(1,853)
£k	906	02.01.2009	0.89600	0.89580	(60)
£k	8,000	02.01.2009	0.89600	0.89580	(531)

The fair value of derivatives was calculated on the basis of market parameters at the balance-sheet date and using valuation models widely used in the financial industry, with special attention to the exchange rate and interest rates in the two currencies prevailing at the year-end date.

Credit risk

Credit risk is the risk that a customer or a financial instrument counterparty may cause a financial loss by defaulting on an obligation. It arises principally in relation to trade receivables and financial investments.
Carrying amounts are shown below with prior-year figures for comparison:

(€k)	31.12.2008	31.12.2007	Change
Cash and cash equivalents	52,233	45,734	6,499
Other current financial assets	365,845	246,566	119,279
Trade receivables	24,980	31,192	(6,212)
Other current receivables	46,931	64.512	(17,581)
Other non-current financial assets	1,250,255	293,417	956,838
Total	**1,740,244**	**681,421**	**1,058,823**

Other current and non-current financial assets stem from loans granted to direct and indirect subsidiaries.
More specifically, other non-current financial assets refer mainly to the loan to Autogrill España S.A.U. for its acquisition of 49.95% of Aldeasa S.A. and 100% of World Duty Free Europe Ltd., as discussed in note X on other financial assets.

The breakdown by region is as follows:

Current financial assets

	€k	%
United Kingdom	237,965	65.0
Luxembourg	93,807	25.6
Italy	14,180	3.9
France	8,001	2.2
Spain	6,977	1.9
Austria	4,205	1.1
Germany	619	0.2
United States	91	0.0
Total	**365,845**	**100.0**

Non-current financial assets

	€k	%
United States	93,411	7.5
Spain	1,117,264	89.4
Italy	39,580	3.2
Total	**1,250,255**	**100.0**

Trade receivables are mainly governed by contractual relationships with affiliated companies, motorway partners or others under conventions. 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 payment of royalties on the management of stores in Italy.
Motorway partnerships involve the sharing of expenses and capital expenditure on shared concession areas.
The following table shows the maturity of invoiced trade receivables by class of debtor, gross of impairment losses and excluding bad debts (more than 90 days overdue).

(€k)	%	Receivables	Overdue	0-30 days	31-60 days	61-90 days	> 90
Franchises	48	10,052	3,583	349	145	79	3,010
Special agreements	13	2,640	1,250	283	349	199	419
Motorway partners	11	2,305	1,831	(36)	18	99	1,750
Intercompany	20	4,114	359	218	109	15	17
Other	9	1,865	962	586	249	51	76
Total		**20,976**	**7,985**	**1,400**	**870**	**443**	**5,272**

First-demand bank guarantees are required on entering into affiliation agreements to cover exposure. At 31 December 2008 these guarantees amounted to €5,139k.
With regard to accounting policies, overdue trade receivables (net of bad debts) are analysed monthly to gauge the sufficiency of the bad debt provision and determine any steps to be taken. At year end the bad debt provision amounted to €7,311k, or 92% of total past due receivables, and was therefore deemed sufficient with respect to existing credit risk.

Liquidity risk

Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities. The elements that make up the Company's liquidity are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, and market conditions.
The credit market crisis during the second half of 2008 considerably raised liquidity risk. Government efforts to support the banking industry have not yet had an appreciable effect on business loans, which are severely limited and much more expensive than before the crisis.
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.
The poor economy, in which reduced business volumes could prejudice compliance with loan covenants, has been countered with Group-wide initiatives designed to maintain operating profitability and generate net cash through the reprogramming of investment projects.

Exposure and maturities at 31 December 2008 were as follows:

			Contractual cash flows				
(€k)	Carrying amount	Total	1-3 month	3-6 month	6 month-1 year	1-6 years	over 5 years
Bank account overdrafts	4,809	4,809	4,809	-	-	-	-
Unsecured loans	1,656,916	1,656,916	18,350	-	-	1,060,155	578,411
Trade payables	280,551	280,551	280,551	-	-	-	-
Total	**1,942,276**	**1,942,276**	**303,710**	**-**	**-**	**1,060,155**	**578,411**

As for the exposure to trade payables, there is no significant concentration of suppliers: the top 10 represent 32.2% of the total, the largest (Consorzio Nazionale Lotterie) 9.3%, and the second largest (Autostrade per l'Italia) 8.7%.

6.6 Seasonal patterns

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

6.7 Guarantees, commitments and contingent liabilities

Guarantees given and commitments assumed come to €641,198k, an increase of €51,418k on 2007:

(€k)	31.12.2008	31.12.007	Change
Sureties and personal guarantees in favour of third parties	150,614	85,719	64,895
Sureties and personal guarantees in favour of subsidiaries	470,165	483,630	(13,465)
Other commitments and guarantees	20,419	20,431	(12)
Total	**641,198**	**589,780**	**51,418**

Sureties and personal guarantees in favour of third parties were issued in accordance with customary market practice. Most of the increase was caused by new leases and new catering and retail concessions.
Sureties and personal guarantees in favour of subsidiaries were issued to financial backers of direct or indirect subsidiaries. The decrease is due chiefly to the reduction in guarantees (-€42m) as a result of the full redemption of the bond loan issued by Autogrill Finance, which was partially offset by an increase in sureties (€1.4m in favour of Aeroporti di Roma to guarantee the concession contract with Alpha Retail Italia S.r.l., expiring in 2011, and €1.4m in favour of KK Immobilien for Autogrill Austria's rental of Outlet St. Vein) and by a €25m adjustment to guarantees in favour of Autogrill Group Inc. (USA) on bond loans of a nominal $150m, $370m and $125m due to the change in the euro/US dollar exchange rate.

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

6.8 Operating leases

For financial reporting purposes, the various kinds of contract by which the Company carries on its store business are defined as operating leases.
The management and provision of catering services along motorways or in airports is assigned by the motorway or airport operator to specialised companies under sub-concession arrangements. In railway stations, in addition to this kind of contract, there are also commercial leases. At trade fairs, shopping centers, and urban locations, the most common type of contract is a property lease or business rent.
It frequently occurs that a sub-concession for all the services of an entire motorway service area or airport terminal is assigned to a single entity, which then sub-assigns each individual service to a number of specialised firms.
The most common forms of agreement are the following.

1) **Access concession**: ownership of the land and buildings along the motorway is in the hands of a private firm (e.g. Autogrill S.p.A.), 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.

2) **Area concession**: the motorway company authorises an entity (i) to build a service station and/or shop/restaurant on land which it owns and (ii) to carry on this business against payment of a fee based on turnover, with certain stipulations regarding the way the services are to be provided and the hours of operation.
On expiry of the contract, the assets built for provision of services are to be transferred free of charge to the motorway company.
Usually the holder of an area concession is a petrol company, which in turn can assign management of restaurant services to a specialised firm, generally through a business lease.

3) **Service concession**: the motorway operator authorises 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 on this business against payment of a fee based on turnover, with certain stipulations regarding the way the services are to be provided and the hours of operation. On expiry of the contract, the assets built for 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 authorised 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 landlord. The contractor may have to transfer the assets free of charge when the concession expires, although this is fairly uncommon.

4) **Business lease and commercial lease**: leasing a business or parts thereof allows an operator to use rights and/or buildings, equipment etc. organised to serve food and beverage products. In some cases the business consists of an authorisation to operate and 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 authorisation and the necessary buildings and equipment. Leasing a company in the concession segment entails the obligation to ensure continuity of service and payment of a comprehensive fee which includes all amounts due to the landlord.
In a commercial lease, the operator uses buildings for business activity against payment of rent. The premises are equipped and furnished according to the specifications and at the expense of the operator, who must clear the premises when the lease expires.
These kinds of concession are common (i) along motorways, where there are area or service sub-concessions assigned to a petrol company, which then turns to a caterer, and (ii) in cities, railway stations and shopping centers, according to the business objectives of the owner of the property.
Business lease is preferred by shopping center management companies and sometimes in other business segments, with the aim of precluding fixed duration which, together with other rights (e.g., pre-emption and loss of goodwill), may be stipulated in commercial leases, and to ensure coordinated management of the administrative licenses to trade.

5) **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. This kind of agreement is used, for example, by the Milan Trade Fair.

The table below gives details by due date of the Company's future minimum lease payments as at 31 December 2008:

(€m)	Total lease payments	Sub-lease payments	Net lease payments
2009	98.5	3.7	94.8
2010	93.9	3.1	90.8
2011	86.4	3.1	83.3
2012	81 .9	3.1	78.8
2013	77.3	3.1	74.2
After 2013	267.1	6.8	260.4
Total	**705.1**	**22.9**	**682.3**

The increase in lease payments since the previous year is explained by the renewal of contracts in 2008.

6.9 Other information

Related party transactions

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

Transactions with the Parent Company

Since 2007, the direct parent of Autogrill S.p.A. has been Schematrentaquattro S.r.l., controlled by Edizione Holding S.p.A.
At 31 December 2008 the ultimate parent of Autogrill S.p.A. is Ragione S.A.p.A. di Gilberto Benetton e C.
Schematrentaquattro S.r.l., Edizione Holding S.p.A. and Ragione S.A.p.A. di Gilberto Benetton e C. are all based in Treviso and are listed in the Treviso Company Register.
With a deed dated 10 December 2008, Ragione S.A.p.A. di Gilberto Benetton e C. merged Edizione Holding S.p.A. with effect from 1 January 2009. From that date, Ragione S.A.p.A. di Gilberto Benetton e C. will take over all of Edizione Holding S.p.A.'s rights and obligations and will change its name to Edizione S.r.l.
In 2008 the Company had no direct transactions with Schematrentaquattro S.r.l.
By resolutions dated 10 and 29 May 2007, the Company opted for the domestic tax consolidation scheme of Ragione S.A.p.A. di Gilberto Benetton e C. for the years 2007-2009, pursuant to articles 117 to 129 of the Italian Tax Code.

Transactions with Ragione S.A.p.A. di Gilberto Benetton e C.

(€k)	31.12.2008	31.12.2007	Change
Balance Sheet			
Other receivables	-	3,632	(3,632)
Other payables	14,725	-	14,725

"Other receivables" refer to Autogrill S.p.A.'s excess IRES advances on 2007 taxable income, paid to Edizione S.r.l. (under the group domestic tax consolidation scheme for 2007-2009) on the basis of its individual tax history.
Other payables consist of the IRES liability on 2008 income, also due to Edizione S.r.l. under the group domestic tax consolidation scheme.

Transactions with Edizione Holding S.p.A.

(€k)	2008	2007	Change
Income Statement			
Revenue	-	4	(4)
Other operating costs	113	5	108
(€k)	31.12.2008	31.12.2007	Change
Balance Sheet			
Trade receivables	-	4	(4)
Trade payables	113	59	54
Other payables	-	966	(966)

Other operating costs refer to the compensation of two Edizione Holding S.p.A.'s directors for their service on the Board of Directors of Autogrill S.p.A.
Trade payables also relate to these directors' compensation.
All liabilities are current.

Transactions with the subsidiaries of Edizione Holding S.p.A.

(€k)	Atlantia group S.p.A.		Olimpias S.p.A.		Edizione Property S.p.A.		Benetton Group S.p.A.	
Income Statement	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Revenue	7	-	-	-	6	5	4	-
Other operating income	1,973	977	-	-	-	-	-	-
Other operating costs	597	2,774	63	40	-	-	-	-
Rentals, leases, concessions and royalties	52,122	45,646					53	59
Balance Sheet	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Trade payables	29,568	31,231	38	23	-	-	6	4
Trade receivables	1,760	1,048	-	-	6	6	1	-

(€k)	Verde Sport S.p.A.		AD Moving S.p.A.		Fabrica S.p.A.		Bencom S.r.l.	
Income Statement	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Revenue	59	64	-	-	-	-	-	-
Other operating income	2	2	-	-	-	-	-	-
Balance Sheet	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Trade payables	2	3	13	-	105	60	-	-
Trade receivables	16	17	-	-	-	-	875	987

More specifically:
Atlantia S.p.A.: other income refers to commission on sales of Viacards (automatic toll collection cards) and the contribution to the co-marketing initiative “discounted coffee on the motorway”.
Costs consist of concessions and related charges relating to the food & beverage and retail businesses carried out in service areas along the Italian motorway network.
Olimpias S.p.A.: costs refer to the purchase of sales staff uniforms.
Benetton Group S.p.A.: rental costs refer to the hire of meeting rooms.
Verde Sport S.p.A.: revenue and trade receivables refer to sales of food & beverage and retail businesses products under the commercial affiliation contract for operating a Spizzico restaurant at La Ghirada - Città dello Sport.
AD Moving S.p.A.: other operating costs concern the purchase of advertising space.
Fabrica S.p.A.: transactions refer to graphic design consulting.
Bencom S.r.l.: sub-lease of premises in Via Dante, Milan.
Other operating income refers to rent and related charges for the year.
All liabilities are current; the receivable from Bencom will be paid off in instalments during the residual life of the lease.

Transactions with associates of Ragione S.A.p.A. di Gilberto Benetton e C.

(€k)	Grandi Stazioni S.p.A.		SAGAT S.p.A.		Aeroporto di Firenze S.p.A.	
Income Statement	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
Revenue	10	-	53	-	54	66
Other operating income	-	-	-	-	18	-
Rental, leases, concessions and royalties	1,330	1,295	604	745	432	435
Balance Sheet	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Trade payables	239	275	5	5	166	149
Trade receivables	114	-	39	-	21	41

Grandi Stazioni S.p.A.: costs refer to rental and related charges for the premises in Rome Termini station.
SAGAT S.p.A.: costs refer to rental and related charges for the premises in Turin airport.
Aeroporti di Firenze S.p.A.: costs refer to rental and related charges for the premises at Florence airport.
Revenue come from the sale of products and the fee for the management of the Florence airport VIP lounge.

Transactions with subsidiaries

(€k)	Autogrill Austria A.G.	Autogrill Schweiz A.G.	HMS Host Europe GmbH	Autogrill España S.A.U.	Aldeasa S.A.	Autogrill Coté France S.A.S	Autogrill International S.p.A.	Autogrill Finance S.A.	Autogrill Nederland B.V.	Autogrill Group Inc.	Autogrill Hellas E.P.E.
2008 Income Statement:											
Revenue	105	5	-	10	-	2	-	-	-	-	148
Other revenue and income	380	1,695	-	782	-	1,068	1,312	12	17	80	47
Financial income	145	-	240	45,440	124	425	2,162	5,689	-	2,139	-
Financial expense	-	136	1	-	-	-	71	-	-	54	-
Purchase of goods	-	-	-	-	-	-	-	-	-	-	-
Cost of services	-	2	-	319	-	46	-	701	-	182	8
Balance Sheet at 31.12.2008											
Trade payables	41	13	-	104	-	16	-	159	9	182	3
Financial payables	-	-	1,856	-	-	-	1,013	-	-	14,762	-
Trade receivables	374	688	20	438	-	775	1,827	240	104	139	115
Financial receivables	4,205	-	86	1,124,241	-	8,001	42,370	93,807	-	93,502	-

Transactions with subsidiaries

Transactions with Autogrill S.p.A.'s subsidiaries are both financial and commercial in nature.

Significant non-recurring events and operations

In 2008, there were no significant non-recurring events or transactions as defined by Consob's resolution 15519 and communication DEM/6064293.

Atypical or unusual transactions

No atypical or unusual transactions, as defined by Consob's communications DEM/6037577 of 28 April 2006 and notice DEM/6064293 were performed in 2008.

HMS Host Ireland Ltd.	Autogrill Sweden and Denmark	Autogrill D.o.o.	Autogrill Czech S.r.o.	Autogrill Belux N.V.	Autogrill Germany GmbH	World Duty Free Europe Ltd.	Nuova Estral S.r.l.	Bar del Porto di Nuova Estral S.r.l. S.n.c.	Nuova Sidap S.r.l.	Trentuno S.r.l.	Alpha Retail Italia S.r.l.	Aviogrill S.r.l.
-	-	5	-	-	-	-	-	-	1,748	2,636	-	3,496
-	1	3	50	23	-	610	3	87	702	603	10	406
-	9	-	-	-	3	2,273	55	-	130	-	17	1
-	-	-	-	-	-	-	-	4	-	-	-	12
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	63	-	-	22	-	-	-	27	21	-
-	-	-	52	17	-	26	-	21	145	438	22	-
-	-	-	-	-	-	-		134	-	-	-	12
43	20	16	72	75	-	967	3	3	410	761	12	394
-	-	-	-	-	533	237,965	1,182	-	2,879	-	469	212

Emoluments of key managers with strategic responsibilities

According to the Company's governance, strategic responsibilities are only held by the CEO and the Board of Directors.

Their emoluments were as follows in 2008:

Name	Office held	Term of office	Emoluments (€)	Bonuses and other incentives (€)	Other fees (€)
Benetton Gilberto	Chairman	01.01-31.12.2008	52,200		
Tondato Da Ruos Gianmario	CEO	01.01-31.12.2008	642,049	390,000	490,171
Benetton Alessandro	Director	01.01-31.12.2008	49,800		
Brunetti Giorgio	Director	01.01-31.12.2008	67,000		
Bulgheroni Antonio	Director	01.01-31.12.2008	60,200		
Giavazzi Francesco	Director	23.04-31.12.2008	35,268		
Gómez-Navarro Javier	Director	23.04-31.12.2008	36,468		
Camuffo Arnaldo	Director	23.04-31.12.2008	46,868		
Roverato Paolo	Director	23.04-31.12.2008	51,268		
Costamagna Claudio	Director	23.04-31.12.2008	45,668		
Mion Gianni	Director	01.01-31.12.2008	61,400		
Malguzzi Alfredo	Director	01.01-31.12.2008	78,600		
De Simoi Sergio	Director	01.01-23.04.2008	15,132		
Erede Sergio	Director	01.01-23.04.2008	15,132		
Morazzoni Gaetano	Director	01.01-23.04.2008	15,732		
Desiderato Marco	Director	01.01-23.04.2008	15,732		
Total directors			1,288,517	390,000	490,171

The CEO's fees include his executive salary, which is shown under "Other fees".
The CEO's contract states that if he resigns with just cause or is dismissed by the Company without just cause, the Company will top up 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 less than €2m.

Board of Statutory Auditors

Fees of the statutory auditors are as follows:

Name	Office held	Term of office	Emoluments (€)	Other fees (€)
Luigi Biscozzi	Chairman	01.01-31.12.08	72,189	24,654
Gianluca Ponzellini	Standing auditor	01.01-31.12.08	48,878	16,822
Ettore Maria Tosi	Standing auditor	01.01-31.12.08	48,878	17,209
Total Statutory Auditors			**169,945**	**58,685**

"Other fees" refer to the fees accrued for the same offices held at Autogrill International S.p.A.

External auditors' fees for audits and other services

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent auditors	Parent	356
	Parent auditors	Subsidiaries	59
	Parent auditors network	Subsidiaries	3,265
Attestation	Parent auditors	Parent	19
	Parent auditors ntework	Subsidiaries	226
Advisory	Parent auditors	Parent	307
	Parent auditors	Subsidiaries	22

6.10 Subsequent events and business outlook

On 21 January 2009, the Board of Directors of Autogrill S.p.A. and the extraordinary general meeting of its wholly-owned subsidiary, Autogrill International S.p.A., approved the merger of Autogrill International S.p.A. into Autogrill S.p.A. The deed of merger should be drawn up in April 2009.

The purpose of the merger is to streamline the ownership structure of the group headed up by Autogrill S.p.A., as Autogrill International no longer serves as a sub-holding company for the Group's foreign investments. Autogrill International's operations will be incorporated into Autogrill's financial statements, including for tax purposes, as from the first day of the financial year during which the merger becomes effective, i.e., in all likelihood. as from 1 January 2009.

6.11 Authorisation to publish the financial statements

The Board of Directors authorised the publication of these separate financial statements at its meeting of 12 March 2009.

7. Annexes

7.1 Key information on direct and indirect subsidiaries

Company	Registered office	Country	Currency	Share/quota capital	% held at 31.12.2008 directly	indirectly
Autogrill International S.p.A.	Novara	Italy	Euro	4,951,213	100.00%	
Aviogrill S.r.l.	Bologna	Italy	Euro	10,000	100.00%	
Trentuno S.p.A.	Trento	Italy	Euro	1,417,875	100.00%	
Nuova Estral S.r.l.	Novara	Italy	Euro	10,000	100.00%	
Bar del Porto di Nuova Estral S.r.l. S.n.c.	Piombino	Italy	Euro	74,303		100.00%
Nuova Sidap S.r.l.	Novara	Italy	Euro	100,000	100.00%	
Autogrill Germany GmbH	Munich	Germany	Euro	25,000	100.00%	
World Duty Free Europe Ltd	London	United Kingdom	Gbp	10,000,000		100.00%
Alpha Group Plc	London	United Kingdom	Gbp	18,258,499		100.00%
Autogrill Retail UK Limited	London	United Kingdom	Gbp	180,000		100.00%
Alpha Flight Group Ltd	London	United Kingdom	Gbp	2		100.00%
Alpha Flight UK Limited	London	United Kingdom	Gbp	190,000		100.00%
Alpha Flight Services Overseas Limited	St. Helier	United Kingdom	Gbp	5,000		80.40%
Alpha Airports Group (Jersey) Limited	Jersey Airport, St. Peter	United Kingdom	Gbp	4,000		100.00%
Alpha Retail Ireland Limited	Dublin	Ireland	Euro	1		100.00%
Alpha Flight Ireland Ltd	Dublin	Ireland	Euro	3		100.00%
Alpha Airport Holdings B.V.	Boesingheliede	The Netherlands	Euro	74,874		100.00%
Autogrill Catering UK Ltd	London	United Kingdom	Gbp	116,358		100.00%
Alpha Flight Services B.V.	Boesingheliede	The Netherlands	Euro	1,623,172		100.00%
Alpha Retail Catering Sweden AB	Nykoping	Sweden	Sek	-		100.00%
Alpha Retail Italia S.r.l.	Rome	Italy	Euro	10,000	100.00%	
Alpha Rocas S.A.	Otopeni	Romania	Leu	335,000		64.20%
Alpha Airport Services EOOD	Sofia	Bulgaria	Lev	7,519,725		100.00%
Alpha Keys Orlando Retail Associates Limited	Wilmington	USA	Usd	1,500,000		85.00%
Alpha Airport Services Inc.	Wilmington	USA	Usd	-		100.00%
Alpha Flight Services Pty, Limited	Broadbeach	Australia	Aud	30,515,000		51 .00%
Orient Lanka Limited	Fort Colombo	Sri Lanka	Lkr	49,155,000		99.00%
Jordan Flight Catering Company Limited	Amman	Jordany	Jod	800,000		51 .00%
Alpha MVKB Maldives Pvt Limited	Male	Maldives	Mvr	25,191		60.00%
Alpha-Kreol (India) Pvt Ltd	Male	India	Inr	95,883		50.00%
Alpha In-Flight Retail Ltd	London	United Kingdom	Gbp	150,000		100.00%
Alpha Flight Services UAE	Sharjah	United Arab Emirates	Aed	150,000		49.00%
Alpha Airport Retail Holdings Pvt Ltd	Mumbai	India	Inr	120,578,970		100.00%
Alpha Future Airport Retail Pvt Ltd	Mumbai	India	Inr	119,470,004		100.00%
Alpha Airport Pension Trustees Ltd	London	United Kingdom	Gbp	100		100.00%
Pratt & Leslie Jones Ltd	London	United Kingdom	Gbp	8,900		100.00%
Alpha SUTL Pte Ltd	Singapore	Singapore	Sgd	1		50.00%
Alpha ESOP Trustee Ltd	London	United Kingdom	Gbp	100		100.00%
Alpha Airports Group Ltd	London	United Kingdom	Gbp	2		100.00%
Alpha Euroservices Ltd	London	United Kingdom	Gbp	100		100.00%
Alpha Airport Services Ltd	London	United Kingdom	Gbp	25,000		100.00%
Alpha Catering Services (Scotland) Ltd	London	United Kingdom	Gbp	2		100.00%
Alpha Services Group Ltd	London	United Kingdom	Gbp	3		100.00%
Alpha Airports Group (Channel Island) Ltd	St. Helier - Jersey	United Kingdom	Gbp	21		100.00%
Airport Catering Services (NI) Ltd	London	United Kingdom	Gbp	2		100.00%

Company	Registered office	Country	Currency	Share/quota capital	% held at 31.12.2008	
					directly	indirectly
Alpha Airports (FURBS) Trustees Ltd	London	United Kingdom	Gbp	26,000		100.00%
Airport Duty Free Shops Ltd	London	United Kingdom	Gbp	2		100.00%
Dynair B.V.	London	United Kingdom	Gbp	18,000		100.00%
Alpha ATS Pty Ltd	Broadbeach	Australia	Cad	2		100.00%
Air Czech Catering AS	Praha	Czech Republic	Czk	50,000,000		100.00%
Autogrill Austria AG	Gottlesbrunn	Austria	Euro	7,500,000		100.00%
HMSHost Europe GmbH	Munich	Germany	Euro	205,000		100.00%
HMSHost Ireland Ltd	Cork	Ireland	Euro	13,600,000		100.00%
HMSHost Sweden AB	Stockholm	Sweden	Sek	2,500,000		100.00%
HMSHost Sabeth Egypt	Cairo	Egypt	Egp	1,000,000		60.00%
Autogrill España SAU	Madrid	Spain	Euro	1,800,000		100.00%
Autogrill Participaciones SL	Madrid	Spain	Euro	6,503,006		100.00%
Restauracion de Centros Comerciales S.A. (RECECO)	Madrid	Spain	Euro	108,182		85.00%
Autogrill Finance S.A.	Luxemburg	Luxemburg	Euro	250,000	100.00%	
Autogrill D.o.o.	Lubjana	Slovenia	Euro	1,180,152	100.00%	
Autogrill Czech Sro	Praha	Czech Republic	Czk	35,000,000		100.00%
Autogrill Hellas EPE	Avlona Attikis	Greece	Euro	1,696,350	0.01%	99.99%
Autogrill Overseas Inc.	Wilmington	USA	Usd	33,793,055		99.99%
Autogrill Europe Nord-Ouest S.A.	Luxemburg	Luxemburg	Euro	41,300,000		100.00%
Autogrill Belgie N.V.	Merelbeke	Belgium	Euro	26,250,000		100.00%
Ac Restaurants & Hotels Beheer N.V.	Merelbeke	Belgium	Euro	7,851,186		100.00%
Ac Restaurants & Hotels S.A.	Grevenmacher	Lussemburgo	Euro	500,000		100.00%
Autogrill Nederland B.V.	Breukelen	The Netherlands	Euro	41,371,500		100.00%
Maison Ledeboer B.V.	Zaandam	The Netherlands	Euro	69,882		100.00%
Ac Holding N.V.	Breukelen	The Netherlands	Euro	150,000		100.00%
The American Lunchroom Co B.V.	Zaandam	The Netherlands	Euro	18,151		100.00%
Ac Apeldoorn B.V.	Apeldoorn	The Netherlands	Euro	45,378		100.00%
Ac Bodegraven B.V.	Bodegraven	The Netherlands	Euro	18,151		100.00%
Ac Heerlen B.V.	Heerlen	The Netherlands	Euro	22,689		100.00%
Ac Hendrik Ido Ambacht B.V.	HI Ambacht	The Netherlands	Euro	2,596,984		100.00%
Ac Holten B.V.	Holten	The Netherlands	Euro	34,034		100.00%
Ac Leiderdorp B.V.	Leiderdorp	The Netherlands	Euro	18,151		100.00%
Ac Meerkerk B.V.	Meerkerk	The Netherlands	Euro	18,151		100.00%
Ac Nederweert B.V.	Weert	The Netherlands	Euro	34,034		100.00%
Ac Nieuwegein B.V.	Nieuwegein	The Netherlands	Euro	18,151		100.00%
Ac Oosterhout B.V.	Oosterhout	The Netherlands	Euro	18,151		100.00%
Ac Restaurants & Hotels B.V.	Breukelen	The Netherlands	Euro	91,212		100.00%
Ac Sevenum B.V.	Sevenum	The Netherlands	Euro	18,151		100.00%
Ac Vastgoed B.V.	Zaandam	The Netherlands	Euro	18,151		100.00%
Ac Vastgoed I B.V.	Zaandam	The Netherlands	Euro	18,151		100.00%
Ac Veenendaal B.V.	Veenendaal	The Netherlands	Euro	18,151		100.00%
Ac Zevenaar B.V.	Zevenaar	The Netherlands	Euro	56,723		100.00%
Holding de Participations Autogrill S.A.S.	Marseille	France	Euro	84,581,920	0.01%	99.99%
Autogrill Aéroports S.A.S.	Marseille	France	Euro	1,721,096		100.00%
Autogrill Coté France S.A.S.	Marseille	France	Euro	31,579,526		100.00%
Société Berrichonne de Restauration S.A.S. (Soberest S.A.S.)	Marseille	France	Euro	288,000		50.01%
Société de la Porte de Champagne S.A. (SPC)	Perrogney	France	Euro	153,600		52.28%
Société de Restauration Autoroutière Dromoise S.A.S. (SRAD)	Marseille	France	Euro	1,136,000		100.00%
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	France	Euro	144,000		50.00%

Company	Registered office	Country	Currency	Share/quota capital	% held at 31.12.2008 directly	indirectly
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	France	Euro	1,440,000		70.00%
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA)	Saint Rambert d'Albon	France	Euro	515,360		50.00%
Volcarest S.A.	Riom	France	Euro	1,050,144		50.00%
Société de Gestion de Restauration Routière (SGRR S.A.)	Marseille	France	Euro	879,440		100.00%
Vert Pre Saint Thiebaut SCI	Nancy	France	Euro	457		100.00%
TJ2D S.n.c.	Nancy	France	Euro	1,000		100.00%
Autogrill Restauration Services S.A.S.	Marseille	France	Euro	15,394,500		100.00%
Autogrill Gares Province S.àr.l.	Marseille	France	Euro	274,480		100.00%
Autogrill Gares Métropoles S.àr.l.	Marseille	France	Euro	4,500,000		100.00%
Autogrill Restauration Carrousel S.A.S.	Marseille	France	Euro	2,337,000		100.00%
La Rambertine S.n.c.	Saint Rambert d'Albon	France	Euro	1,524		100.00%
Autogrill Commercial Catering France S.A.	Marseille	France	Euro	2,916,480		100.00%
Autogrill Centres Commerciaux S.àr.l.	Marseille	France	Euro	447,000		100.00%
Autogrill Schweiz AG	Olten	Switzerland	Chf	23,183,000		100.00%
Autogrill Pieterlen AG	Pieterlen	Switzerland	Chf	2,000,000		100.00%
Restoroute de Bavois S.A.	Bavois	Switzerland	Chf	2,000,000		73.00%
Restoroute de la Gruyère S.A.	Avry devant-Pont	Switzerland	Chf	1,500,000		54.00%
Autogrill Group Inc.	Delaware	USA	Usd	225,000,000		100.00%
CBR Specialty Retail Inc.	Delaware	USA	Usd	-		100.00%
HMSHost Corp.	Delaware	USA	Usd	-		100.00%
HMSHost Europe Inc.	Delaware	USA	Usd	-		100.00%
HMSHost International Inc.	Delaware	USA	Usd	-		100.00%
HMSHost Tollroads Inc.	Delaware	USA	Usd	-		100.00%
HMSHost USA LLC	Delaware	USA	Usd	-		100.00%
Host International Inc.	Delaware	USA	Usd	-		100.00%
Sunshine Parkway Restaurants Inc.	Florida	USA	Usd	100		100.00%
Cincinnati Terminal Services Inc.	Delaware	USA	Usd	-		100.00%
Cleveland Airport Services Inc.	Delaware	USA	Usd	-		100.00%
HMS-Airport Terminal Services Inc.	Delaware	USA	Usd	1,000		100.00%
HMS B&L Inc.	Delaware	USA	Usd	-		100.00%
HMS Holdings Inc.	Delaware	USA	Usd	1,000		100.00%
HMS Host Family Restaurants Inc.	Maryland	USA	Usd	2,000		100.00%
HMS Host Family Restaurants LLC	Delaware	USA	Usd	-		100.00%
Gladieux Corporation	Ohio	USA	Usd	750		100.00%
Host (Malaysia) Sdn Bhd	Kuala Lumpur	Malaysia	Myr	-		100.00%
Host Gifts Inc.	California	USA	Usd	100,000		100.00%
Host International of Canada Ltd	Vancouver	Canada	Cad	75,351,237		100.00%
Host Canada LP	Vancouver	Canada	Cad	-		100.00%
SMSI Travel Centres Inc.	Toronto	Canada	Cad	-		100.00%
Host International of Kansas Inc.	Kansas	USA	Usd	1,000		100.00%
Host International of Maryland Inc.	Maryland	USA	Usd	79,576		100.00%
HMS Host USA Inc.	Delaware	USA	Usd	-		100.00%
Host of Holland B.V.	Amsterdam	The Netherlands	Euro	-		100.00%
Horeca Exploitatie Maatschappij Schiphol B.V.	Amsterdam	The Netherlands	Euro	45,378		100.00%
Host Services Inc.	Texas	USA	Usd	-		100.00%
Host Services of New York Inc.	Delaware	USA	Usd	1,000		100.00%
Host Services Pty Ltd	North Cairns	Australia	Aud	6,252,872		100.00%
Las Vegas Terminal Restaurants Inc.	Delaware	USA	Usd	-		100.00%
Marriott Airport Concessions Pty Ltd	Melbourne	Australia	Aud	3,910,102		100.00%
Michigan Host Inc.	Delaware	USA	Usd	1,000		100.00%
The Gift Collection Inc.	California	USA	Usd	1,000		100.00%

Company	Registered office	Country	Currency	Share/quota capital	% held at 31.12.2008 directly	indirectly
Turnpike Restaurants Inc.	Delaware	USA	Usd	-		100.00%
HMSHost Services India Private Ltd	Bangalore	India	Inr	617,833,218		100.00%
HMS-Airport Terminal Services Inc.	Christchurch	New Zealand	Nzd	-		100.00%
HMSHost Singapore Pte Ltd	Singapore	Singapore	Sgd	7,384,720		100.00%
AAI Investments Inc.	Delaware	USA	Usd	-		100.00%
Anton Airfood Inc. (AAI)	Virginia	USA	Usd	1,000		100.00%
AAI Terminal 7 Inc.	New York	USA	Usd	-		100.00%
AAI Terminal One Inc.	New York	USA	Usd	-		100.00%
Airport Architects Inc.	Virginia	USA	Usd	-		100.00%
Anton Airfood JFK Inc.	New York	USA	Usd	-		100.00%
Anton Airfood of Cincinnati Inc.	Kentucky	USA	Usd	-		100.00%
Anton Airfood of Minnesota Inc.	Minnesota	USA	Usd	-		100.00%
Anton Airfood of New York Inc.	New York	USA	Usd	-		100.00%
Anton Airfood of North Carolina Inc.	North Carolina	USA	Usd	-		100.00%
Anton Airfood of Ohio Inc.	Ohio	USA	Usd	-		100.00%
Anton Airfood of Rhode Island Inc.	Rhode Island	USA	Usd	-		100.00%
Anton Airfood of Texas Inc.	Texas	USA	Usd	-		100.00%
Anton Airfood of Virginia Inc.	Virginia	USA	Usd	-		100.00%
Palm Springs AAI Inc.	California	USA	Usd	-		100.00%
Anton Airfood of Boise Inc.	Idaho	USA	Usd	-		100.00%
Anton Airfood of Tulsa Inc.	Oklahoma	USA	Usd	-		100.00%
AAI Islip, Inc.	New York	USA	Usd	-		100.00%
Fresno AAI, Inc.	California	USA	Usd	-		100.00%
Anton Airfood of Newark, Inc.	New Jersey	USA	Usd	-		100.00%
Anton Airfood of Seattle, Inc.	Washington	USA	Usd	-		100.00%
Lee Airport Concession, Inc.	North Carolina	USA	Usd	-		100.00%
Providence Airport Restaurant Joint Venture	Rhode Island	USA	Usd	-		100.00%
Anton/JQ RDU Joint Venture	Delaware	USA	Usd	-		100.00%
Host Bush Lubbock Airport Joint Venture	Texas	USA	Usd	-		90.00%
Host/Lub-Tech Joint Venture	Michigan	USA	Usd	-		90.00%
CS Host Joint Venture	Kentucky	USA	Usd	-		70.00%
Airside C F & B Joint Venture	Florida	USA	Usd	-		70.00%
Host Kahului Joint Venture Company	Hawaii	USA	Usd	-		90.00%
Host/Coffee Star Joint Venture	Texas	USA	Usd	-		50.00%
Host-Chelle-Ton Sunglass Joint Venture	North Carolina	USA	Usd	-		80.00%
Southwest Florida Airport Joint Venture	Florida	USA	Usd	-		80.00%
Host Honolulu Joint Venture Company	Hawaii	USA	Usd	-		90.00%
Host/Forum Joint Venture	Maryland	USA	Usd	-		70.00%
HMS/Blue Ginger Joint Venture	Texas	USA	Usd	-		55.00%
Savannah Airport Joint Venture	Georgia	USA	Usd	-		45.00%
Host/Star Concessions JV	Texas	USA	Usd	-		65.00%
Host & Garrett Joint Venture	Mississippi	USA	Usd	-		75.00%
Tinsley - Host - Tampa Joint Venture	Florida	USA	Usd	-		49.00%
Host/NCM Atlanta Joint Venture	Georgia	USA	Usd	-		80.00%
Phoenix - Host Joint Venture	Arizona	USA	Usd	-		70.00%
Host Taco Joy Joint Venture	Georgia	USA	Usd	-		80.00%
Minnesota Retail Partners, LLC	Minnesota	USA	Usd	-		51 .00%
Host Chelsea Joint Venture	Texas	USA	Usd	-		65.00%
Providence Airport JV	Rhode Island	USA	Usd	-		25.00%
Host - Tinsley Joint Venture	Florida	USA	Usd	-		84.00%
Host/Tarra Joint Venture	Florida	USA	Usd	-		75.00%

Company	Registered office	Country	Currency	Share/quota capital	% held at 31.12.2008	
					directly	indirectly
Metro-Host Joint Venture	Michigan	USA	Usd	-		70.00%
Ben-Zey/Host Lottery JV	Florida	USA	Usd	-		40.00%
ASG - Host Joint Venture	Michigan	USA	Usd	-		85.00%
Host D and D St. Louis Airport Joint Venture	Missouri	USA	Usd	-		75.00%
East Terminal Chilis Joint Venture	Missouri	USA	Usd	-		55.00%
Host - Chelsea Joint Venture #2	Texas	USA	Usd	-		75.00%
Host/LJA Joint Venture	Missouri	USA	Usd	-		85.00%
Host/NCM Atlanta and Joint Venture	Georgia	USA	Usd	-		75.00%
Houston 8/Host Joint Venture	Texas	USA	Usd	-		60.00%
Seattle Restaurant Associates	Washington	USA	Usd	-		70.00%
Bay Area Restaurant Group	California	USA	Usd	-		49.00%
Islip Airport Joint Venture	New York	USA	Usd	-		100.00%
Host Prose #2 J/V	Virginia	USA	Usd	-		70.00%
HMS Host/Coffee Partners Joint Venture	Texas	USA	Usd	-		50.00%
Host-Grant Park Chili's Joint Venture	Arizona	USA	Usd	-		70.00%
Host/JV Ventures McCarran Joint Venture	Nevada	USA	Usd	-		60.00%
Airside and Joint Venture	Florida	USA	Usd	-		50.00%
Host-CJ & Havana Joint Venture	California	USA	Usd	-		70.00%
Xavier-Host Joint Venture	Ohio	USA	Usd	-		60.00%
Host-Avila of Phoenix Joint Venture	Arizona	USA	Usd	-		85.00%
Southwest Retail Alliance III	Arizona	USA	Usd	-		70.00%
Host Whitsett Joint Venture	Nevada	USA	Usd	-		60.00%
Host/Howell-Mickens Joint Venture	Texas	USA	Usd	-		65.00%
Host/JZ RDU Joint Venture	North Carolina	USA	Usd	-		75.00%
MIA Airport Retail Partners Joint Venture	Florida	USA	Usd	-		30.00%
Host of Santa Ana Joint Venture Company	California	USA	Usd	-		75.00%
Host Marriott Services - D/FW Joint Venture	Texas	USA	Usd	-		65.00%
Host Marriott Services - D/Ft. Worth Joint Venture II	Texas	USA	Usd	-		75.00%
Host - Prose Joint Venture III	Virginia	USA	Usd	-		51 .00%
Host Adevco Joint Venture	Arkansas	USA	Usd	-		70.00%
HMSHost Shellis Trans Air Joint Venture	Georgia	USA	Usd	-		60.00%
Host PJJD Jacksonville Joint Venture	Florida	USA	Usd	-		51 .00%
Host - MPL Airport, LLC	Indiana	USA	Usd	-		75.00%
Host/JQ Raleigh Durham	North Carolina	USA	Usd	-		100.00%
Autogrill Belux N.V.	Merelbeke	Belgium	Euro	10,000,000	99.99%	0.10%
Carestel Motorway Services N.V.	Merelbeke	Belgium	Euro	9,000,000		100.00%
Carestel Service Center N.V. (in liquidation)	Merelbeke	Belgium	Euro	62,000		100.00%
Carestel Beteiligungs GmbH & Co, (in liquidation)	Echterdingen	Germany	Euro	25,000		100.00%
Carestel Nord S.àr.l.	Mulhouse	France	Euro	76,225		99.00%
Autogrill Trois Frontières S.A.S.	Marseille	France	Euro	621,999		100.00%
Restair UK Ltd	London	United Kingdom	Gbp	-		100.00%
Aldeasa S.A.	Madrid	Spain	Euro	10,772,462		99.96%
Aldeasa Internacional S.A.	Madrid	Spain	Euro	5,409,000		100.00%
Aldeasa Chile Ltda	Santiago del Chile	Chile	Usd	2,516,819		100.00%
Sociedad de Distribución Aeroportuaria de Canarias SL	Las Palmas	Spain	Euro	667,100		60.00%
Aldeasa Colombia Ltda,	Cartagena de Indias	Colombia	Cop	2,356,075,724		100.00%
Aldeasa México S.A. de CV	Cancun	Mexico	Mxn	60,962,541		100.00%
Transportes y Suministros Aeroportuarios S.A.	Madrid	Spain	Euro	1,202,000		100.00%
Aldeasa Cabo Verde S.A.	Isla de Sal	Cape Verde	Cve	6,000,000		100.00%
Prestadora de Servicios en Aeropuertos S.A. de CV	Cancun	Mexico	Mxn	50,000		100.00%
Panalboa S.A.	Panama	Panama Republic	Pab	150,000		80.00%

Company	Registered office	Country	Currency	Share/quota capital	% held at 31.12.2008 directly	indirectly
Audioguiarte Servicios Culturales SL	Madrid	Spain	Euro	251,000		100.00%
Aldeasa Servicios Aeroportuarios Ltda	Santiago del Chile	Chile	Usd	15,000		100.00%
Aldeasa Projets Culturels S.A.S.	Paris	France	Euro	1,500,000		100.00%
Cancouver Uno SL	Madrid	Spain	Euro	3,010		100.00%
Aldeasa Jordan Airports Duty Free Shops (AJADFS)	Amman	Jordany	Usd	705,219		100.00%
Aldeasa Curaçao N.V.	Curaçao	Dutch Antillas	Usd	500,000		100.00%
Aldeasa Atlanta JV	Bethesda	USA	Usd	2,200,000		76.00%
Aldeasa Vancouver LP	Vancouver	Canada	Cad	48,001,000		96.00%
Aldeasa Canada Inc.	Vancouver	Canada	Cad	1,000		100.00%
Aldeasa US Inc.	Wilmington	USA	Usd	1,000		100.00%
Aldeasa Atlanta LLC	Bethesda	USA	Usd	100		100.00%
Steigenberger Gastronomie GmbH	Frankfurt	Germany	Euro	750,000		49.90%
Servair Air Chef S.r.l.	Milano	Italy	Euro	5,150,000		50.00%
Servizi di Bordo S.r.l.	Milano	Italy	Euro	40,000		80.00%
Alpha ASD Limited	London	United Kingdom	Gbp	20,000		50.00%
Caresquick N.V.	Bruxelles	Belgium	Euro	2,500,000		50.00%

7.2 Key information on associates[1]

Company	Registered office	Country	Currency	Share/quota capital	% held at 31.12.2008 directly	indirectly
Dewina Host Sdn Bhd	Kuala Lumpur	Malaysia	Myr	-		49.00%
HMSC-AIAL Ltd	Aukland	New Zealand	Nzd	-		50.00%
TGIF National Restaurant JV	Texas	USA	Usd	-		25.00%
PH Co-op Inc.	n.a.	n.a.	Usd	15,600		n.a.
Estación Aduanera Zaragoza S.A.	Zaragoza	Spain	Euro	1,670,153		31 .26%
Souk al Mouhajir S.A.	Tangeri	Morocco	Dhs	6,500,000		35.84%
Creuers del Port de Barcelona S.A.	Barcelona	Spain	Euro	3,005,061		23.00%
Lanzarote de Cultura y Ocio S.A.	Tias	Spain	Euro	180,304		30.00%
Virgin Express Catering Services N.V.	Bruxelles	Belgium	Euro	17,740,000		48.98%

[1] Art. 2429, paragraph 3 of the Italian Civil Code

Attestation of the Managing Director and the Manager Responsible for financial reporting

Declaration in respect of the Statutory Financial Statements under Article 154-bis clause 5 of Legislative Decree 58/98

1. The undersigned, Gianmario Tondato Da Ruos, as Managing Director (CEO), and Mario Zanini, as the executive officer responsible for drawing up Autogrill S.p.A.'s financial reports, pursuant to the provisions of Article 154-bis, clauses 3 and 4, of Legislative Decree no. 58 of 1998, hereby attest:

   - the adequacy with respect to the company structure, and
   - the effective application

of the administrative and accounting procedures applied in the preparation of the Company's Statutory Financial Statements during 2008 fiscal year.

2. In this regard no significant matters emerged.

3. The undersigned moreover attest that:

   3.1 The Statutory Financial Statements at 31 December 2008:

   a) have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel, dated 19 July 2002;
   b) correspond to the books and accounting entries; and
   c) provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company as of 31 December 2008 and for the year then ended.

   3.2 The report on operations includes a reliable operating and financial review of the Company as well as a description of the main risks and uncertainties to which it is exposed.

Milan, 12 March 2009

Managing Director Autogrill S.p.A.	Executive officer responsible for drawing up Autogrill S.p.A.'s financial reports Autogrill S.p.A.

Independent Auditors' Report

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

Telefono 02 6763.1
Telefax 02 67632445
e-mail it-fmauditaly@kpmg.it

(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with article 156 of Legislative decree no. 58 of 24 February 1998

To the shareholders of
Autogrill S.p.A.

1 We have audited the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2008, comprising the balance sheet, income statement, statement of changes in equity, cash flow statement 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 financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The separate financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the notes, the company's directors restated such corresponding figures included in the prior year separate financial statements. We audited such financial statements and issued our report thereon on 7 April 2008. Specifically, the restated corresponding figures concern the change in the accounting policy on the recognition of defined benefit plans. We have examined the methods used to restate the prior year corresponding figures and related disclosures to the extent that we considered to be necessary to express an opinion on the separate financial statements at 31 December 2008.

3 In our opinion, the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2008 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

KPMG

Autogrill S.p.A.
Report of the auditors
31 December 2008

view of the financial position of Autogrill S.p.A. as at 31 December 2008, the results of its operations, changes in its equity 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 in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report with the financial statements to which it refers, as required by article 156.4-bis.d of Legislative decree no. 58/98. 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 is consistent with the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2008.

Milan, 3 April 2009

KPMG S.p.A.

(signed on the original)

Giovanni Rebay
Director of Audit

Board of Statutory Auditors' Report

Shareholders,

during the financial year ended 31 December 2007, we carried out our audit activity as required by law in accordance with the principles of conduct for Boards of Statutory Auditors, as recommended by the National Council of Chartered Accountants (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and by Consob in bulletin No. 1025564 of 6 April 2001 as subsequently amended.

During the year we carried out the following tasks:

» we took part in all the Shareholders' and Board of Directors' meetings held in 2008 and periodically obtained information from the Directors on operations and the most significant transactions carried out by the Company and its subsidiaries;

» pursuant to §151, TUF (Consolidated Finance Act) and to the extent of our responsibilities, we monitored the business of the Group. We obtained information by direct inspection, from the CEO and heads of the primary divisions involved, by taking part in the meetings of the Internal Control and Corporate Governance Committees, as well as from the external auditors, KPMG S.p.A.;

» we met with the department and division heads in order to ensure that the initiatives implemented by the Company were planned in such a way as to attain the main corporate objectives and, at the same time, strengthen the internal control system.

» we monitored the adequacy of the administrative accounting system and its reliability in terms of providing an accurate and fair picture of the business, including through examination of the work done by the independent auditors who reported to us during the year on the findings of their quarterly audits as to the correctness of the Company's accounting and bookkeeping procedures. There were non noticeable facts or occurrences to report;

» we verified compliance with all current laws and regulations regarding the preparation and drawing up of the parent company and consolidated financial statements as well as the accompanying documents through direct inspection and based on the information provided by the external auditors;

» we verified that procedures implemented by the company complied with Art. 36 of Consob's Market Regulations.

With regard to the merger of Autogrill International S.p.A. in Autogrill S.p.A. which was approved by the relative corporate bodies on 21 January 2009, though temporarily suspended pursuant to Article 2503 of the Italian Civil Code, the Board of Statutory Auditors acknowledged that preliminary steps had been taken and all legal requirements had been fulfilled in order to be able to resolve on the merger itself.

Furthermore, the specific information that the aforementioned Consob bulletin dated 6 April 2001, as amended, requires to be provided in this report is listed below.

1. The operations with a major impact on the Company's balance sheet, income statement and financial position completed by the Company and its subsidiaries were carried out in compliance with the law and the Company's by-laws and did not appear to be imprudent or risky, against the Company's interest, or, at any rate, such as to compromise the integrity of the Company's assets;
2. We found that no atypical and/or abnormal third party, related party or infragroup transactions were carried out during the year. In the Directors' Reports on Operations and the Explanatory Notes to both the parent company and consolidated financial statements the directors have disclosed and explained the principal transactions with third parties, other group companies and related parties in adequate detail. We also ascertained that the

Group's ordinary operating procedures guarantee that all related party transactions are completed at arm's length.

3. We found that the information provided in the Directors' Report on operations and the Explanatory Notes regarding the transactions referred to in point 2 above was adequate.
4. The report issued by the external auditors KPMG S.p.A. on the Autogrill S.p.A.'s financial statements at 31.12.2008, issued on 3 April, does not contain any significant findings.
5. No claims pursuant to Art. 2408 of the Italian Civil Code were submitted to the Board of Statutory Auditors in 2008.
6. The Board of Statutory Auditors did not receive any statements or complaints during 2008.
7. No facts or situations that need to be mentioned in this report emerged from the correspondence with similar bodies of subsidiaries.
8. In 2008, the external auditors KPMG S.p.A. helped the Company with the certification of the 2008 Sustainability Report, for which they were paid fees totaling €80,000, as well with the audit of the amounts due to landlords for which they were paid €18,700.
   In accordance with the audit agreement and following the enlarged perimeter of consolidation, KPMG was paid an additional fee of €60,000 along with an extra €40,000 for additional man hours.
   Please note that subsidiaries of Autogrill S.p.A. engaged parties "linked to KPMG S.p.A. by permanent contracts" to carry out certain tasks other than that of financial audit, summarised as follows:

Company	Type of assignment, description of services rendered	Fee recognised in 2008 (€k)
HMSHost Ireland	Tax consulting	4.6
	Consulting	2.3
Autogrill Schweiz AG	IKS project (Swiss law) Documentation for procedures and controls	22.0
ALDEASA	Tax consulting	171 .2
	Consulting	5.1
	Implementation of international accounting standards	45.0
Autogrill Group Inc.	Audit of the amounts due to landlords	561 .8

   We report that no information or situation compromising the independence of the external auditors emerged.
9. On 27 August we issued our favorable opinion, in accordance with Art. 18 of the By-laws and Art. 154-bis, paragraph one of Legislative Decree 58/98, of the proposal submitted by the CEO to the Board of Directors to appoint a new Financial Reporting Officer, specifically in the person of Mario Zanini, the Group's Chief Administration Officer.
10. In 2008 the Board of Directors met 12 times, the Internal Control and Corporate Governance Committees met 8 times. The Board of Statutory Auditors met 10 times.
11. We have no particular observations to make regarding compliance with the principles underlying correct business administration, which appear to have been observed in a consistent manner.
12. In 2008 work continued on systematically updating the entire organisational structure with regard to both top management as well as new operational needs; more specifically a new Financial Reporting Officer pursuant to Art. 154-bis of TUF was appointed; the administration and control area in Italy was redefined and the accounting and administration of the UK subsidiary was reorganised. The Board of Statutory Auditors

believes that the overall organisational structure is adequate in light of the Group's size and the complexity of its businesses.

13. The risk management and control activities carried out by the Group's Internal Audit Department continued.
14. We ascertained that the Company's and the subsidiaries' operating procedures guarantee the systematic disclosure of information required by law.
15. No facts or situations that need to be mentioned in this report emerged from the periodic exchange of information between the Board of Statutory Auditors and the external auditors pursuant to Art. 150, paragraph 2 of Legislative Decree n. 58/1998.
16. The implementation of the corporate governance rules contained in the March 2006 edition of the Corporate Governance Code promoted by the Italian Stock Exchange, to which the Company adhered to as resolved by the Board of Directors on 19 December 2006, continued in 2008.
    The compliance with the norms referred to in the above mentioned code is referred to in the Autogrill Group's 2008 Corporate Governance Report which has been prepared by the company.
17. During the year the Company verified and confirmed the independence of the directors so qualified as per the Corporate Governance Code.
18. Lastly, we assure you that no omissions, reprehensible facts or irregularities of which the shareholders needed to be apprised emerged.
    Furthermore, we express our agreement, to the extent of our responsibilities, with the approval of the 2008 financial statements, the Directors' Report on operations as presented by the Board of Directors as well as the proposed allocation of the net profit for the year.

Milan, 3 April 2009

The Board of Statutory Auditors
Luigi Biscozzi
Gianluca Ponzellini
Ettore Maria Tosi

Pursuant to art. 144-quinquiesdecies of the Consob's Regulations for Issuers, the following is a list of the other appointments held by members of the Board of Statutory Auditors. The year-end date of the financial statements whose approval marks the end of each mandate is shown in brackets.

» Luigi Biscozzi: Chairman of the Board of Statutory Auditors of Autogrill International S.p.A. (2009), Costa Crociere S.p.A. (2008), New Mood S.p.A. (2008), Crociere Mercurio S.r.l. (2009). He is a standing auditor of Immobiliare Adamello S.r.l. (2009), Polimeri Europa S.p.A. (2009), Sony BMG Music Entertainment S.p.A. (2009), Touring Servizi S.r.l. (2010), Touring Vacanze S.r.l. (2008), Touring Viaggi S.r.l. (2009).

» Gianluca Ponzellini: Chairman of the Board of Statutory Auditors of Banca Imi S.p.A. (2010), De Longhi S.p.A. (2009), De Longhi Appliances S.r.l. (2009), Dì per Dì S.r.l. (2008), Finmar S.p.A. (2008), Luisa Spagnoli S.p.A. (2009), SPA.MA S.r.l. (2009), SPA.PI S.r.l. (2009), SPAIM S.r.l. (2009). He is a standing auditor of Autogrill International S.p.A. (2009), Caretti & Associati S.p.A. (2010), Casa Editrice Universo S.p.A. (2010), Etnastore S.r.l. (2010), G.S. S.p.A. (2010), Pegaso S.p.A. (2008), SSC S.r.l (2008). He is a member of the Supervisory Committee of Intesa Sanpaolo S.p.A. (2009), Chairman of the Board of Directors of Metodo S.r.l., director of Senatus S.r.l.

» Ettore Maria Tosi: Chairman of the Board of Statutory Auditors of Dasit S.p.A. (2008); Draba S.r.l. (2010), Fidecos S.p.A. (2011), Finanziaria Tre Gigli S.p.A. (2008); Xilon S.r.l. (2010), as well as a standing auditor of Alenia Aermacchi S.p.A. (2008), Autogrill International S.p.A. (2009) and Hay Group S.r.l. (2011).

Autogrill S.p.A.

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