Autogrill Group
2010 Annual Report

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Translation from the Italian original which remains the definitive version

How long can a honeymoon last? 80 days, like a trip around the world?? Hi to everyone, Giada & Luca

If they accept my project, champagne all round!! My treat of course....Love, Nick

Unforgettable trip!! Art, history and loads of shopping! I think of you.
In Barcelona I found some beautiful mugs for your collection. Besos, Estella

I've got a meeting in a few moments. I'll call you later, dinner time, when I'm at the airport.
Kisses to the kids, Reis

CHAIRMAN'S MESSAGE

Dear shareholders,

The period just ended was characterized by ups and downs in the various geographical regions and in different stages of the year. Growth in international trade improved the economic situation, which is still proving weak, however, in terms of consumer spending and employment in the markets where we operate. Mobility figures, on the other hand, while generally positive, were penalized by bad weather and natural disasters, making it necessary apply containment and contingency strategies.

Thanks to its geographical reach and business diversification, Autogrill managed to produce positive results in this scenario, recording growth in sales in excess of the trend in air and motorway traffic. A particularly significant contribution came from Travel Retail & Duty-Free, which exploited the rapid recovery in flights and increasing numbers of passengers to achieve impressive growth in revenues and, even more so, in profitability. Growth in the Food & Beverage business was more gradual.

2010 was a good year from a financial viewpoint as well. Cash flow generation strengthened our financial position, reduced debt and favoured investments. The good results are also reflected in the return to a dividend for shareholders.

With the disposal of the Flight business we are convinced we were right to focus our business portfolio on the two sectors in which the Group enjoys leadership, Food & Beverage and Travel Retail, which are linked by natural synergies and are tending increasingly to be perceived as part of a single purchasing experience.

In 2011, we are aiming to build on our results but without relaxing our sense of realism and prudence regarding the global situation, with rising raw materials prices and the spectre of inflation, and the consequences of unpredictable meteorological events and political instability. We trust though in the Group's capacity to deal with external pressures, given the proven flexibility of its business model, the commitment of its management and its international make up.

We have recently consolidated important relations with our commercial partners and extended many contracts, including a ten-year renewal of collaboration with Starbucks.

Our management's remuneration systems have been modified to allow them greater sharing in the creation of value by introducing stock option and stock grant schemes in line with European Union, Consob and Borsa Italiana recommendations.

It is necessary for management too, in fact, to be involved in the process of growing the company in terms of size, value and geographical reach, for there is significant potential we have yet to tap into, subject of course to the restraints of financial sustainability.

Gilberto Benetton

Boards and officers

Board of Directors[1]

Chairman[2, 3]	Gilberto Benetton
CEO[2, 3, 4]	Gianmario Tondato Da Ruos[E]
Directors	Alessandro Benetton
	Giorgio Brunetti[5, L, I–1]
	Antonio Bulgheroni[6, I–1, I–2]
	Arnaldo Camuffo[6, I–1, I–2]
	Claudio Costamagna[6, I–1, I–2]
	Javier Gómez-Navarro
	Francesco Giavazzi[I–1, I–2]
	Alfredo Malguzzi[5, 6, I–1]
	Gianni Mion[6]
	Paolo Roverato[5]
Secretary	Paola Bottero

Board of Statutory Auditors[7]

Chairman	Luigi Biscozzi
Standing auditor	Eugenio Colucci
Standing auditor	Ettore Maria Tosi
Alternate auditor	Giorgio Silva
Alternate auditor	Giuseppe Angiolini

Independent auditors[8]	KPMG S.p.A.

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 authority, 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 21 April 2009; in office until approval of the 2011 financial statements
8 Assignment granted by the annual general meeting of 27 April 2006 for the years 2006-2011
E Executive director
I–1 Independent director as defined by the Corporate Governance Code 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

Contents

1. DIRECTORS' REPORT

1.1 Definitions and symbols

Exchange rates: more than half the Group's operations are located in countries which use a non-euro currency, primarily the United States of America, the United Kingdom, Canada and Switzerland.

Due to the local nature of the business, in each country revenue is generally expressed in the same currency as costs and investments. The Group also has a currency risk management policy, financing most of its net assets in the principal non-euro currencies with debt in the same currency, or entering into currency hedges that achieve the same effect. However, this does not neutralise the impact of exchange rate fluctuations when translating individual financial statement items. In particular, a comparison between average exchange rates for 2009 and those in 2010, used to translate income statement figures, shows that with respect to the euro the US dollar appreciated by around 4.5% and the British pound appreciated by around 3.5%[1].

In comparisons with prior-year figures, the phrase "at constant exchange rates" may also be used, to signify the increase or decrease that would have occurred had the corresponding figures of consolidated companies with functional currencies other than the euro been calculated at the same exchange rates employed for the period under review.

In the notes to the statement of financial position (Section 2.2.3) and notes to the income statement (Section 2.2.4), the change at constant exchange rates has been calculated by excluding discontinued operations from both the 2009 and 2010 balances (see Section 2.2.2 for further information).

Revenue: in the directors' report this refer to operating revenue, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis. The Group operates a limited number of service stations in Europe; fuel sales amounted to € 310m in 2010 (€ 89.1m in the previous year).

Like-for-like: this refers to revenue generated only by locations open throughout the corresponding period as well as the period under review, without any significant change in products sold or services provided.

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 consolidated financial statements, as supplemented by the notes thereto. Because it is not defined in IFRS, it could differ from and therefore not be comparable with EBITDA reported by other companies.

[1] See section 2.2.1 of the notes to the financial statements for detailed information on exchange rates between the euro and the main reporting currencies used by the consolidated companies

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

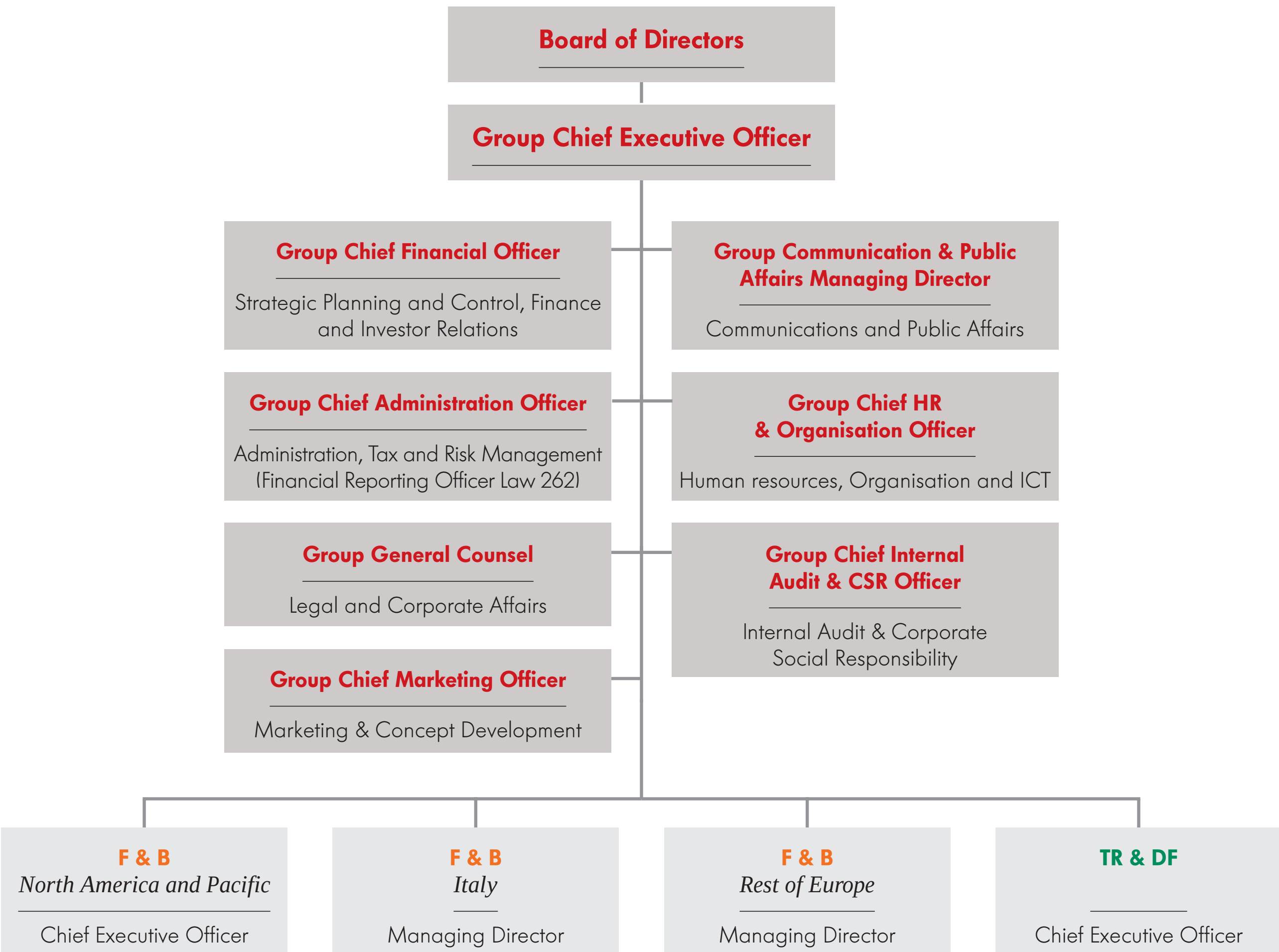
Symbols

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 to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k, $k and £k).

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

1.2 The Autogrill Group

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



As the sale of the Flight business (provision of meal and retail services onboard airplanes) was finalised on 31 December 2010, the Autogrill Group operates in two business segments: catering ("Food & Beverage" or "F&B") and airport retail ("Travel Retail & Duty-Free" or "TR&DF").

The Food & Beverage business takes place wherever people travel (airports, motorways and railway stations), serving a local, domestic and international 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 units also sell everyday items (newspapers and magazines, tobacco products, toys) and other food and non-food items as well as fuel. The operational levers are assigned to local organisations that are centralised at the country level.

The Travel Retail & Duty–Free business takes place exclusively at airports, has a mainly international clientele, and offers a uniform range sometimes supplemented by an assortment of local products. The operating structure (marketing, purchasing, etc.) is highly centralised.

In one or both business segments, the Group is active in 37 countries:

	Segments	
	Food & Beverage	Travel Retail & Duty-Free
Australia	■	
Austria	■	
Belgium	■	
Canada	■	■
Cape Verde		■
Chile		■
Colombia		■
Czech Republic	■	
Denmark	■	
Dutch Antilles		■
Egypt	■	
France	■	■
Germany	■	
Greece	■	
India	■	■
Ireland	■	
Italy	■	
Jordan		■
Kuwait		■
Luxembourg	■	
Malaysia	■	
Maldives		■
Mexico		■
New Zealand	■	
Panama		■
Peru		■
Poland	■	
Saudi Arabia *		■
Singapore	■	
Slovenia	■	
Spain	■	■
Sri Lanka		■
Sweden	■	
Switzerland	■	
The Netherlands	■	
United Kingdom	■	■
USA	■	■

* No trading in 2010

1.3 Group performance

1.3.1 Highlights

(€m)	2010	2009	Change 2009	Change At constant exchange rates
Revenue	**5,703.5**	**5,325.4**	**7.1%**	**4.5%**
EBITDA	**605.4**	**564.1**	**7.3%**	**4.4%**
EBITDA margin	*10.6%*	*10.6%*		
EBIT	**255.2**	**224.3**	**13.8%**	**9.8%**
EBIT margin	*4.5%*	*4.2%*		
Profit attributable to owners of the parent	**103.4**	**37.0**	**n.s.**	**n.s.**
% of revenue	*1.8%*	*0.7%*		
Net cash flow from operating activities	**491.7**	**350.8**		
Capital expenditure	**224.9**	**150.3**	**49.7%**	**44.2%**
% of revenue	*3.9%*	*2.8%*		
Earnings per share (€ cents)				
– basic	40.7	14.6		
– diluted	40.6	14.6		

(€m)	31.12.2010	31.12.2009	Change 31.12.2009	Change At constant exchange rates
Net invested capital	**2,286.9**	**2,491.0**	**(204.1)**	**(326.2)**
Net financial indebtedness	**1,575.5**	**1,934.5**	**(358.9)**	**(399.8)**

1.3.2 Macroeconomic overview and traffic trends

In some respects the economy improved in 2010, although on the whole, the recovery was weaker than expected.

Economic growth in the first half of the year was greater than 5%[2], driven first by a strong phase of inventory replenishment and later by an upturn in investment. As in previous years, emerging countries took the lead, while growth rates for the more developed countries were lower than average (+3.50%)[2].

The recovery seems to be meeting more resistance in developed countries, which were the hardest hit by the financial crisis of 2008-2009. Improvements in the economy in these countries are not translating easily into higher employment and consumption. In general, spending is still relatively low throughout the OECD area.

In the United States, today's lacklustre consumption is partly a correction of exorbitant pre-crisis spending, made possible by excessive household debt. The increased tendency to save is certainly good news for the medium to long term, but at the moment it is impeding the recovery. GDP did grow by 2.6% in 2010, after slumping by 2.6% the previous year. However, this is still not reflected in job growth: the US unemployment rate rose in 2010, from 9.3% in 2009 to 9.7%[2].

In Europe, consumption seems to be held back mostly by the uncertain economic outlook; budget and deficit problems in several member states are preventing them from adopting a recovery strategy and raising concerns about monetary stability. That the recovery is taking longer in Europe is confirmed by estimated GDP growth of just 1.4%, after a contraction of 4.1% in 2009. Employment is also on the rise, and exceeded the 10% threshold in 2010[2].

In general, the global economy could remain on shaky ground until governments and supranational institutions decide to deal with the necessary and challenging process of stabilisation, both within the major countries (where fiscal intervention should make way for the upturn in private demand) and internationally (where developed countries, the United States above all, need to improve their current account balance of payments while emerging countries like China need to limit their surpluses and work on building domestic demand). The fact that these stabilisation processes are still far from taking root means that the recovery could remain fragile and of limited scope.

One of the macroeconomic variables of greatest importance to Autogrill, especially in the airport channel, is the level of commercial trade around the world.

In 2009 international trade shrank by 12%, with a record drop of 30% year-on-year in the six months comprising the final quarter of 2008 and the first quarter of 2009, which struck developed and emerging countries practically without distinction. The downward trend reversed in the second half of 2009, and 2010 saw further improvement: for the period including the last two quarters of 2009 and the first quarter of 2010, trade increased by 20% on an annualised basis.

Despite the upturn, however, growth in worldwide trade is still below pre-crisis levels, and in many countries the total volume traded has not recovered to where it stood in 2007.

The recovery, limited though it is, has caused the price of oil to rise again after the lows reached in late 2008 and the first quarter of 2009. On average, crude oil traded $ 83 per barrel in 2010, up from $ 74 the previous year.

The air transport industry has responded very well to the improvement in the trade scenario, given that crude oil prices are still at a manageable level. After suffering through one of the worst years ever in 2009, when global air traffic decreased by 3.1%, the industry made a strong recovery this year: according to IATA estimates, revenue from passenger traffic–which had fallen from $ 444b in 2008 to $ 374b the following year–climbed back to $ 437b in 2010[3].

Airlines reported excellent earnings in 2010, but remained cautious about boosting capacity, after the substantial reductions made the previous year especially in North America.

Airport traffic responded well to the upturn in trade, enjoying growth in 2010 in the main countries served by the Group. However, progress was limited by a number of adverse weather and environmental events, such as a cold spell on the Atlantic coasts of North America and Europe in January, February and December and the long series of flight cancellations

[2] International Monetary Fund: World Economic Outlook, October 2010
[3] IATA – Industry Financial Forecast – December 2010

in European skies in April due to ash from the Eyjafjallajökull volcano in Iceland, not to mention personnel strikes at British Airways and Iberia and AENA's air traffic controllers' strike in Spain.

On the whole, therefore, traffic growth was slower than expected: +1.7% (January-December) in the United States; +2.7% in Spain (after falling by 8.1% the previous year); a continued decline in the United Kingdom (–3.1%), which was hardest hit by the volcanic ash interruptions in April.

Just as modest (and somewhat volatile) was the growth in motorway traffic, especially in Europe. In Italy, Autogrill's largest market for the motorway channel, traffic was down by 0.4% (January-December); but this owes entirely to the favourable comparison with the first quarter of 2009, when traffic growth had reached an all-time low of –6.9% year-on-year. The trend was more dynamic in the United States, where motorway traffic grew by 1.8% from January to December.

1.3.3 Performance

Earnings and financial performance

Autogrill's earnings and financial performance were positive in 2010, and showed improvement on the previous year, in an economy that showed signs of recovery by way of growth in international trade and mobility. Although the trend was not linear, the year stood out for an upturn in airport traffic that outpaced the rise in motorway traffic. The main beneficiary was therefore Travel Retail & Duty-Free, which takes place solely at airports, while Food & Beverage has a more extensive network along motorways and elsewhere.

The recovery was partial, especially with regard to consumption, but because of the Group's geographical and business diversification it was able to achieve a 7.1% increase in revenue (+4.5% at constant exchange rates) that exceeded traffic growth in its principal countries and business channels.

EBITDA rose by 7.3% (+4.4% at constant exchange rates), in line with the trend in revenue, thanks especially to Travel Retail & Duty-Free. This segment benefited from an improved sales mix, encouraged by the increase in long-range flights, and from the ever stronger synergies achieved through the integration process. The continued volatility of traffic made the Food & Beverage business less productive, although it still made a strong contribution.

During 2010 the Group recorded a good performance from both the financial point of view and on the portfolio activities' refocusing, with the sale of the Flight business.

Late in 2010 the Flight business was sold to Dnata, a leading airport services company in the Middle East with a growing international presence. Autogrill had entered the Flight business in 2007 with the acquisition of Alpha Airports Group Plc., as a first step toward entering the UK airport channel (completed the following year with the purchase of World Duty Free). The sale, which reduced consolidated debt by € 165.4m, has freed up financial and managerial resources for the two strategic segments of Food & Beverage and Travel Retail & Duty-Free.

In 2010 the Group also reached and surpassed the deleverage targets it had set in 2008 after its acquisitions in the TR&DF business. Strict financial discipline led to net cash flow which, in combination with the sale of the Flight business, reduced consolidated debt from € 1,934.5m to € 1,575.5m.

The positive earnings and financial results also produced a significant rise in net profit, from € 37.0m in 2009 to € 103.4m.

Condensed consolidated income statement[4]

(€m)	2010	% of revenue	2009	% of revenue	Change 2009	Change At constant exchange rates
Revenue	5,703.5	100.0%	5,325.4	100.0%	7.1%	4.5%
Other operating income	138.6	2.4%	145.7	2.7%	(4.8%)	(5.6%)
Total revenue and other operating income	**5,842.2**	**102.4%**	**5,471.1**	**102.7%**	**6.8%**	**4.2%**
Raw materials, supplies and goods	(2,089.9)	36.6%	(1,972.3)	37.0%	6.0%	3.8%
Personnel expense	(1,442.1)	25.3%	(1,327.5)	24.9%	8.6%	5.6%
Leases, rentals, concessions and royalties	(1,150.8)	20.2%	(1,063.5)	20.0%	8.2%	5.5%
Other operating costs	(554.0)	9.7%	(543.7)	10.2%	1.9%	(0.6%)
EBITDA	**605.4**	**10.6%**	**564.1**	**10.6%**	**7.3%**	**4.4%**
Depreciation, amortisation and impairment losses	(328.0)	5.8%	(330.0)	6.2%	(0.6%)	(2.8%)
Impairment losses on goodwill	(22.2)	0.4%	(9.8)	0.2%	n.s.	n.s.
EBIT	**255.2**	**4.5%**	**224.3**	**4.2%**	**13.8%**	**9.8%**
Net financial expense	(74.9)	1.3%	(93.2)	1.7%	(19.6%)	(20.7%)
Impairment losses on financial assets	(0.5)	0.0%	(0.1)	0.0%	n.s.	39.7%
Pre tax profit	**179.8**	**3.2%**	**131.0**	**2.5%**	**37.3%**	**30.7%**
Income tax	(89.4)	1.6%	(100.0)	1.9%	(10.6%)	(12.5%)
Profit from continuing operations	**90.4**	**1.6%**	**31.0**	**0.6%**	**n.s.**	**n.s.**
Profit from discontinued operations	25.0	0.4%	13.6	0.3%	83.3%	76.5%
Profit attributable to:	**115.4**	**2.0%**	**44.6**	**0.8%**	**n.s.**	**n.s.**
– owners of the parent	103.4	1.8%	37.0	0.7%	n.s.	n.s.
– non-controlling interests	12.0	0.2%	7.6	0.1%	57.6%	44.7%

Revenue

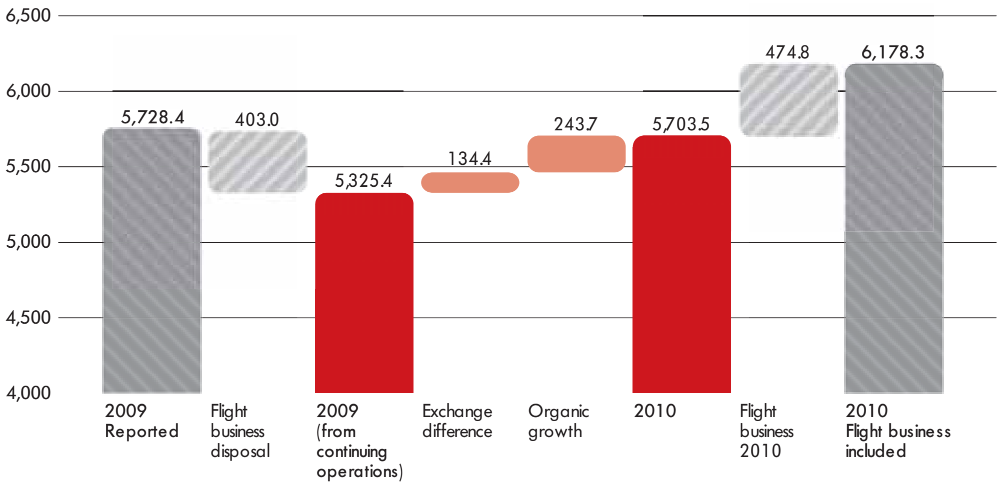
Autogrill closed 2010 with consolidated revenue of € 5,703.5m, an increase of 7.1% on the previous year's € 5,325.4m (+4.5% at constant exchange rates).

The following graph highlights the organic change in revenue by identifying the effects of exchange rates fluctuations and the sale of the Flight business.

[4] Unlike the income statement included in the consolidated financial statements (Section 2.1.2), to better highlight the profit attributable to non-controlling interests for both 2010 and 2009, this figure is shown net of non-controlling interests in the Flight segment (€ 6.8m) which are instead deducted from the profit from discontinued operations

1.3 Group performance

Change in Revenue – 2010
(€m)



The table below summarises the trend in sales by business segment in 2010 and 2009. See Section 1.4 (Business segments) for a more detailed description of sector performance.

			Change	
(€m)	2010	2009	2009	At constant exchange rates
Food & Beverage	4,027.8	3,787.3	6.4%	3.4%
Travel Retail & Duty-Free	1,675.7	1,538.0	9.0%	7.0%
Total	**5,703.5**	**5,325.4**	**7.1%**	**4.5%**

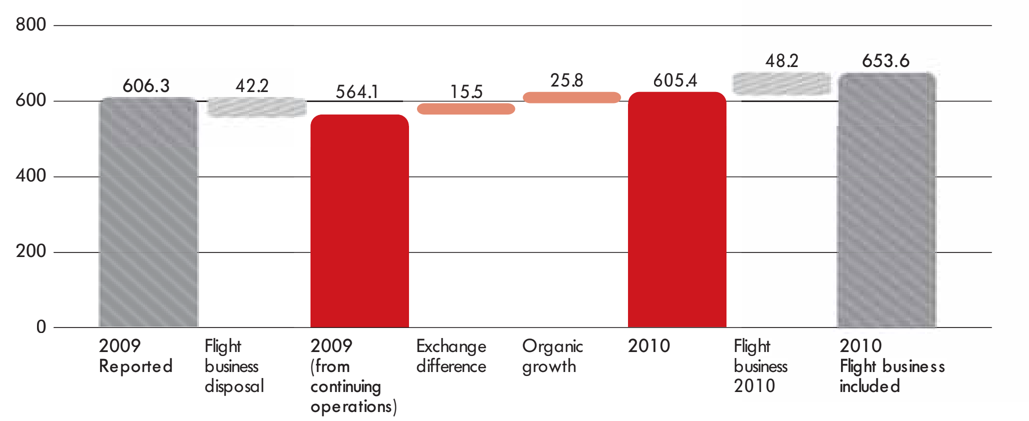
EBITDA

For 2010 Autogrill reports consolidated EBITDA of € 605.4m, an increase of +7.3% (+4.4% at constant exchange rates) on the previous year's € 564.1m, which included € 11.3m in ordinary income attributable to prior years.

The following table summarises the trend in EBITDA by segment in 2010 and 2009. See Section 1.4 (Business segments) for a more detailed description of sector performance.

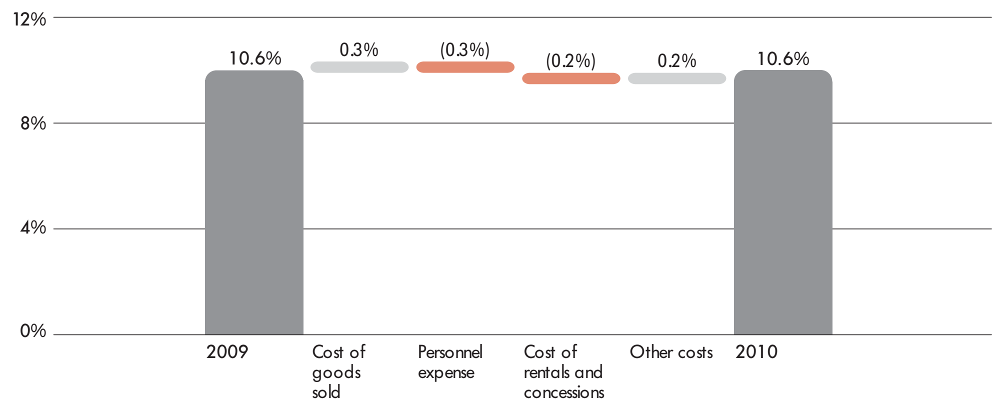
			Change	
(€m)	2010	2009	2009	At constant exchange rates
Food & Beverage	438.9	433.6	1.2%	(1.7%)
	10.9%	*11.4%*		
Travel Retail & Duty-Free	193.6	156.9	23.4%	21.2%
	11.6%	*10.2%*		
Corporate and unallocated	(27.2)	(26.5)	2.7%	2.7%
Total	**605.4**	**564.1**	**7.3%**	**4.4%**
	10.6%	*10.6%*		

Change in EBITDA – 2010
(€m)



EBITDA amounted to 10.6% of revenue, in line with the previous year. The synergies achieved through the integration of Travel Retail & Duty-Free operations and the strengthening of measures to reduce operating costs (adopted in 2009) offset the rise in personnel expense, especially in the United States and Italy, and the impact in Italy of the less favourable sales mix.

Change in EBITDA margin – 2010



Depreciation, amortisation and impairment losses

In 2010 depreciation, amortisation and impairment losses amounted to € 328.0m, down from € 330.0m in 2009, due to a decrease in impairment losses.

Impairment on goodwill losses

Goodwill on the Dutch motorway operations was written down by € 22.2m in 2010, reflecting the reduced competitiveness of the hotel services that this unit provides on a major scale in addition to Food & Beverage.

EBIT

EBIT of € 255.2m showed an increase of 13.8% (+9.8% at constant exchange rates) with respect to the previous year (€ 224.3m), despite the higher charge for amortisation, depreciation and impairment losses.

Financial expense

Net financial expense in 2010 came to € 74.9m, down from € 93.2m in 2009. This reflects the reduction in net debt, thanks to the substantial generation of cash by all of the Group's business units. The average annual cost of debt was 4.1%, compared with 4.3% in 2009.

Income tax

Tax decreased from € 100.0m in 2009 to € 89.4m.

The impact of taxes on the consolidated pre-tax profit was 49.7%, compared with 76.4% the previous year. Excluding IRAP, the average effective tax rate came to 43.2% (67.1% in 2009), as results from one unit to the next were less polarised than last year and projections are more favourable as to the recoverability of tax losses.

Net result from discontinued operation

The net profit for the Flight segment in 2010 amounted to € 25.0m (€ 13.6m in 2009), and includes the gain of € 11.1m on the disposal of this business.

Profit for the year

Profit attributable to owners of the parent in 2010 came to € 103.4m (€ 37.0m the previous year), after non-controlling interests of € 12.0m (€ 7.6m in 2009).

1.3.4 Financial position

Reclassified consolidated statement of financial position[5, 6]

			Change	
(€m)	31.12.2010	31.12.2009	2009	At constant exchange rates
Intangible assets	2,196.0	2,208.5	(12.5)	(105.8)
Property, plants and equipment	925.1	905.9	19.2	(22.1)
Financial assets	26.9	25.1	1.8	1.1
A) Non-current assets	**3,147.9**	**3,139.5**	**8.4**	**(126.8)**
Inventories	246.3	223.5	22.8	14.5
Trade receivables	59.7	63.0	(3.3)	(3.9)
Other receivables	185.1	200.7	(15.6)	(21.3)
Trade payables	(674.6)	(655.5)	(19.1)	(7.8)
Other payables	(392.4)	(334.4)	(58.0)	(45.3)
B) Working capital	**(575.9)**	**(502.7)**	**(73.2)**	**(63.8)**
C) Invested capital, less current liabilties	**2,572.0**	**2,636.7**	**(64.7)**	**(190.6)**
D) Other non-current non-financial assets and liabilties	**(286.1)**	**(311.5)**	**25.4**	**35.6**
E) Assets held for sale	**1.0**	**165.8**	**(164.7)**	**(171.2)**
F) Net invested capital	**2,286.9**	**2,491.0**	**(204.1)**	**(326.2)**
Equity attributable to owners of the parent	690.0	509.2	180.8	102.9
Equity attributable to non-controlling interests	21.3	47.3	(26.0)	(36.2)
G) Equity	**711.4**	**556.6**	**154.8**	**66.8**
Non-current financial liabilities	1,511.7	1,876.3	(364.7)	(411.8)
Non-current financial assets	(3.1)	(3.0)	(0.0)	0.2
H) Non-current financial indebtedness	**1,508.6**	**1,873.3**	**(364.7)**	**(411.6)**
Current financial liabilities	258.1	267.2	(9.2)	(14.4)
Cash and cash equivalents and current financial assets	(191.1)	(206.0)	14.9	26.2
I) Current net financial indebtedness	**66.9**	**61.2**	**5.7**	**11.8**
Net financial indebtedness (H + I)	**1,575.5**	**1,934.5**	**(358.9)**	**(399.8)**
L) Total, as in F)	**2,286.9**	**2,491.0**	**(204.1)**	**(326.2)**

Net invested capital at 31 December 2010 stood at € 2,286.9m, a decrease of € 204.1m due primarily to the sale of the Flight business. At constant exchange rates, the reduction would have been € 326.2m.

Net financial position at 31 December 2010 was € 1,575.5m, a decrease of € 358.9m compared with the previous year-end figure of € 1,934.5m. At constant exchange rates, the reduction would have been € 399.8m.

[5] The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and notes thereto, with the exception of "other receivables" and "other non-current non-financial assets and liabilities", which include deferred tax assets (these are shown indistinctly under "Non-current assets" in the consolidated financial position)

[6] Unlike the statement of financial position included in the consolidated financial statements (Section 2.1.1), to better highlight equity attributable to non-controlling interests for both 2010 and 2009, this figure is shown net of non-controlling interests in the Flight segment (€ 6.8m). The 2009 balances have also been modified to exclude the contribution of the Flight business, shown under letter E), to better represent the changes taking place in 2010 on a comparable basis with 2009. Balances for 2009 relating to the Flight segment are reported in Section 2.2.2 of the Notes to the financial statements

At the close of 2010, 34% of consolidated net debt was denominated in US dollars, 24% in British pounds, and the rest in euros.

Either originally or through renegotiation, 63% of debt was fixed-rate, compared with 52% a year earlier.

Debt consists mainly of committed long-term credit lines from banks and medium/long-term bonds (private placements). At 31 December 2010, loans had an average remaining life of two years and three months.

The fair value of interest and exchange rate hedges at 31 December 2010 was a negative € 56.6m (negative € 58.6m at the close of 2009).

The growth in EBITDA, and the reduction in debt achieved through the net generation of cash and the sale of the Flight business, continued to significantly improve the financial ratios the Group is required to uphold by the main loan contracts outstanding.

Specifically, the leverage ratio (net debt/EBITDA) fell from 2.97-3.10 at 31 December 2009 to 2.47-2.52, versus a ceiling of 3.50, while interest coverage (EBITDA/net financial expense) increased to 8.62-8.65 (from 6.93-7.24 at the close of 2009) versus a minimum threshold of 4.50. The Group therefore enjoys extensive financial flexibility.

1.3.5 Development initiatives

Capital expenditure

Capex in 2010 amounted to € 224.9m, up from € 150.3m the previous year. The growth reflects greater investments in Italy and the United States, for new openings and renovations, especially in the motorway channel. See Section 1.4 for a more detailed description of investment by each operating segment.

	2010				2009			
(€m)	Development/ renovation	Maintenance	ICT & other	Total	Development/ renovation	Maintenance	ICT & other	Total
Food & Beverage	151.4	27.8	12.6	191.8	92.1	23.0	6.4	121.5
Travel Retail & Duty-Free	26.8	0.1	1.0	28.0	20.3	0.1	1.5	21.8
Corporate and unallocated	–	–	5.2	5.2	–	–	7.0	7.0
Total	**178.3**	**27.9**	**18.8**	**224.9**	**112.4**	**23.1**	**14.8**	**150.3**
% on total	*79.2%*	*12.4%*	*8.4%*	*100.0%*	*74.8%*	*15.3%*	*9.8%*	*100.0%*

New contracts

In 2010 Autogrill renewed expiring contracts and won new ones of significant size and strategic merit.

Specific achievements in the Food & Beverage segment were as follows:
- increased presence on Italian motorways under a new agreement with Esso Italiana, which has put Autogrill in charge of about 80 service stations;
- build-up in North America, in the motorway channel (with a 50-year extension of the contract on two major Canadian highways) and the airport channel (new contracts at San Antonio, San Francisco, Sacramento and Miami and renewals at Anchorage and Toronto);
- in Switzerland, an extension of the contract for F&B operations at Zurich airport until 2018.

In the Travel Retail & Duty–Free segment, the Group:
- had its Spanish airport concessions extended until 2012 (with the exception of Madrid, where its contract was not due to expire);
- strengthened its profile in the United Kingdom, with an extension through 2021 of the contracts at Birmingham and Manchester airports.

1.4 Business segments

1.4.1 Food & Beverage

The Food & Beverage business contribution to consolidated figures at 31 December 2010 is as follows:

(€m)	2010	2009	Change 2009	Change At constant exchange rates
Revenue	**4,027.8**	**3,787.3**	**6.4%**	**3.4%**
EBITDA	**438.9**	**433.6**	**1.2%**	**(1.7%)**
EBITDA margin	*10.9%*	*11.4%*		
Capital expenditure	**191.8**	**121.5**	**57.9%**	**51.3%**
% of revenue	*4.8%*	*3.2%*		

Revenue

In 2010, Food & Beverage sales came to € 4,027.8m, compared with € 3,787.3m in 2009 (+6.4% or +3.4% at constant exchange rates). Performance was good for American airports and for Italian and French motorways. The railway channel benefited from new openings in Italy and Belgium.

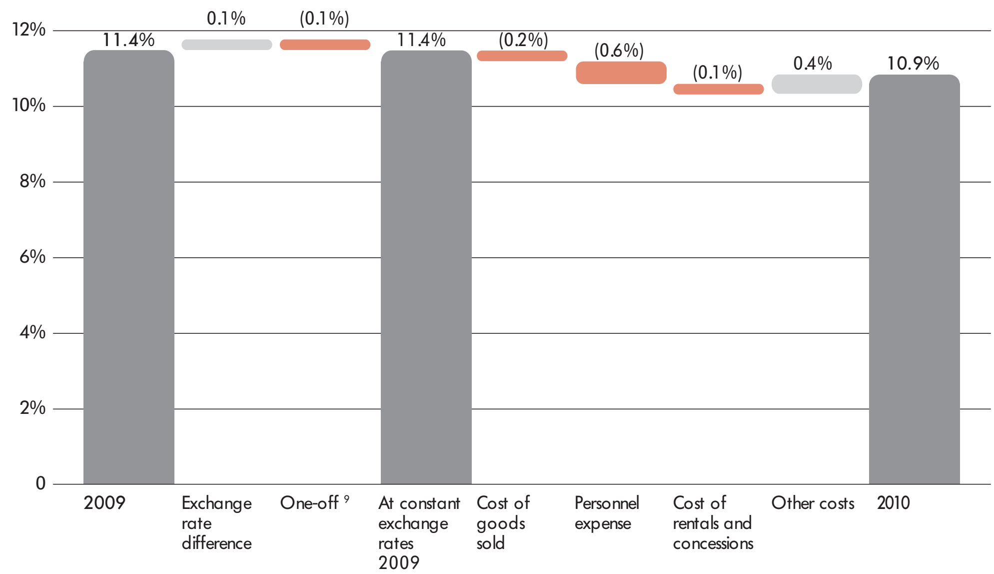
At US airports, with passenger traffic up by 1.7%[7], sales increased by 4.7% on a comparable basis thanks to an upturn in business fliers who spend more than average per person. Sales on Italian motorways in 2010 grew by 3.8%. Specifically, from January to December, a 0.4% rise in traffic[8] produced a 0.7% increase in revenue on a comparable basis. Sales in other European countries were also brisk, rising by 6.5% (+4.4% at constant exchange rates), thanks to a strong performance in France and Belgium and the full-year contribution of the new locations opened in 2009 along German motorways.

[7] Source: ATA, January-December 2010
[8] Source: AISCAT, January-December 2010

EBITDA

In 2010 EBITDA for the Food & Beverage segment amounted to € 438.9m, an increase of 1.2% on last year's € 433.6m (–1.7% at constant exchange rates), which however included € 3.8m in ordinary income attributable to prior years. Net of that income, the growth would have amounted to 2.1% (–0.8% at constant exchange rates). The EBITDA margin went from 11.4% to 10.9%. The main reason for that trend is the higher personnel expense in Italy and the United States, accentuated by the significant volatility in traffic (especially in the first half of the year), which prevented efficient resource planning. Another contributing factor was the cost of starting up new locations on motorways and in railway stations in Europe.

Change in Food & Beverage EBITDA margin – 2010



The above graph breaks down the EBITDA margin of the Food & Beverage segment into the main cost items, showing how the lower incidence of other operating costs made it possible to absorb only part of the increase in personnel expense and the shift in the sales mix in Italy towards less profitable goods.

Capital expenditure

Capital expenditure in 2010 came to € 191.8m (€ 121.5m the previous year), an increase of 57.9% at constant exchange rates, and rose from 3.2% to 4.8% of revenue. Most of the expenditure concerned motorway locations in the United States (Pennsylvania and Delaware Turnpikes) and new openings at railway stations in Italy (Milan Central Station and Turin Porta Nuova).

[9] Elimination of income pertaining to prior years

HMSHost (North America and Pacific Region)[10]

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)	2010	2009	Change
Revenue	**2,546.4**	**2,478.4**	**2.7%**
Airports	2,097.2	1,984.6	5.7%
Motorways	375.0	403.9	(7.2%)
Other	74.3	89.9	(17.3%)
EBITDA	**314.5**	**307.4**	**2.3%**
EBITDA margin	*12.3%*	*12.4%*	
Capital expenditure	**127.7**	**83.5**	**52.9%**
% of revenue	*5.0%*	*3.4%*	

Revenue

In 2010 this area generated sales of $ 2,546.4m, a 2.7% increase with respect to the previous year's $ 2,478.4m, thanks mainly to the recovery in airport traffic starting in September.

Performance by channel is described below:

- Airports: with revenue of $ 2,097.2m, this channel enjoyed growth of 5.7% on the previous year's $ 1,984.6m. On a comparable basis[11], revenue at US airports[12], increased by a significant 4.7% in comparison with traffic growth (+1.7%[13]). This confirms the Group's ability to outpace the market, thanks in part to the increase in business fliers. Performance was especially good at the airports in Chicago, New York, and Charlotte, North Carolina.
- Motorways: revenue of $ 375.0m was down 7.2% on the previous year ($ 403.9m), due mainly to the Group's exit from the Florida Turnpike in June 2009 and the temporary closure for renovations of some service stations on the Pennsylvania Turnpike, the Delaware Turnpike and the Ontario Motorway. On the US roads served by the Group[14], sales growth on a comparable basis came to 1.3%, slightly lower than the increase in traffic (+1.8%[15]).
- Other channels (shopping malls): revenue in 2010 came to $ 74.3m, down from $ 89.9m the previous year (–17.3%), because of the Group's exit from four locations and the temporary closure of a mall in Tennessee due to floods.

EBITDA

EBITDA amounted to $ 314.5m, compared with $ 307.4m in 2009 (+2.3%), or 12.3% of revenue (in line with the previous year). The increased turnover, improved channel mix (with a shift toward airports), better control over the cost of goods sold, and reduction in operating costs offset the rise in personnel expense, caused mainly be the reinstatement of bonuses that were severely curtailed the previous year.

[10] Under the trade name HMSHost, Autogrill Group Inc. (USA) manages mostly food & beverage services in North America, at Amsterdam's Schiphol Airport and at other airports in Asia and Australasia
[11] Same locations and offerings
[12] Accounting for 83% of the channel's sales
[13] Source: ATA, number of passengers, January-December 2010
[14] Because of renovations underway at locations along Canadian motorways, the contract for which was renewed during the year, the US locations generated practically all revenue in this channel
[15] Source: Federal Highway Administration, January-December 2010 (stretches of road served by the Group)

Capital expenditure

Capital expenditure in 2010 totalled $ 127.7m, up from $ 83.5m the previous year, and rose from 3.4% to 5.0% of sales. Work continued at service areas on the Pennsylvania Turnpike, and renovations were completed at the Delaware Turnpike locations. In the airport channel, most investments took place at Chicago, San José, Phoenix, Milwaukee and Anchorage in the United States, and at Amsterdam-Schipol in the Netherlands.

Italy

(€m)	2010	2009	Change
Revenue	**1,347.1**	**1,296.8**	**3.9%**
Sales to end consumer	1,319.8	1,270.4	3.9%
Motorways	1,021.6	984.2	3.8%
Airports	93.3	88.4	5.6%
Railway stations and shipboard	41.6	37.3	11.6%
Other	163.2	160.5	1.7%
Other sales *	27.3	26.4	3.5%
EBITDA	**147.5**	**160.4**	**(8.0%)**
EBITDA margin	*10.9%*	*12.4%*	
Capital expenditure	**57.5**	**34.6**	**66.2%**
% of revenue	*4.3%*	*2.7%*	

* Including sales to franchisees, previously reported under the respective channels

Revenue

Revenue generated in Italy in 2010 came to € 1,347.1m, an increase of 3.9% on the previous year's € 1,296.8m.

Performance by channel is described below:

- Motorways: sales in this channel grew to € 1,021.6m, from € 984.2m in 2009. The increase of 3.8% reflects 85 additional units, including 78 Esso stations (mostly on non-toll roads), acquired in mid-2010. From January to December, against traffic growth of 0.4%[16] on the entire motorway network, sales increased by 0.7% on a like-for-like basis, and the mix shifted toward complementary products. Net of the additional locations, in fact, sales of primary goods (food & beverage and market sales) were roughly in line with the previous year, while sales of complementary goods (lottery tickets, newspapers & magazines and tobacco products) were up by 2.4%.
- Airports: sales rose by 5.6%, from € 88.4m in 2009 to € 93.3m, thanks to a new contract at Palermo airport and an increase in revenue at Rome Fiumicino which, despite one outlet's closure for renovations in the fourth quarter, more than compensated for the decline in sales at the two Milan airports (particularly Malpensa). On a like-for-like basis, sales were up by 2.9%, compared with traffic growth of 7.1%[17], due to the negative performance at Linate and Malpensa in Milan.
- Railway stations and shipboard catering: sales increased by 11.6% (from € 37.3m to € 41.6m) thanks to new openings at Milan Central Station and Turin Porta Nuova, as part of the "Grandi Stazioni" project, which more than offset the reduction in shipboard catering revenue due to the lower number of ferries served.
- Other channels (shopping malls, high streets and trade fairs): revenue came to € 163.2m, compared with € 160.5m the previous year (+1.7%), on the strength of high street locations and the opening of new trade fair outlets.

[16] Source: AISCAT, January-December 2010
[17] Source: Group estimates on Assoaeroporti data, January-December 2010 – Airports served by the Group

EBITDA

EBITDA in 2010 was € 147.5m, a decrease of 8.0% on the previous year's € 160.4m, which included € 2.0m in ordinary income attributable to prior years. Net of that income, the change would have amounted to –6.9%. EBITDA as a percentage of sales went from 12.4% to 10.9%. The decrease reflects the rise in personnel expense, due to the renewal of the collective national labour contract, a less favourable sales mix (with a higher incidence of less profitable complementary goods), and the cost of integrating the locations acquired from Esso Italiana starting in July 2010.

Capital expenditure

The Group invested € 57.5m in 2010 (€ 34.6m the previous year), amounting to 4.3% of sales (2.7% in 2009). The most significant projects concerned the Montefeltro Ovest, Villanova Sud and Alento Ovest areas in the motorway channel; Milan Central Station and Turin Porta Nuova in the railway channel; and Rome Fiumicino and Palermo in the airport channel.

Other countries

			Change	
(€m)	2010	2009 *	2009	At constant exchange rates
Revenue	**760.1**	**713.9**	**6.5%**	**4.4%**
Airports	442.3	416.2	6.3%	4.8%
Motorways	170.6	164.0	4.0%	0.9%
Railway stations	100.4	93.2	7.8%	6.3%
Other	46.8	40.5	15.6%	9.8%
EBITDA	**54.2**	**52.8**	**2.6%**	**0.3%**
EBITDA margin	*7.1%*	*7.4%*		
Capital expenditure	**38.8**	**28.9**	**34.1%**	**30.7%**
% of revenue	*5.1%*	*4.1%*		

* EBITDA differs from the one originally reported, having allocated corporate cost related to this area, equal to € 3.8m, originally reported under unallocated

Revenue

Revenue earned in other countries came to € 760.1m in 2010, compared with € 713.9m the previous year (+6.5% or +4.4% at constant exchange rates), thanks to the full contribution of the German and French locations opened during the course of 2009.

Performance by channel is described below:

- Motorways: Revenue rose from € 416.2m in 2009 to € 442.3m (+6.3% or +4.8% at constant exchange rates). main increases were recorded in France (+7.5%), which has benefitted since mid-2009 from the reduction in VAT on food & beverage and the consequent boost in consumption and, since February 2010, from the reopening of the Montelimar location after a complete overhaul; and in Germany, which enjoyed full-year sales of the 13 new outlets opened in 2009 and revenue from two more opened this year. Sales in the Netherlands (–6.4%), Spain (–9.7%) and Greece (–12.9%) continued to reflect the economic crisis and the recession.
- Airports: Revenue climbed to € 170.6m, from € 164.0m the previous year, for an increase of 4.0% (+0.9% at constant exchange rates). Sales were up at Swiss airports (+6.2% in local currency) and in Belgium (+5.9%), but continued to decline in Ireland (–26.7%) and Spain (–7.1%).
- Railway stations: revenue growth came to 7.8%, from € 93.2m in 2009 to € 100.4m (+6.3% at constant exchange rates). Positive results in France (+8.6%) and Belgium (+70.7%), which benefited from new openings in subway stations, more than compensated for the 8.6% decrease in Spain.
- Other channels (highstreets and shopping malls): revenue came to € 46.8m, an increase of 15.6% with respect to last year's € 40.5m (+9.8% at constant exchange rates), thanks in part to the December 2009 reopening of the Carrousel du Louvre locations in Paris after a complete restructuring.

EBITDA

EBITDA for the year was € 54.2m, slightly higher than the € 52.8m reported in 2009 (+0.3% at constant exchange rates), which included € 1.8m in ordinary income attributable to prior years concerning the final price adjustment on the sale of a business. Net of that income, the change would have amounted to +6.2% (+3.7% at constant exchange rates). As a percentage of sales EBITDA went from 7.4% in 2009 to 7.1%, reflecting the start-up of new locations in Germany and the Czech Republic, as well as the increased personnel expense and the effect of the workers' strikes in France (most notably in the month of April). The 2010 figure also benefits from a revision of the tax code in France; the "taxe professionelle" (€ 4.2m in 2009), classified under operating costs, has been replaced by two new taxes, the more significant of which has been classified under income tax since the fourth quarter in accordance with instructions received.

Capital expenditure

Capital expenditure came to € 38.8m (€ 28.9m in 2009), or 5.1% of sales (4.1% the previous year). Investments were concentrated in France, where the Group continued to modernise various motorway locations and completed the renovations at Carrousel du Louvre. In addition, renovation work was completed at the Ruisbroek (Belgium) locations, while in Zurich, Switzerland the Gran Caffè Motta was inaugurated in the city center and some airport outlets were refurbished.

1.4.2 Travel Retail & Duty-Free

The overall contribution of Travel Retail & Duty-Free operations to the main consolidated results for the year is summarised below:

			Change	
(€m)	2010	2009	2009	At constant exchange rates
Revenue	**1,675.7**	**1,538.0**	**9.0%**	**7.0%**
Airports	1,631.1	1,500.4	8.7%	6.8%
Spain	*493.8*	*474.6*	*4.0%*	*4.0%*
United Kingdom	*785.1*	*708.4*	*10.8%*	*6.7%*
Other countries	*352.2*	*317.4*	*11.0%*	*11.0%*
Other *	44.6	37.7	18.4%	17.7%
EBITDA	**193.6**	**156.9**	**23.4%**	**21.2%**
EBITDA margin	*11.6%*	*10.2%*		
Capital expenditure	**28.0**	**21.8**	**28.2%**	**25.9%**
% of revenue	*1.7%*	*1.4%*		

* Includes wholesales and revenue from "Palacio y Museo", previously reported as airports channel

Revenue

Travel Retail & Duty-Free closed the year with revenue of € 1,675.7m, an increase of 9.0% with respect to the previous year's € 1,538.0m (+7.0% at constant exchange rates), showing a strong performance at most of the airports served. This is a particularly good result considering the many factors in 2010 that negatively influenced airport traffic. These include the exceptional cold spell in the United Kingdom and Northern Europe in both January and December 2010, the volcanic eruption in Iceland, and the repeated strikes by British Airways and Iberia flight personnel and by air traffic controllers. The Group estimates that these disruptions reduced sales by more than € 18m.

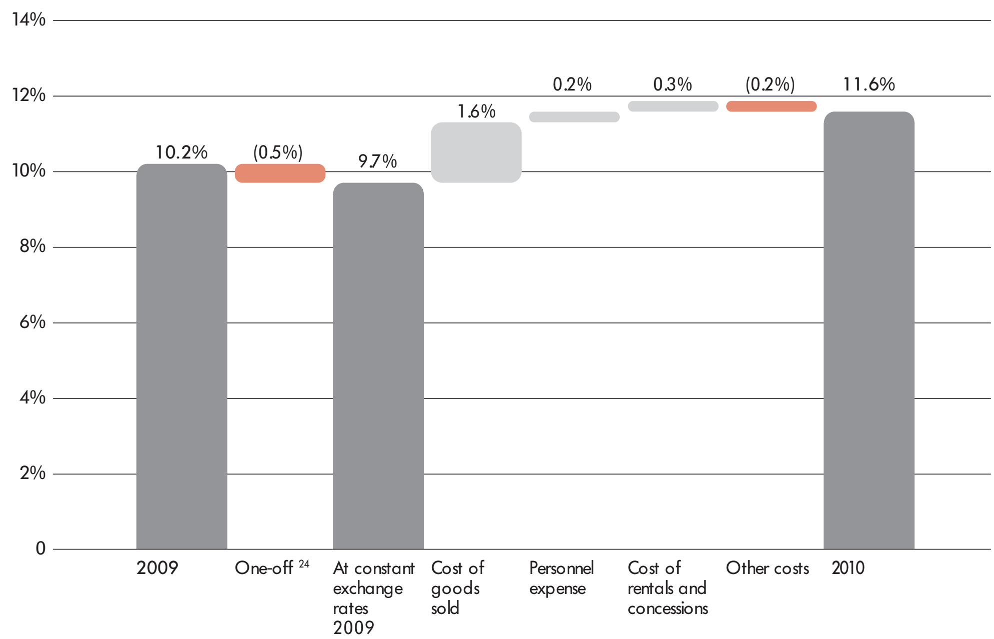
Region-by-region performance is described below:

- Spain: revenue for 2010 came to € 493.8m, up from € 474.6m in 2009 (+4.0%), compared with traffic growth of 2.7%[18]. Performance at Barcelona and Madrid was especially strong, thanks in part to the increase in traffic to non-European destinations; sales at Barcelona airport were up by 23.7% to € 85.2m, against traffic growth of 6.5%, while sales at Madrid-Barajas grew by 5.7% to € 171.0m, with traffic up by 2.9%[19].
- United Kingdom: revenue in the UK climbed from £ 631.2m[20] in 2009 to £ 673.4m (+6.7%), despite a 3.1% decline in traffic[21], due primarily to the 9.2% increase in sales at Heathrow shops (where traffic dipped by 0.2%[22]). Despite the overall decrease in traffic, the greater numbers of passengers travelling to non-European destinations and the optimisation of retail offerings at the different shops and airports allowed a substantial increase in sales.
- Other countries[23]: sales came to € 352.2m for the year, compared with € 317.4m in 2009 (+11.0%), with good results in all countries despite the Group's exit from a number of stores. Top performers were Canada, with its increased connections to Asia; Mexico, which has recovered well from the tourism slump of 2009 caused by the swine flu outbreak; Peru; and Jordan. Chile, too, enjoyed significant growth despite the earthquake that caused major damage to airports in February.

EBITDA

EBITDA for the Travel Retail & Duty-Free business grew by 23.4% in 2010, from € 156.9m to € 193.6m (+21.2% at constant exchange rates). The improvement is even greater considering that in 2009, this segment had benefited from € 7.5m in ordinary income pertaining to previous years. Net of that income, the change would have amounted to +29.6% (+27.2% at constant exchange rates). The EBITDA margin rose from 10.2% to 11.6% of revenue, reflecting a more favourable sales mix (which at European airports profited from increased traffic to destinations outside the continent), as well as the synergies achieved from further integration of the retail units and the streamlining of operating costs.

Change in Travel Retail & Duty-Free EBITDA margin – 2010



[18] Source: AENA, January-December 2010
[19] Source: AENA, Madrid-Barajas Airport, January-December 2010
[20] This figure differs from the originally published £ 636m due to the reclassification of wholesale sales
[21] Source: BAA, Manchester Airport and Gatwick Airport, January-December 2010
[22] Source: BAA, January-December 2010
[23] Mexico, Jordan, Chile, Canada, Kuwait, Peru, United States, Portugal, Dutch Antilles, France, Colombia, Cape Verde, Panama, Sri Lanka, India and Maldives
[24] Elimination of income pertaining to prior years

Capital expenditure

Capital expenditure in 2010 came to € 28.0m (€ 21.8m the previous year) and rose from 1.4% to 1.7% of revenue. Most expenditure was concentrated on the Malaga, Madrid and Ibiza terminals in Spain and on shop renovations at London Heathrow, Birmingham and Manchester in the UK. Shops were also expanded and refurbished in Jordan and in Vancouver, Canada.

Group reorganisation

In 2010 the Group completed the reorganisation process, in particular by eliminating overlaps between companies active in the different sectors. One purpose of this is to make the management of each business unit fully accountable for its economic and financial performance, through the separate allocation of debt, borrowing costs and tax effects.

In addition to the results discussed above and the segment reporting contained in the notes to the financial statements, for 2010 it was therefore possible to produce a complete set of accounts for the Travel Retail & Duty-Free business, as summarised in the tables below.

Condensed income statement

(€m)	2010	% of revenue
Revenue	1,675.7	100.0%
Other operating income	31.4	1.9%
Total revenue and other operating income	**1,707.1**	**101.9%**
Raw materials, supplies and goods	(733.8)	43.8%
Personnel expense	(180.6)	10.8%
Leases, rentals, concessions and royalties	(505.7)	30.2%
Other operating costs	(93.4)	5.6%
EBITDA	**193.6**	**11.6%**
Depreciation, amortisation and impairment losses	(115.4)	6.9%
EBIT	**78.2**	**4.7%**
Net financial expense	(44.0)	3.6%
Net impairment losses on financial assets	1.3	0.1%
Pre tax profit	**35.5**	**1.1%**
Income tax	(7.1)	0.2%
Profit attributable to:	**28.4**	**7.0%**
– owners of the parent	26.9	7.9%
– non-controlling interests	1.6	0.1%

Reclassified statement of financial position

(€m)	31.12.2010
Intangible assets	1,344.8
Goodwill	*582.1*
Concessions, licences and similar rights	*651.8*
Trademarks	*105.8*
Other	*5.0*
Property, plants and equipment	114.9
Financial assets	8.3
A) Non-current assets	**1,468.0**
Inventories	121.1
Trade receivables	19.1
Other receivables	22.9
Trade payables	(200.5)
Other payables	(78.9)
B) Working capital	**(116.3)**
C) Invested capital, less current liabilties	**1,351.7**
D) Other non-current non-financial assets and liabilities	**(128.5)**
E) Net invested capital	**1,223.1**
Equity attributable to owners of the parent	497.2
Equity attributable to non-controlling interests	1.1
F) Equity	**498.4**
G) Net financial indebtedness	**724.8**
Total	**1,223.1**

Statement of cash flows and net financial position

(€m)	2010
Opening - net cash and cash equivalents (2009 exchange rate)	**(1,584.9)**
Exchange rate difference	(19.2)
Opening - net cash and cash equivalents (2010 exchange rate)	**(1,604.0)**
Pre tax profit tax and net financial expense for the period	79.9
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	115.4
Adjustments and (gains)/losses on disposal of financial assets	(1.3)
(Gains)/losses on disposal of non-current assets	0.1
Change in working capital in the year	51.3
Net change in non-current non-financial assets and liabilities	(30.3)
Cash flow from operating activities	**215.1**
Taxes paid	(23.3)
Interest paid	(46.3)
Net cash from operating activities	**145.5**
Acquisition of property, plant and equipment and intangible assets	(28.0)
Proceeds from sale of non-current assets	0.4
Acquisition of investments from Autogrill (25% Vancouver)	(1.0)
Net change in non-current financial assets	(0.3)
Net cash flow used in investing activities	**(28.9)**
Cash flow for the year from continuing operations	**116.7**
Share capital increase	400.0
Cash from Flight business disposal	165.4
Cash from Autogrill Schweiz A.G. disposal	150.2
Cash from Autogrill Participaciones S.A.U. disposal	47.0
Cash flow for the year from extraordinary activities	**762.6**
Closing - net cash and cash equivalents	**(724.8)**

As shown in the statement of cash flows, in addition to the cash generated by ordinary operations, the extraordinary transactions completed at the end of the year managed to halve the net debt of the Travel Retail & Duty-Free segment (i.e. the group headed up by Autogrill España S.A.U.).

Cash flow from operating activities was reduced by € 10.3m for payment of the back rent taken on with the acquisition of Aldeasa (2005); the remaining € 17.6m will be paid in 2011-2012.

Financial expense incurred in 2010 by the Autogrill España group therefore correlates with average indebtedness for the year that was nearly double the year-end debt.

1.5 Performance in the fourth quarter of 2010

Revenue
Consolidated revenue for the fourth quarter amounted to € 1,488.1m, compared with € 1,361.5m in 2009, showing an increase of 9.3% (+5.0% at constant exchange rates).

Traffic trends continued to be more positive in the airport channel than the motorway channel; as a result, at constant exchange rates, the sales growth of Travel Retail & Duty-Free (+6.0%) outpaced that of Food & Beverage (+4.7).

EBITDA
Consolidated fourth-quarter EBITDA was € 131.2m, an increase of 9.6% with respect to the same period last year (€ 119.6m), or +4.2% at constant exchange rates.

EBITDA came to 8.8% of revenue, unchanged since the same period of the previous year.

Capital expenditure
Capex in the fourth quarter totalled € 104.0m, up from € 63.0m in 2009.

Food & Beverage

Revenue
Fourth quarter revenue amounted to € 1,068.9m, an increase of 9.7% with respect to the € 974.2m grossed in the last quarter of 2009 (+4.7% at constant exchange rates).

EBITDA
Fourth quarter EBITDA came to € 92.4m, compared with € 85.1m the previous year (+8.6% or +2.2% at constant exchange rates). The EBITDA margin was unchanged at 8.6% of sales.

Capital expenditure
In the fourth quarter, investments came to € 86.5m (€ 52.5m in the same period of the previous year).

HMSHost (North America and Pacific Region)

Revenue
Revenue for the fourth quarter of 2010 came to $ 766.9m, up from $ 728.0m in the same period of the previous year (+5.3%), thanks to a significant upturn in traffic growth in the US (+5.0% for the quarter compared with an average of +1.7% for full-year 2010). The Group confirmed its ability to outperform traffic, with sales up by 7.5% at US airports on a comparable basis. Sales in the motorway channel increased by 2.4% for the quarter, benefiting from a favourable comparison with the fourth quarter of 2009, when locations along the Delaware Turnpike were closed for renovations.

EBITDA
Fourth-quarter EBITDA amounted to $ 84.3m, +6.3% on the same period of previous year ($ 79.3m), and rose from 10.9% to 11.0% of sales. The higher EBITDA margin is explained by the increased sales during the period and the resulting improvement in operating leverage.

Capital expenditure
Fourth quarter capital expenditure totalled $ 53.4m ($ 43.1m in the same period of 2009) and went from 5.9% to 7.0% of sales.

Italy

Revenue
In the fourth quarter of 2010 revenue amounted to € 326.3m, compared with € 312.3m in the same period of the previous year (+4.5%), despite a decrease in lottery ticket sales and a less favourable calendar (no long weekend for the Immaculate Conception and fewer bank holidays during the Christmas break).

EBITDA
EBITDA for the fourth quarter was € 23.1m, a decrease of 15.0% on the same period of the previous year's € 27.2m, and went from 8.7% to 7.1% of sales. The lower margin reflects the trends described for the full year: a less favourable sales mix, a higher incidence of personnel expense due to wage and salary increases mandated by the renewal of the collective employment contract, and a more intense programme of sales-boosting initiatives.

Capital expenditure
Fourth quarter capital expenditure totalled $ 22.6m ($ 10.2m in 2009) and rose from 3.3% to 6.9% of sales.

Other countries

Revenue
Sales in the final quarter grew from € 166.1m in 2009 to € 175.6m, an increase of 5.7% (+2.6% at constant exchange rates). The airport channel showed the best performance of the quarter, with revenue up by € 5.2m thanks to brisk sales at the Brussels and Zurich shops.

EBITDA
Fourth quarter EBITDA was € 7.2m, compared with € 4.5m in the same period of the previous year (+60.9%, or +48.2% at constant exchange rates). An important contributing factor was the classification under income tax, starting in the fourth quarter, of the French value added tax that was introduced in 2010 to replace the "*taxe professionnelle*", which had been treated as an operating cost.

Capital expenditure
Capital expenditure in the fourth quarter came to € 22.8m (€ 12.0m in 2009).

Travel Retail & Duty-Free

Revenue

In the fourth quarter of 2010, sales in the Travel Retail & Duty-Free segment came to € 419.2m, an increase of 8.2% on the same period of previous year's € 387.3m (+6.0% at constant exchange rates). Such progress was achieved despite the poor weather in the United Kingdom and the air traffic controllers' strike in Spain, and the Group's exit from contracts that in the fourth quarter of 2009 had produced revenue of around € 12.7m.

Sales at Spanish airports were up by 7.5%, from € 107.6m in the fourth quarter of 2009 to € 115.7m, against traffic growth of 4.3%. The final quarter upheld a steady growth trend for Madrid airport (+5.1%), while Barcelona (+25.0%) made further advances on its already excellent performance in the previous quarters. Although the final result remained negative (–2.4%), the other Spanish airports confirmed the signs of recovery that had begun to emerge during the summer.

The inclement weather that struck the UK in December slowed sales growth to 4.0% (+£ 175.3m for the quarter), with Heathrow shops still in the lead (+8.1%) for the period.

In the fourth quarter of 2010, airports in other countries grossed € 87.9m, an increase of 11.8% on the same period of previous year (+14.4% at constant exchange rates). Results were excellent at most of the airports served.

EBITDA

Fourth quarter EBITDA came to € 49.1m, up from € 42.2m in 2009 (+16.2%), and rose from 10.9% to 11.7% of sales. As stated for full-year 2010, the margin improved due to the higher volumes and better sales mix.

Capital expenditure

Capex in the fourth quarter came to € 14.5m (€ 3.5m on the same period of the previous year), amounting to 3.5% of sales. Shops at Spanish airports, including the new terminal in Malaga, received about half of all investment for the quarter.

1.6 Outlook

In the first eight weeks of 2011, revenue was up by 2.7% at constant exchange rates[25] compared to the same period in 2010.

The new year began by confirming some emergent trends. In general, sales growth was stronger for Travel Retail & Duty-Free than for Food & Beverage, which suffered sharp volatility in weekly sales due to a less favourable holiday calendar and the impact of bad weather on mobility.

In addition, oil prices may affect traffic scenarios, the prices of other raw materials, and consumer confidence, which would influence business performance.

We have therefore designed two possible scenarios:

"Best case" would mean an upturn in traffic growth, especially in the airport channel, made possible by a recovery in economic conditions and consumption in the major countries served by the Group and assisted by the stabilisation of oil prices;

"Worst case" indicates a less favourable trend in traffic, should the recovery take longer to coalesce or should oil prices remain as volatile as they have been in this initial glimpse of 2011.

	Worst case	Best case
Traffic US airports	1.5%	3.0%
Traffic Italian motorways	0.0%	0.5%
Traffic Spanish airports	2.0%	3.0%
Traffic United Kingdom airports	2.0%	3.0%

[25] Average exchange rates: €/$ 1.35, €/£ 0.85

As a result, figures for the year[26] are projected to lie within the following ranges:

(€m)	Worst case	Best case
Revenue	5,800	5,900
EBITDA	610	640
Capital expenditure	250	250

Significant subsequent events

Since 31 December 2010, no events have occurred that if known in advance would have entailed an adjustment to the figures reported or required additional disclosures.

[26] Average exchange rates: €/$ 1.35, €/£ 0.86

1.7 The Parent

Condensed income statement

(€m)	2010	% of revenue	2009	% of revenue	Change
Revenue	1,323.7	100.0%	1,280.4	100.0%	3.4%
Other operating income	67.9	5.1%	78.3	6.1%	(13.3%)
Total revenue and other operating income	**1,391.6**	**105.1%**	**1,358.7**	**106.1%**	**2.4%**
Raw materials, supplies and goods	(629.8)	(47.6%)	(604.8)	(47.2%)	4.1%
Personnel expense	(319.1)	(24.1%)	(302.9)	(23.7%)	5.3%
Leases, rentals, concessions and royalties	(184.3)	(13.9%)	(175.7)	(13.7%)	4.9%
Other operating costs	(144.2)	(10.9%)	(144.9)	(11.3%)	(0.5%)
EBITDA	**114.2**	**8.6%**	**130.4**	**10.2%**	**(12.4%)**
Depreciation, amortisation and impairment losses	(56.9)	(4.3%)	(54.8)	(4.3%)	3.8%
EBIT	**57.3**	**4.3%**	**75.6**	**5.9%**	**(24.2%)**
Financial income (expense)	163.0	12.3%	27.8	2.2%	486.3%
Impairment losses on financial assets	(19.7)	(1.5%)	(6.8)	(0.5%)	189.7%
Pre tax profit	**200.6**	**15.2%**	**96.6**	**7.5%**	**107.7%**
Income tax	(36.2)	(2.7%)	(33.9)	(2.6%)	6.8%
Profit for the year	**164.4**	**12.4%**	**62.7**	**4.9%**	**162.2%**

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: Nuova Sidap S.r.l. and Alpha Retail Italia S.r.l.

See the “Italy” section under “Business segments” for information on the performance of direct commercial operations. Note that part of the 3.4% increase in revenue, from € 1,280.4m in 2009 to € 1,323.7m, is due to the merger of Trentuno S.p.A. (effective from 1 January 2010 for accounting and tax purposes) which in 2009 had produced revenue of € 7.9m.

EBIT amounted to € 57.3m (€ 75.6m in 2009).

Depreciation, amortisation and impairment losses in 2010 came to € 56.9m, compared with € 54.8m the previous year.

Net financial income totalled € 163.0m, up from € 27.8m in 2009, due mainly to an increase in dividends received from subsidiaries (from € 34.3m to € 182.2m) and a reduction in net debt achieved through the generation of cash by domestic commercial operations and subsidiaries.

Autogrill S.p.A. recognised a profit of € 164.4m (€ 62.7m in 2009), after taxes of € 36.2m (€ 33.9m the previous year).

Reclassified statement of financial position: Autogrill S.p.A. [27]

(€m)	31.12.2010	31.12.2009	Change
Intangible assets	122.5	118.4	4.1
Property, plants and equipment	212.4	210.1	2.3
Financial assets	1,203.0	623.4	579.6
A) Non-current assets	**1,537.9**	**951.9**	**586.0**
Inventories	58.2	57.7	0.5
Trade receivables	22.6	27.2	(4.6)
Other receivables	52.0	60.4	(8.4)
Trade payables	(274.3)	(292.7)	18.4
Other payables	(93.4)	(80.0)	(13.4)
B) Working capital	**(234.9)**	**(227.4)**	**(7.5)**
C) Invested capital, less current liabilties	**1,303.0**	**724.5**	**578.5**
D) Other non-current non-financial assets and liabilities	**(96.8)**	**(84.4)**	**(12.4)**
E) Net invested capital	**1,206.2**	**640.1**	**566.1**
F) Equity	**774.1**	**610.2**	**163.9**
Non-current financial liabilities	(978.3)	(1,352.8)	374.5
Non-current financial assets	712.5	1,458.6	(746.1)
G) Non-current financial position	**(265.8)**	**105.8**	**(371.6)**
Current financial liabilities	(364.7)	(240.1)	(124.6)
Cash and cash equivalents and current financial assets	198.4	104.4	94.0
H) Current net financial position	**(166.3)**	**(135.7)**	**(30.6)**
Net financial position (G + H)	**(432.1)**	**(29.9)**	**(402.2)**
I) Total, as in F)	**1,206.2**	**640.1**	**566.1**

The statement of financial position shows an increase of € 578.5m in net invested capital, due to a rise of € 586.0m in non-current assets and of € 7.5m in working capital.

The change in non-current assets is mainly due to the capitalisation of € 400.0m for the subsidiary Autogrill España S.A. and the acquisition of 100% of Autogrill Participaciones SLU (later renamed Autogrill Iberia SLU) and 56.86% of Autogrill Schweiz AG, both controlled indirectly, as part of the rearrangement of the Group's ownership structure. The acquisition prices were negotiated on the basis of the companies' fair value on the transaction date and are representative of their expected ability to produce earnings and generate cash.

[27] The main statement of financial position figures are directly derived from the consolidated financial statements and Notes

Most of the change in working capital is due to a reduction in trade receivables by € 18.4m, an increase in trade payables for non-current assets (classified under “Other payables”), and a decrease in the amount receivable from the parent company, Edizione S.r.l., for the tax consolidation scheme (classified under “Other receivables”).

As mentioned above, during the year the Company absorbed the wholly-owned subsidiary Trentuno S.p.A., with retroactive effect for accounting and tax purposes from 1 January 2010. The merger has had no significant impact on the income statement or financial position.

Capital expenditure

The Company invested € 57.2m in 2010 (€ 34.9m the previous year). For further information, see the “Italy” section under “Business segments”.

Workforce

	31.12.2010			31.12.2009		
	Full-time	**Part-time**	**Total**	**Full-time**	**Part-time**	**Total**
Managers	68	–	68	66	–	66
Junior managers	547	7	554	529	5	534
White collars	782	165	947	801	165	966
Blue collars	3,724	6,228	9,952	3,643	6,061	9,704
Total	**5,121**	**6,400**	**11,521**	**5,039**	**6,231**	**11,270**

At the end of 2010 there were 11,521 employees on the payroll, an increase of 251 (including 110 from the Trentuno S.p.A. merger), referring mainly to personnel at commercial locations.

1.8 Other information

1.8.1 Corporate Social Responsibility

Afuture: leading Autogrill toward tomorrow

For Autogrill, sustainability is a business philosophy that in recent years has spread to the Group's very mission: to provide quality service and generate value while prizing the environment and cultural diversity. Along the way, Autogrill has grown gradually but firmly aware of this choice and its many benefits: the Group strives constantly to respect diversity and the world around it, and the market has come to know it as strong and reliable in its support for people and the environment. The Afuture experience began in 2007 as an international project to nurture the Group's spirit of innovation, aiming to sharpen its competitive edge through a solid commitment to developing good sustainability practices throughout the business. But Afuture is also a research laboratory that guarantees the Group's responsible growth on an economic, social and environmental plane and promotes national and international initiatives to keep staff motivated and involved.

Keeping tabs through the Sustainability Report

Since 2006 we have been publishing a Sustainability Report, prepared on the basis of international standards set by the Global Reporting Initiative (GRI-G3).

The information on personnel and the environment provided below is further detailed in that report, which can be downloaded from the Sustainability section at www.autogrill.com.

Personnel

Policy

Autogrill is a "people" company that provides services to the public. For that reason, our workers are our principal asset, worthy of attention and investment not only because they run the business on a day-to-day level but because they are crucial to customer relations.

How employees are treated has a strong impact on customer satisfaction. A business/employee relationship that is transparent, solid and fulfilling contributes to the working atmosphere, motivation, loyalty and team spirit, all of which affect how employees conduct themselves and therefore improve the Group's image in the eyes of consumers.

This breeds a natural emphasis on the individual and his or her well-being, both on and off the job. Various initiatives that Autogrill pursues are designed to involve people in their role as employees and individuals. In this vein, labour relations are also of great importance to developing sustainability in human resource management; Autogrill has established a constructive dialogue with the trade unions of each country in which it operates, to foster solutions that will reconcile individual needs with those of the business.

Work-life balance

If we view the company not only as an economic entity but also as a human one, it becomes clear that to help the company flourish, we need to value our workers' health by offering prevention programmes and encouraging lifestyles that help reduce stress, improve physical and mental well-being and ensure safety in the workplace. Autogrill's benefits in this regard vary by location; it offers first aid courses and healthy diet programmes in Italy, company gyms and free biometric screening in America, and a health help desk and free check-up to all Group workers in Spain.

Employees can also enjoy supplementary health insurance, in some cases extended to their families, under programmes that also differ on the basis of national laws.

Health and safety

The Group constantly seeks and implements procedures and technologies that will provide the highest safety standards to the workers who serve our customers. Autogrill performs preventive assessments of workplace hazards so it can take the most suitable measures, such as new operating procedures or the purchase of individual protection devices that will eliminate or minimise the risks. To make sure these measures are effective, the number and type of accidents that occur at each Group company are constantly monitored, along with the steps taken to mitigate the risks, and a new and improved monitoring system is currently being developed for use across the different countries in order to share expertise and innovation.

To reflect the most recent legislation on health and safety in the workplace, Autogrill S.p.A. has revised its operating practices and the Organisational Model called for by Italy's corporate liability law (Legislative Decree n. 231/2003).

Ethical certification

Autogrill's effort to obtain important certifications regarding employee health and safety is another reflection of its philosophy that each worker is a prized individual:

- Social Accountability 8000 certification for Autogrill S.p.A. demonstrates 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. 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.

Professional development

Over the years, the Group has invested much in the management and development of its human capital. Because Autogrill counts on the advancement of the people who work for it to fill positions of greater responsibility, the selection and development processes are crucial to hiring workers who are not only competent in their initial roles, but who can take on larger ones over time and contribute to the creation of value.

In this perspective, training is key to helping workers climb the ladder, and is also an investment for the business and the person. Autogrill plans clear, structured training paths that are coordinated by Human Resources and Operations for jobs in contact with the public, and in conjunction with the individual departments for HQ positions.

Environment

Policy

Environmental issues – climate change, energy, water, waste, etc. – involve people, organisations and institutions around the globe. International conventions are not enough to handle this challenge; it is the personal contribution of each individual that will make the difference. Simple, everyday habits can help reduce emissions without sacrificing quality of life.

Although Autogrill's impact on the environment is relatively minor, we feel the need to reduce our consumption of energy, water and raw materials in favour of clean, renewable energies and recycled materials that are friendly to our Earth.

Getting people involved in conservation

Reducing our consumption of energy or water requires a major change in how these issues are approached by the workers who use machines and equipment; by the suppliers who make them; and by the consumers who visit our locations.

Our workers are involved in ongoing awareness programmes to instil greater respect for the environment, especially through the reduction of waste. Employees are taught the proper use of equipment, which can lead to major savings if turned off at slow times of day.

We also publish a newsletter and internal communications with a decidedly "green" point of view. The newsletter published by World Duty Free, for example, launched the project "Change the World 9 to 5..." to describe how each of us can make small changes to reduce costs, consumption and emissions. "Planet A", the newsletter of Autogrill France, also sends a message of environmental awareness and is printed on recycled paper.

Autogrill Italy has continued its on-site campaign for saving water and electricity and for the proper sorting of waste, called "Small changes for big results". Since July 2010, when new recycling rules were introduced at Milan headquarters, an employee awareness campaign has been in place for the more conscious use and re-cycling of paper, plastic, glass and aluminium.

In late September 2010, the "Afuture" section was added to the Group's Aconnect portal to cover all information on the project, from its history to the latest news and events from around the world concerning the promotion of sustainability. The purpose of the new section is to encourage greater care for people and the environment and to introduce new topics under the umbrella of social, environmental and economic responsibility.

Also worth mentioning, although not an actual campaign, is HMSHosts's internal survey on environmental issues at its locations in the United States, Canada, Australia, New Zealand, Malaysia and India. The aim of the survey was to create a snapshot of each location's environmental commitment through a variety of quantitative and qualitative questions, while encouraging workers to take sustainability to heart.

Innovation and environmental efficiency

To make every trip a pleasure, whether for business or leisure, is Autogrill's primary task. Innovation at our restaurants and shops involves boosting their energy efficiency, improving technologies that make use of renewable sources like geothermal and solar power, and making our locations accessible and enjoyable to consumers, who witness our commitment to the environment first hand.

The more significant projects carried out are briefly described below:

- the Delaware Welcome Center was inaugurated in the summer of 2010. This 4,000 m2 facility, certified to the standards of the Leadership in Energy and Environmental Design (LEED), has a parking lot designed for more than three million visitors per year and 50 truck stop electrification points which power heaters and air conditioners without having to idle the engine;
- the “Destinazione Ambiente” project, developed with Conai (the Italian packaging consortium), Waste Italia and the Hera Group (Italy’s largest waste collectors), and ID&A for the construction of recycling collection points on motorways, has been extended to neighbouring locations on the same Italian roads;
- an increasing number of Group companies, including World Duty Free and Aldeasa for the Travel Retail & Duty-Free business and Autogrill France, HMSHost and Autogrill Italy for Food & Beverage, have decided to use shopping bags made from recycled or biodegradable material.

1.8.2 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 general or specific conditions in the industries in which they work, as well as to risks arising from strategic decisions and internal operational risks.

The Group Risk Management department ensures the uniform handling of risks across the different organisational units and complements the centralised management that has long been in place for financial and reporting risks.

During the year, the activities of Group Risk Management consisted of updating the risk matrix in light of macroeconomic trends, and analysing the corrective measures taken for each of the two segments (Food & Beverage and Travel Retail & Duty-Free, following the sale of the Flight business that was finalized at the end of the year).

The Group’s exit from the Flight business did not change the risk sensitivity of the two “core” segments, as it had its own set of risks, was small and had only minor synergies with the other segments.

The risk matrix revised in 2010 presents no new risks with respect to those found the previous year.

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 repetition, exposure to financial risks is discussed in the notes to the consolidated financial statements and the notes to the separate financial statements of Autogrill S.p.A.

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 and Travel Retail & Duty-Free operations constitutes a threat to the production of value.

Exogenous (hence uncontrollable) factors that may affect the flow of traffic and travellers’ inclination to spend include the general economy, the price of oil, and the cost of travel in general.

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, railway stations, etc.) in which the two 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 of its businesses 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.

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 monitored 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 lessens 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, concession fees have marched steadily upward and more business risk has been transferred to the operator, which meanwhile is held to more precise and exacting 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.

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, limit the flexibility of HR management.

Major increases in the cost per employee or more stringent 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 operating practices and 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. and World Duty Free Europe Ltd. has raised 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.

1.8.3 Corporate governance

The complete Corporate Governance Report is available online at www.autogrill.com, or in print by request from the head office.

1.8.4 Management and coordination

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

1.8.5 Related party transactions

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

See the section "Other information" in the Notes to the consolidated and separate financial statements for further information on related party transactions, including the disclosures required by Consob Resolution 17221 of 12 March 2010 (amended with Resolution 17389 of 23 June 2010).

1.8.6 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 companies that control entities formed or governed under the laws of countries outside the European Union that are of material significance to the consolidated financial statements, we report that three companies fall under these provisions (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.

1.8.7 Research and development

In relation to the nature of its activities, the Group invests in innovation, product development, and improvements to the quality of service.

It does not conduct technological research as such.

1.8.8 Data protection

Autogrill S.p.A. has implemented and updated for 2010 the Data Protection Document, required by Italy's data protection law and prepared in consideration of our particular business needs.

In 2010, Autogrill S.p.A. continued to monitor compliance with the law, by:
- training data protection personnel and evaluating system administrators (course offered via the internal Aconnect portal);
- meeting the obligations set forth by the Data Protection Authority with regard to video surveillance (system inspection and preparation of an ad hoc procedure);
- renewing PCI DSS certification for credit card payment systems (Attestation of Compliance for Autogrill S.p.A. and Nuova Sidap S.r.l.). Certification process started for Alpha Retail Italia S.r.l.;
- improving the access management protocol (profiles and roles) for some key systems (SIAD, SAP AMICA, HYPERION);
- initiating the collection of personal data from Autogrill, Retail UK and Aldeasa employees for the Group portal and HR applications;
- completing the Disaster Recovery (DR) project for two more IT systems: administrative management and call center management. These are in addition to the supply chain system, for which DR was completed in 2009;
- improving physical security for the data center in Rozzano: upgrading of emergency exits for personal safety and start of renovations for REI 120 fire safety certification.

1.8.9 Shares held by directors, statutory auditors and general managers

As required by Art. 79 of the implementation rules for Legislative Decree 58/98, 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 2009	Number of shares purchased	Number of shares sold	Number of shares held at the end of 2009
Gianmario Tondato Da Ruos	Autogrill S.p.A.	14,700	–	–	14,700
Gianni Mion	Autogrill S.p.A.	5,000	–	–	5,000

1.8.10 Treasury shares

At 31 December 2010, 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., and did not at any time during the year, either directly or through trust companies or other intermediaries.

Autogrill S.p.A. and its subsidiaries do not own shares or other securities representing the share capital of the ultimate parent companies, and did not at any time during the year, either directly or through trust companies or other intermediaries.

1.8.11 Reconciliation between parent and consolidated equity

(€k)	Equity at 31.12.2009	Changes in equity	Profit for 2010	Equity at 31.12.2010
Autogrill S.p.A. separate financial statements	610,156	(452)	164,352	774,056
Effect of the consolidation of the subsidiaries' financial statements and related deferred taxes	(7,579)	(898)	60,944 **	(69,421)
Translation reserve	(96,166)	79,264	–	(16,902)
Hedging reserve *	2,816	(516)	–	2,300
Group consolidated financial statements	509,226	77,398	103,408	690,032
Equity attributable to non-controlling interests	54,152	(44,772)	11,955	21,335
Total consolidated equity	**563,379**	**32,626**	**115,363**	**711,367**

* Net of tax effect

** The amount includes the combined effect of the subsidiaries' contribution to consolidated profit (€ 121.288k) and the elimination of dividends paid by subsidiaries to the parent company (€ 182,232k)

1.9 Proposal for approval of the financial statements and allocation of the 2010 profit

Dear Shareholders,

The year ended 31 December 2010 closed with a profit of € 164,351,897.

The Board of Directors recommends that the profit be allocated as follows:
i) € 61,025,966 as dividends (€ 0.24 per share);
ii) € 103,325,931 to be carried forward.

Given the above, we submit for your approval the following

motion:

“The annual general meeting of shareholders:
- having examined the 2010 financial statements which close with a net profit of € 164,351,897;
- having acknowledged the report of the Board of Statutory Auditors and of the independent auditors, KPMG S.p.A.;

hereby resolves

a) to approve the financial statements at and for the year ended 31 December 2010, showing a net profit of € 164,351,897;
b) to approve the recommended allocation of profit as follows:
  i) € 61,025,966 as dividends;
  ii) € 103,325,931 to be carried forward;
c) to pay total dividends of € 61,025,966 out of the profit for the year, hence a dividend of € 0.24 per share;
d) to pay dividends as from 26 May 2011, with coupon no. 9 going ex-div on 23 May 2011.”

8 March 2011

The Board of Directors

2. CONSOLIDATED FINANCIAL STATEMENTS

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	31.12.2010	31.12.2009	Change
	ASSETS			
	Current assets	**661,421**	**735,187**	**(73,766)**
I	Cash and cash equivalents	176,149	194,116	(17,967)
II	Other financial assets	14,985	11,904	3,081
III	Tax assets	5,677	3,809	1,868
IV	Other receivables	158,588	179,307	(20,719)
V	Trade receivables	59,732	110,045	(50,313)
VI	Inventories	246,290	236,006	10,284
	Non-current assets	**3,280,660**	**3,468,527**	**(187,867)**
VII	Property, plant and equipment	925,058	985,192	(60,134)
VIII	Goodwill	1,377,154	1,418,511	(41,357)
IX	Other intangible assets	818,852	904,468	(85,616)
X	Investments	13,885	11,164	2,721
XI	Other financial assets	16,030	16,957	(927)
XII	Deferred tax assets	95,750	98,748	(2,998)
XIII	Other receivables	33,931	33,487	444
XIV	**Assets held for sale**	**1,032**	**877**	**155**
	TOTAL ASSETS	**3,943,113**	**4,204,591**	**(261,478)**
	LIABILITIES AND EQUITY			
	LIABILITIES	**3,231,746**	**3,641,213**	**(409,467)**
	Current liabilities	**1,325,082**	**1,329,351**	**(4,269)**
XV	Trade payables	674,582	709,028	(34,446)
XVI	Tax liabilities	24,048	15,618	8,430
XVII	Other payables	354,781	324,431	30,350
XVIII	Due to banks	134,607	159,171	(24,564)
XIX	Other financial liabilities	78,554	77,505	1,049
XXII	Bonds	44,903	30,543	14,360
XXIV	Provisions for risks and charges	13,607	13,055	552
	Non-current liabilities	**1,906,664**	**2,311,862**	**(405,198)**
XX	Other payables	73,823	77,584	(3,761)
XXI	Loans, net of current portion	1,192,810	1,541,855	(349,045)
XXII	Bonds	318,843	334,453	(15,610)
XII	Deferred tax liabilities	159,112	179,406	(20,294)
XXIII	Post-employment benefits and other employee benefits	94,719	101,699	(6,980)
XXIV	Provisions for risks and charges	67,357	76,865	(9,508)
XIV	**Liabilities held for sale**	**–**	**–**	**–**
XXV	**EQUITY**	**711,367**	**563,378**	**147,989**
	– attributable to owners of the parent	690,032	509,226	180,806
	– attributable to non-controlling interests	21,335	54,152	(32,817)
	TOTAL LIABILITIES AND EQUITY	**3,943,113**	**4,204,591**	**(261,478)**

2.1.2 Income statement

Note	(€k)	2010	2009 *	Change
	Continuing operations			
XXVI	Revenue	6,014,184	5,414,458	599,726
XXVII	Other operating income	124,551	140,105	(15,554)
	Total revenue and other operating income	**6,138,735**	**5,554,562**	**584,173**
XXVIII	Raw materials, supplies and goods	2,387,004	2,056,292	330,712
XXIX	Personnel expense	1,442,094	1,327,480	114,614
XXX	Leases, rentals, concessions and royalties	1,150,795	1,063,484	87,311
XXXI	Other operating costs	553,463	543,201	10,262
XXXII	Depreciation and amortization	305,017	308,975	(3,958)
XXXII	Impairment losses on property, plant and equipment and intangible assets	45,199	30,842	14,357
	Operating profit	**255,163**	**224,289**	**30,874**
XXXIII	Financial income	7,582	5,874	1,708
XXXIII	Financial expense	(82,476)	(99,043)	16,567
	Impairment losses on financial assets	(451)	(127)	(324)
	Pre tax profit	**179,818**	**130,994**	**48,824**
XXXIV	Income tax	(89,415)	(100,010)	10,595
	Profit from continuing operations	**90,403**	**30,984**	**59,419**
	Discontinued operations			
XXXV	Profit from discontinued operations (Net of taxes)	24,960	20,433	4,527
	Profit for the year	**115,363**	**51,417**	**63,946**
	Profit for the year attributable to:			
	– owners of the parent	103,408	37,014	66,394
	– non–controlling interest	11,955	14,403	(2,448)
	Earnings per share (in € cents)			
XXXVI	– basic	40.7	14.6	
XXXVI	– diluted	40.6	14.6	
	Earnings per share from continuing operations (in € cents)			
	– basic	30.9	9.2	
	– diluted	30.8	9.2	

* Please refer to Section 2.2.2 for the description of adjustments made to the 2009 figures since their original publication

2.1.3 Statement of comprehensive income

Note	(€k)	2010	2009 *
	Profit for the year	**115,363**	**51,417**
	Effective portion of fair value change in cash flow hedges	(2,676)	3,180
	Foreign currency translation differences for foreign operations	102,960	44,128
	Gains (losses) on net investments hedge	(24,279)	(29,563)
XXV	Income tax on comprehensive income	7,413	7,016
	Total comprehensive income for the year	**198,780**	**76,178**
	– attributable to owners of the parent	180,732	53,253
	– attributable to non–controlling interest	18,048	22,925

* Please refer to Section 2.2.2 for the description of adjustments made to the 2009 figures since their original publication

2.1.4 Statement of changes in equity

(€k)	Share capital	Legal reserve	Hedging reserve	Translation reserve	Other reserves and retained earnings	Treasury shares	Profit for the year	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2008	**132,288**	**22,925**	**(41,523)**	**(110,338)**	**369,886**	**(944)**	**83,680**	**455,974**	**56,905**
Effective portion of fair value change in cash flow hedges, net of the tax effect	–	–	2,067	–	–	–	–	2,067	–
Foreign currency translation differences for foreign operations	–	–	–	35,606	–	–	–	35,606	8,522
Gains (losses) on net investments hedge, net of the tax effect	–	–	–	(21,434)	–	–	–	(21,434)	–
Total other gains (losses), net of tax effects	**–**	**–**	**2,067**	**14,172**	**–**	**–**	**–**	**16,239**	**8,522**
Allocation of 2008 profit to reserves	–	915	–	–	82,765	–	(83,680)	–	–
Dividend distribution	–	–	–	–	–	–	–	–	(25,678)
Profit for the year	–	–	–	–	–	–	37,014	37,014	14,403
31.12.2009	**132,288**	**23,840**	**(39,456)**	**(96,166)**	**452,651**	**(944)**	**37,014**	**509,226**	**54,152**
Effective portion of fair value change in cash flow hedges, net of the tax effect	–	–	(1,940)	–	–	–	–	(1,940)	–
Foreign currency translation differences for foreign operations	–	–	–	96,867	–	–	–	96,867	6,093
Gains (losses) on net investments hedge, net of the tax effect	–	–	–	(17,602)	–	–	–	(17,602)	–
Total other gains (losses), net of tax effects	**–**	**–**	**(1,940)**	**79,265**	**–**	**–**	**–**	**77,325**	**6,093**
Allocation of 2009 profit to reserves	–	2,618	–	–	34,396	–	(37,014)	–	–
Dividend distribution	–	–	–	–	–	–	–	–	(29,180)
Stock option	–	–	–	–	74	–	–	74	–
"Flight" business disposal	–	–	–	–	–	–	–	–	(21,685)
Profit for the year	–	–	–	–	–	–	103,408	103,408	11,955
31.12.2010	**132,288**	**26,458**	**(41,397)**	**(16,902)**	**487,121**	**(944)**	**103,408**	**690,032**	**21,335**

2.1.5 Statement of cash flows

(€m)	2010	2009 ***
Opening – net cash and cash equivalents	**179.7**	**192.0**
Cash flow from continuing operations		
Pretax profit and net financial expense for the period	254.7	224.2
Amortisation, depreciation and impairment losses on non–current assets, net of reversals	350.2	339.8
Adjustment and (gains)/losses on disposal of financial assets	0.5	0.1
(Gains)/losses on disposal of non–current assets	(0.2)	(15.1)
Change in working capital in the year *	64.8	35.7
Net change in non–current non–financial assets and liabilities	(24.1)	(35.0)
Cash flow from operating activities	**645.9**	**549.8**
Taxes paid	(79.6)	(91 .1)
Interest paid	(74.6)	(107.9)
Net cash flow from operating activities	**491.7**	**350.8**
Acquisition of property, plant and equipment and intangible assets	(224.9)	(150.3)
Proceeds from sale of non–current assets	5.8	27.6
Disposal of consolidated equity investments	165.4	–
Net change in non–current financial assets	(5.1)	4.9
Net cash flow used from investing activities	**(58.9)**	**(117.8)**
(Repayments)/issues of bond	(32.5)	–
Repayments of medium/long–term loans, net of new loans	(286.8)	(173.2)
Repayments of short–term loans, net of new loans	(145.7)	(93.7)
Other cash flows **	(1 .3)	(6.4)
Net cash flow used in financing activities	**(466.4)**	**(273.3)**
Cash flow for the year from continuing operations	**(33.5)**	**(40.2)**
Cash flow from discontinued operations		
Net cash flow from operating activities of discontinued operations	28.4	42.7
Cash flow used in investing activities of discontinued operations	(13.6)	(7.3)
Cash flow used in financing activities of discontinued operations	(9.5)	(9.4)
Cash flow for the year from discontinued operations	**5.3**	**26.0**
Effect of exchange on net cash and cash equivalents	5.4	1 .9
Closing – net cash and cash equivalents	**156.9**	**179.7**

Reconciliation of net cash and cash equivalents

(€m)	2010	2009 ***
Opening – net cash and cash equivalents – balance as at 31 December 2009 and as at 31 December 2008	**179.7**	**192.0**
Cash and cash equivalents	194.1	209.5
Current account overdrafts	(14.4)	(17.5)
Closing – net cash and cash equivalents – balance as at 31 December 2010 and as at 31 December 2009	**156.9**	**179.7**
Cash and cash equivalents	176.1	194.1
Current account overdrafts	(19.3)	(14.4)

* Including the exchange rate gains (losses) on income statements components
** Including dividends paid to non–controlling interests in subsidiaries
*** Please refer to Section 2.2.2 for the description of adjustments made to the 2009 figures since their original publication

2.2 Notes to the consolidated financial statements

2.2.1 Accounting policies and basis of consolidation methods

Group operations

The Autogrill Group 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. Autogrill is the only group among the main players in its market that operates almost exclusively under concession.

From June 2007 until 31 December 2010, the Group also provided meals and merchandise to be served or sold onboard planes through the Flight segment (now sold).

General standards

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

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2010:

- IFRS 3 (revised in 2008) – Business combinations;
- Amendments to IAS 27 – Consolidated and separate financial statements;
- Amendments to IAS 39 – Financial instruments: Recognition and measurement (exposures qualifying for hedge accounting);
- Amendments to IFRS 2 – Group cash–settled share–based payment transactions;
- IFRS 1 (revised in 2008) – First–time adoption of International Financial Reporting Standards;
- IFRIC 12 – Service concession arrangements;
- IFRIC 15 – Agreements for the construction of real estate;
- IFRIC 16 – Hedges of a net investment in a foreign operation;
- IFRIC 17 – Distributions of non–cash assets to owners;
- IFRIC 18 – Transfers of assets from customers;
- Improvements to IFRS (2008) – amendments to IFRS 5;
- Improvements to IFRS (2009).

The Autogrill Group had opted for early adoption of IFRS 3 (2008 revision) starting with the 2009 financial statements. For that reason, the 2009 financial statements also incorporated the amendments to IAS 27 – Consolidated and separate financial statements.

The remaining standards cover cases and circumstances not applicable to the Group at the close of 2010.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning after 1 January 2010:

- Amendments to IAS 32 – Classification of rights issues;
- Amendments to IFRIC 14 – Prepayments of a minimum funding requirement;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- Amendments to IFRS 1 and IFRS 7 – Limited exemption from comparative IFRS 7 disclosures for first–time adopters;
- IAS 24 (revised in 2009) – Related party disclosures.

We believe that the application of the standards and interpretations listed above would not affect the consolidated financial statements to an extent requiring mention in these notes.

The consolidated financial statements were prepared on a going–concern basis using the euro as the presentation currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k), while those in the statement of cash flows are in millions of euros (€m).

In the notes to the statement of financial position (Section 2.2.3) and notes to the income statement (Section 2.2.4), the change at constant exchange rates has been calculated by excluding discontinued operations from both the 2009 and 2010 balances (see Section 2.2.2 for further information).

Structure, format and content of the consolidated financial statements

In accordance with IAS 1 Revised and IAS 7, the formats used in the 2010 consolidated financial statements are as follows:

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

The financial statements of each company in the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with a functional operation other than the euro, including goodwill and fair value adjustments generated by the acquisition of a foreign business, are translated at the rates prevailing at year end. Revenue and income and cost and expense are converted at average exchange rates for the year. Exchange rate gains and losses are recognised in the statement of comprehensive income and shown under "translation reserve" in the statement of changes in equity.

Exchange gains and losses arising from receivables or payables with foreign operations, the collection or payment of which is neither planned nor likely in the foreseeable future, are treated as part of the net investment in foreign operations and are recognised in other comprehensive income and shown under "translation reserve" in the statement of changes in equity.

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

	2010		2009	
	Rate at 31 December	Average rate for the year	Rate at 31 December	Average rate for the year
US Dollar	1.3362	1.3257	1.4406	1.3948
Canadian Dollar	1.3322	1.3651	1.5128	1.5850
Swiss Franc	1.2504	1.3803	1.4836	1.5100
British Sterling	0.8608	0.8578	0.8881	0.8910

Scope and consolidation methods

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, per IAS 31), and associates (entities subject to significant influence, 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 2010 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 the French companies Sorebo S.A., Soberest S.A., Volcarest S.A., La Rambertine S.n.c., Société Restauration Autoroutes Dromoise S.a.S. and S.R.S.R.A. S.A., as well as some joint ventures belonging to the American group (see annex), which are controlled on the basis of a 50% or lower 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.

Non–controlling interests in the net assets of consolidated subsidiaries are identified separately from equity attributable to owners of the parent. They are determined on the basis of the non–controlling investors' share of the fair value of the assets and liabilities recognised at the date of acquisition (see "Business combinations") and of changes in equity attributable to non–controlling interests 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 also holds equal joint control of Steigenberger Gastronomie GmbH (Germany), Caresquick N.V. (Belgium), and Alpha ASD Ltd. (United Kingdom). All are consolidated using the proportionate method.

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

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

Autogrill Group Inc. and its subsidiaries close their fiscal year on the Friday closest to 31 December and divide it into 13 four–week periods, which in turn are grouped into 12–week quarters with the exception of the last which is a 16–week quarter. As a result, the accounts included in the 2010 consolidated financial statements cover the period 2 January 2010 to 31 December 2010, while the previous year's accounts covered the period 3 January 2009 to 1 January 2010.

On 31 December 2010 the Autogrill Group finalised the sale of its UK subsidiary Alpha Flight Group Ltd. This company headed up the Flight segment, whose operations are no longer included in the scope of consolidation.

Accounting policies

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

Business combinations

Business combinations carried out since 1 January 2008

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

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

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

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

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

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

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

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

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

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

The acquiree's identifiable assets, liabilities and contingent liabilities that can be 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 measured 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.

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

Business combinations carried out before 1 January 2004

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

Acquisitions of non–controlling interests

The Group applies IAS 27 – Consolidated and separate financial statements (2008 revision) to all acquisitions of non–controlling investments. On that basis, such acquisitions are treated as transactions carried out with shareholders in their capacity as owners, and do not give rise to goodwill. Adjustments to non–controlling investments are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non–controlling interest in a subsidiary represented the excess cost of the additional investments with respect to the carrying amount of the interest in the net assets acquired on the transaction date.

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, expense, 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 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 consolidated financial statements.

Recognition of revenue 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 revenue 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 expenses are recognised in profit or loss on an accruals basis, with the exception of those directly attributable to the acquisition, construction or production of assets requiring a significant period of time before being ready for their planned use or sale. Financial expense relating to such assets capitalised from 1 January 2009 (the effective date of Revised IAS 23 – Borrowing costs) is capitalised as part of the assets' cost.

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 pre–determined contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions should the fund have insufficient assets to pay all benefits to employees.

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

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

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

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

Actuarial valuations are made by actuaries outside the Group. Regarding the actuarial gains and losses arising from the calculation of plan liabilities, the Group uses the "corridor" approach, 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 on a straight–line basis over the average remaining service lives of the beneficiaries, under the item "personnel expense," except for the financial component which is included under 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"):

- 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 vests;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognised as costs. The portion not yet paid into the funds is listed under "Other payables".

Stock options

The cost of services rendered by employees and remunerated through stock option plans is determined based on the fair value of the options granted to employees at the grant date. The calculation method to determine fair value considers the Autogrill share price at the grant date, the volatility of the stock, and the interest rate curve at the grant date consistent with the expected life of the plan, as well as all characteristics of the option (term, strike price and conditions, etc.). The cost is recognised in profit or loss, with a balancing–entry in equity, over the vesting period of the options granted.

Income tax

Tax for the year is the sum of current and deferred taxes recognised in the profit or loss for the year, with the exception of those relating to business combinations or items recognised directly in equity or in other comprehensive income.

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

For the period 2010–2012, Autogrill S.p.A., together with its Italian subsidiaries Nuova Sidap S.r.l. and Alpha Retail Italia S.r.l.[1], have joined the national tax consolidation scheme of the ultimate parent Edizione S.r.l. as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for payment in full of the amount corresponding to the transferred losses or profits times the IRES (corporate tax) rate, as well as the transfer of any tax assets. The net current tax assets or liability for the year, in respect of IRES only, is therefore recognised as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "other receivables" or "other payables".

[1] For Alpha Retail S.r.l. the relevant period is 2011–2013

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 each reporting date based on the latest forecasts as to future taxable income.

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

Deferred tax assets and liabilities are measured using the tax rate expected to apply at the time the asset is realised orthe liability is settled, taking account of the tax rates in force at the close of the year. Deferred tax assets are recognised when they are likely to be used against taxable income.

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

Goodwill

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

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

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

Other intangible assets

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

The Group reviews their estimated useful lives at each year–end and whenever there is evidence of possible impairment losses.

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

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

Concessions, licenses, trademarks and similar rights:	
Software licenses	3–5 years or term of license
License to sell state monopoly goods	Term of license
Trademarks and brands	20 years
Contractual rights	Term of the rights
Other:	
Software on commission	3–5 years
Other costs to be amortised	5–10 years or term 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.

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

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

The depreciation rates are as follows:

Industrial buildings	3%
Plant and machinery	8%–33%
Industrial and commercial equipment	10%–33%
Furniture and fittings	10%–20%
Motor vehicles	25%
Other	10%–20%

Land is not depreciated.

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

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

Regardless of depreciation already recognised, if there are impairment losses (determined as described under “Impairment losses on assets”), the asset is impaired accordingly.

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are 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 term of the contract, whichever is shorter.

The gain or loss from the sale of property, plant or equipment is the difference between the net proceeds of the sale and the asset’s carrying amount, and is recognised under “Other income” or “Other operating costs”.

Leased assets

Lease contracts are classified as finance leases if the terms of the contract are such to transfer all risks and rewards 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 of the commencement date of the contract less ancillary charges and any expenses for replacing another party in the lease, or, if lower, at the present value of the minimum payments due under the contract. The corresponding liability to the lessor is charged to “Other financial liabilities”. Lease payments are divided into principal and interest, using a constant interest rate over the life of the contract. Financial expense is 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.

Impairment losses on assets

At each annual 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 there is evidence of possible impairment.

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

The recoverable amount is the higher of fair value less costs to sell and value in use. In determining value in use, the estimated future cash flows are discounted to their present 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.

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

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

Assets/liabilities held for sale and discontinued operations

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

In the financial statements:

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

Current assets and current & non–current 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 contributions from suppliers, calculated using the FIFO method.

Financial assets and liabilities

Trade and other receivables
Trade receivables and other receivables are initially recognised at fair value, and subsequently at amortised cost using the effective interest method. They are impaired to reflect estimated impairment.

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

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

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

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each year 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 available for sale are recognised directly in comprehensive income and presented under 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 own shares
Ordinary shares form part of equity.

If own 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 (maturity of three months or less on the acquisition date) that are immediately convertible to cash; they are stated at face value as they are subject to no significant risk of impairment.

Loans, bank loans, bonds and overdrafts
Interest–bearing bank loans, bonds and account overdrafts are initially recognised at fair value taking account 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 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 embedded option to convert the bonds into shares of Group companies, is recognised in equity.

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

Derivative financial instruments and hedge accounting
The Group's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates. To manage these risks the Group uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. Some Group companies have a policy of converting part of floating–rate debt into fixed–rate. The use of derivatives is governed by 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 have been entered into with counterparties deemed to be financially solid,

with the aim of reducing default risk to a minimum. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.

See the policy described in section 2.2.6.

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

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

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

Fair value changes are measured as described below.

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

- Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a 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 its carrying amount 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 comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reclassified from comprehensive income and recognised in profit or loss 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 the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the gains or losses not yet realised that have been included in comprehensive income are reclassified immediately to profit or loss;
- Hedge of net investments: if a derivative is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediary holding company, the effective portion of the gain or loss on the hedge is recognised in comprehensive income and presented in the "translation reserve" under equity, while the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the gain or loss on the effective portion of the hedge that has been cumulatively recognised in the translation reserve is also taken to profit or loss.

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

Provisions for risks and charges

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

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

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

Foreign currency transactions

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

Earnings per share

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

Use of estimates

The preparation of the consolidated financial statements and notes thereto requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at the year–end date. Actual results may differ. Estimates are used to determine the effects of business combinations, asset impairment, the fair value of derivatives, allowances for impairment 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.

2.2.2 Discontinued operations

On 31 December 2010 the Autogrill Group finalised the sale of 100% of Alpha Flight Group Ltd., which headed up the Flight business (provision of meal and retail services onboard airplanes), to Dnata, an international leader in travel and airport services based in Dubai.

Dnata paid Autogrill £ 101.3 million and also took over Alpha Flight Group's net debt, amounting to £ 45.8 million on the closing date.

The tables below present the net profit from discontinued operations (the Flight segment), and the statement of financial position, income statement and statement of cash flows for this business:

	£m	€m *
Selling price	101 .3	118.1
Carrying amount	(86.7)	(101 .1)
Provision for other risks	(3.5)	(4.1)
Gain on discontinued operations	**11.1**	**12.9**
Selling costs	**(1.6)**	**(1.9)**
Net profit for the year	**11.9**	**13.9**
NET PROFIT FROM DISCONTINUED OPERATIONS	**21.4**	**25.0**

* Balances are translated at the exchange rate £/€ 0.8578

Statement of financial position

(€m)	31.12.2010 *
Intangible assets	114.5
Property, plant and equipment	82.3
Financial assets	–
A) Non–current assets	**196.8**
Inventories	15.2
Trade receivables	60.2
Other receivables	8.2
Trade payables	(64.5)
Other payables	(19.1)
B) Working capital	**(0.1)**
C) Invested capital, net of current liabilities	**196.7**
D) Other non–current non financial assets and liabilities	**(15.0)**
E) Net invested capital	**181.8**
Pertaining to the owners of the parent	100.8
Non–controlling interests	27.7
F) Equity	**128.4**
G) Net financial position	**53.4**
H) Total, as in E)	**181.8**

* Balances are translated at the exchange rate £/€ 0.8608

Income statement

(€m)	2010 *	2009 **	Change
Revenue	474.8	403.0	71 .8
Other operating income	0.1	5.2	(5.1)
Total revenue and other operating income	**474.9**	**408.2**	**66.7**
Raw materials, supplies and goods	200.8	166.9	33.9
Personnel expense	150.2	127.5	22.7
Leases, rentals, concessions and royalties	23.3	20.7	2.6
Other operating costs	52.4	50.9	1 .5
Depreciation and amortization	17.5	15.6	1 .9
Impairment losses on property, plant and equipment and intangible assets	–	(0.0)	0.0
Operating profit	**30.8**	**26.6**	**4.1**
Financial income	1 .4	0.6	0.7
Financial expense	(5.5)	(2.2)	(3.3)
Impairment losses on financial assets	–	–	–
Pre tax profit	**26.7**	**25.1**	**1.6**
Income tax	(5.7)	(4.7)	(1 .0)
Profit for the year	**21.0**	**20.4**	**0.5**
Profit for the year attributable to:			
– owners of the parent	13.9	13.6	0.3
– non-controlling interest	7.1	6.8	0.3

* 2010 Balances are translated at the average exchange rate £/€ 0.8578
** 2009 Balances are translated at the average exchange rate £/€ 0.891

Statement of cash flows

(€m)	2010	2009
Opening – net cash and cash equivalents	**37.0**	**11.1**
Pretax profit and net financial expense for the period (including non-controlling interests)	30.8	26.6
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	17.5	15.6
Change in working capital in the year*	(8.6)	10.9
Net change in non-current non-financial assets and liabilities	1 .9	(2.8)
Cash flow from operating activities	**41.5**	**50.3**
Taxes paid	(9.2)	(7.4)
Interest paid	(3.9)	(0.1)
Net cash flow from operating activities	**28.4**	**42.7**
Acquisition of property, plant and equipment and intangible assets	(9.6)	(7.3)
Acquisition of consolidated investments	(4.1)	–
Cash flow used in investing activities	**(13.6)**	**(7.3)**
Other cash flows **	(9.5)	(9.4)
Cash flow used in financing activities	**(9.5)**	**(9.4)**
Cash flow for the year from continuing operations	**5.3**	**26.0**
Repayments of short-term loans – Intercompany	(26.1)	–
Closing – net cash and cash equivalents	**16.2**	**37.0**

* Including the exchange rate gains (losses) on income statements components
** Including dividend paid to non-controlling interests in subsidiaries

The sale of the Flight business also includes Alpha–Airfayre Ltd., which was formed and consolidated on a line–by–line basis from 20 November 2009. The Group's investment in that company, originally 51%, was increased to 100% in November 2010.
In accordance with IFRS 5, the Autogrill Group's income statement figures for 2009 have been restated to reflect the transfer of items relating to the Flight business to "Discontinued operations".

For the sake of comparison, the balances of non–financial assets and liabilities at the close of 2009 (presented in the Notes to the consolidated financial statements) have also been adjusted with respect to those originally published and reported in the statement of financial position, to reflect the contribution of the Flight business.

The adjustments are detailed in the table below:

Statement of financial position

(€k)	31.12.2009 consolidated financial statements	Discontinued operations	31.12.2009 excluding discontinued operations
ASSETS			
Current assets	**735,187**	**(64,283)**	**670,904**
Cash and cash equivalents	194,116	–	194,116
Other financial assets	11,904	–	11,904
Tax assets	3,809	–	3,809
Other receivables	179,307	(4,691)	174,616
Trade receivables	110,045	(47,042)	63,003
Inventories	236,006	(12,550)	223,456
Non–current assets	**3,468,527**	**(193,863)**	**3,274,664**
Property, plant and equipment	985,192	(79,302)	905,890
Goodwill	1,418,511	(89,084)	1,329,427
Other intangible assets	904,468	(25,389)	879,079
Investments	11,164	–	11,164
Other financial assets	16,957	–	16,957
Deferred tax assets	98,748	–	98,748
Other receivables	33,487	(88)	33,399
Assets held for sale	**877**	**258,146**	**259,023**
TOTAL ASSETS	**4,204,591**	**–**	**4,204,591**
LIABILITIES AND EQUITY			
LIABILITIES	**3,641,213**	**–**	**3,641,213**
Current liabilities	**1,329,351**	**(72,254)**	**1,257,097**
Trade payables	709,028	(53,540)	655,488
Tax liabilities	15,618	(3,331)	12,287
Other payables	324,431	(15,384)	309,047
Due to banks	159,171	–	159,171
Other financial liabilities	77,505	–	77,505
Bonds	30,543	–	30,543
Provisions for risks and charges	13,055	–	13,055
Non–current liabilities	**2,311,862**	**(14,173)**	**2,297,689**
Other payables	77,584	–	77,584
Loans, net of current portion	1,541,855	–	1,541,855
Bonds	334,453	–	334,453
Deferred tax liabilities	179,406	(3,600)	175,806
Post–employment benefits and other employee benefits	101,699	–	101,699
Provisions for risks and charges	76,865	(10,574)	66,291
Liabilities held for sale	**–**	**86,427**	**86,427**
EQUITY	**563,378**	**–**	**563,378**
– attributable to owners of the parent	509,226	–	509,226
– attributable to non–controlling interests	54,152	–	54,152
TOTAL LIABILITIES AND EQUITY	**4,204,591**	**–**	**4,204,591**

2.2.3 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

(€k)	31.12.2010	31.12.2009	Change
Bank and post office deposits	116,950	133,178	(16,228)
Cash and equivalents on hand	59,199	60,938	(1,739)
Total	**176,149**	**194,116**	**(17,967)**

"Bank and post office deposits" consist mainly of current accounts (€ 110,150k).

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

At constant exchange rates, the change in this item would have been € –25,802k.

II. Other financial assets

(€k)	31.12.2010	31.12.2009	Change
Fair value of interest rate hedging derivatives	8,877	5,656	3,221
Receivables from associates	2,852	2,898	(46)
Fair value of exchange rate hedging derivatives	1,354	1,145	209
Other financial assets	1,903	2,206	(303)
Total	**14,985**	**11,904**	**3,081**

"Fair value of interest rate hedging derivatives" refers to the fair value measurement of the derivatives outstanding at 31 December 2010, for a total notional value of $ 75m.

"Fair value of exchange rate hedging derivatives" refers to the fair value measurement of the derivatives entered into to hedge the exchange rate risk, in particular to the forward purchase and/or sale of currency.

See section 2.2.6, "Financial risk management", for a more detailed analysis of how the Group manages these risks.

Most of the "Other financial assets" are receivables from joint venture partners.

III. Tax assets

These amount to € 5,677k and refer to income tax advances and credits.

IV. Other receivables

(€k)	31.12.2010	31.12.2009	Change
Suppliers	75,671	73,723	1,948
Lease and concession advance payments	24,151	24,653	(503)
Inland revenue and government agencies	13,016	12,643	373
Credit card receivables	10,598	10,604	(6)
Personnel	1,470	4,170	(2,700)
Advances to grantors for investments	6,204	3,136	3,068
Sub–concessionaires	1,713	3,017	(1,305)
Other	25,766	42,669	(16,903)
Discontinued operations ("Flight") *	–	4,691	(4,691)
Total	**158,588**	**179,307**	**(20,719)**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

"Suppliers" refers chiefly to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received. "Lease and concession advance payments" consist of lease instalments paid in advance; 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 landlords.

The decrease in the heading "Other" is explained chiefly by the collection of receivables from the sale of goods in 2009 and the offsetting of payables accrued during the year from the amount due from the ultimate parent, Edizione S.r.l., to Italian companies participating in the national tax consolidation scheme (now € 4,919k, versus € 11,586k at 31 December 2009). It also includes prepayments for maintenance, insurance policies, and local taxes, and commissions receivable on commission–generating businesses.

At constant exchange rates, the change in this item would have been € –19,864k.

V. Trade receivables

(€k)	31.12.2010	31.12.2009	Change
Third parties	61,125	63,813	(2,689)
Disputed receivables	8,419	8,384	35
Allowance for impairment	(9,812)	(9,195)	(617)
Discontinued operations ("Flight") *	–	47,042	(47,042)
Total	**59,732**	**110,045**	**(50,313)**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

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

At constant exchange rates, the change in this item would have been € –3,938k.

Movements in the “Allowance for impairment” are shown below:

(€k)	
Allowance for impairment at 31.12.2009	**11,432**
Increases	1,245
Other movements	1,049
Utilisations	(380)
Discontinued operations (“Flight”)	(3,533)
Allowance for impairment at 31.12.2010	**9,812**

VI. Inventories

(€k)	31.12.2010	31.12.2009	Change
Food & Beverage	121,352	105,303	16,049
Travel Retail & Duty–Free	121,408	114,224	7,184
Sundry merchandise and other	3,530	3,929	(400)
Discontinued operations (“Flight”) *	–	12,550	(12,550)
Total	**246,290**	**236,006**	**10,284**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

The increase in Food & Beverage inventories is due mainly to the greater supply of fuel, resulting from the transfer of 78 Esso stations in Italy to the management of the subsidiary Nuova Sidap S.r.l. The rise in Travel Retail & Duty–Free inventories is explained by the greater quantity of merchandise needed to keep up with the increase in sales, as well as the dip in traffic at UK airports at the tail end of 2010 because of snow.

Inventories are shown net of the provision for obsolescence of € 4,793k (€ 5,045k at 31 December 2009, net of the Flight business), determined on the basis of slow–moving goods. The allocation for the year was € 7,326k and utilisations came to € 7,739k.

At constant exchange rates, the change in this item would be € +14,453k.

Non–current assets

VII. Property, plant and equipment

	31.12.2010			31.12.2009		
(€k)	Gross amount	Accumulated depreciation & impairment losses	Carrying amount	Gross amount	Accumulated depreciation & impairment losses	Carrying amount
Land and buildings	163,867	(78,262)	85,605	147,366	(65,313)	82,053
Leasehold improvements	1,025,386	(700,388)	324,998	939,768	(627,767)	312,001
Plant and machinery	273,758	(208,205)	65,553	252,008	(179,030)	72,978
Industrial and commercial equipment	790,194	(569,648)	220,546	736,914	(508,472)	228,442
Assets to be transferred free of charge	469,195	(357,520)	111,675	464,352	(347,098)	117,254
Other	64,564	(52,251)	12,313	62,400	(46,330)	16,070
Assets under construction and payments on account	104,368	–	104,368	77,092	–	77,092
Discontinued operations (“Flight”) *	–	–	–	180,826	(101,524)	79,302
Total	**2,891,332**	**(1,966,274)**	**925,058**	**2,860,726**	**(1,875,534)**	**985,192**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

Investments in 2010 amounted to € 224,961k (of which € 215,957k for property, plant and equipment), while the net carrying amount of disposals was € 6,315k. The disposals generated net capital gains of € 186k.

In addition to depreciation of € 211,954k, impairment testing of individual locations or contracts resulted in impairment losses of € 19,222k. Impairment testing was based on estimated future cash flows, without incorporating any assumed efficiency gains, discounted at the average cost of capital gross of taxes (5.6% to 13.1% depending on the cost of money and the specific business risks associated with each country of operation).

At constant exchange rates, the change in this item would have been € –22,141k.

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

The increase in "Assets under construction and payments on account" mainly reflects the greater investments underway in North America.

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

	31.12.2010			31.12.2009		
(€k)	Gross amount	Accumulated depreciation	Carrying amount	Gross amount	Accumulated depreciation	Carrying amount
Land and buildings	12,174	(9,645)	2,529	2,869	(1,429)	1,439
Plant and equipment	762	(351)	411	294	(235)	59
Assets to be transferred free of charge	13,809	(9,532)	4,277	13,809	(9,099)	4,710
Total	**26,745**	**(19,528)**	**7,217**	**16,972**	**(10,763)**	**6,209**

The financial payable for these goods amounts to € 13,762k and is included under "Other financial liabilities" (current) for € 2,102k (€ 2,595k at the end of 2009) and "Other financial liabilities" (non–current) for € 11,660k (€ 7,597k the previous year). Future lease payments at 31 December 2010 amounted to € 25,748k (€ 7,416k the previous year, net of discontinued operations).

The Group also uses third party assets worth € 1,625k and rents businesses with assets worth € 14,819k.

VIII. Goodwill

At 31 December 2010 goodwill amounted to € 1,377,154k, compared with € 1,418,511k the previous year. The change includes exchange rate gains of +69,888k, impairment losses of € 22,161k, and the sale of the Flight segment, for which goodwill amounted to € 89,084k at the close of 2009.

The cash–generating units (CGUs) were identified 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 allocated to different CGU's shifted by business segments and geographic regions are provided in the table below:

(€k)	31.12.2010	31.12.2009	Change
Food & Beverage Italy	83,516	83,516	–
Food & Beverage HMSHost	446,263	412,796	33,468
Food & Beverage Other	265,245	268,198	(2,953)
Travel Retail & Duty–Free:			
Europe	492,732	480,779	11,953
North America	37,850	35,827	2,023
Central and South America	5,655	5,245	410
Rest of the world	45,892	43,066	2,826
Flight	–	89,084	(89,084)
Total	**1,377,154**	**1,418,511**	**(41,357)**

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 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 2011 budget and forecasts for 2012–2015. Cash flows beyond 2015 have been projected by extrapolating information from those forecasts and applying nominal growth rates ("g"), which do not exceed the long–term growth estimates of each CGU's sector and country of operation.

Below are the main assumptions used for impairment testing. Only the discount rate has changed since the previous year, to reflect market conditions at 31 December 2010:

	Forecast period	Terminal value calculation method Yield used	Forecast nominal growth rate "g"	Discount rate 2010		Discount rate 2009	
				Post taxes	Before taxes	Post taxes	Before taxes
Food & Beverage							
Italy	5 years	Perpetual	2.0%	7.19%	10.08%	7.15%	9.85%
HMSHost	5 years	Perpetual	2.0%	6.22%	8.72%	5.80%	7.81%
Other countries	5 years	Perpetual	1.0%–2.0%	5.11%–9.26%	5.91%–10.01%	5.45%–8.58%	6.12%–9.11%
Travel Retail & Duty–Free							
Europe	5 years	Perpetual	2.0%	6.70%–11.38%	8.24%–15.56%	6.52%–13.84%	7.88%–17.22%
North and South America	5 years	Perpetual	2.0%	6.22%–8.86%	7.71%–12.09%	5.76%–9.10%	5.76%–16.00%
Rest of the world	5 years	Perpetual	3.5%	7.50%–11.19%	8.19%–15.70%	7.90%–12.36%	9.18%–15.30%
Flight	5 years	Perpetual	2.0%	–	–	7.96%	10.15%

To estimate cash flows for the period 2011–2015, management made some assumptions including an estimate of air and road traffic volumes, future 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: for 2011–2015, compound average revenue growth is projected at 3.0% per year. This assumes a moderate recovery in motorway traffic and a renewal rate for expiring contracts in line with the Group's track record. Operating costs are expected to rise as a percentage of revenue as leases and concession contracts expire, reflecting a probable increase in rent.
- HMSHost: projections for 2011 assume a slight recovery in airport and motorway traffic, continuing a trend that

emerged for air traffic in the second half of 2010. Revenue is expected to grow and to return to 2008 levels in 2012. Overall, compound annual revenue growth for the period 2011–2015 is projected at 3.9%. The renewal rate of existing contracts was estimated on the basis of the Group's historical trends. The total incidence of operating costs is expected to decrease slightly as a result of the rise in business volumes.

- Other European countries: in terms of revenue projections, compound annual growth is expected to be around 2.2%, thanks to a recovery in road and airport traffic. The total incidence of operating costs is assumed to decrease as a result of cost–cutting measures.
  For all CGUs, growth investments are correlated with the expiration of contracts, while maintenance investments are assumed to be consistent with historical trends. No significant changes are expected for working capital.

Travel Retail & Duty–Free:

- Europe: specific traffic assumptions were formed for the United Kingdom and Spain. In the United Kingdom, airport traffic is expected to grow by an average of 2.7% from 2011 to 2015, outpacing the trend of the last few years, with a higher proportion of long–range traffic that suggests compound annual revenue growth of more than 4.5%. Spain, which was harder hit by the decline in airport traffic over the years and by the recent financial crisis, should enjoy moderate traffic growth and will probably not see its 2007 revenue exceeded until 2014. 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 companies acquired. The other cost items are expected to continue existing trends, save for rent increases in the years when important contracts expire. Higher investment is assumed in parallel with expiring contracts.
- Americas: from 2011 to 2015, traffic is expected to grow by an average of over 3% per year in the U.S. and Canada and by 4–5.5% per year in Central and South America, with compound annual revenue growth of 5–6%. Projections assume that the profitability will stabilise, after a start–up phase, for units in North America and remain stable for South American operations.
- Rest of the world: average traffic growth is projected at 3–7% per year from 2011–2015, differentiated from country to country. Average profitability is expected to rise in the Middle East and remain stable in Asia.

  Growth investments are correlated with contract renewals, while maintenance investments are assumed to be consistent with historical trends. No significant changes are expected for working capital.

On the basis of these assumptions, the amount of goodwill attributed to each CGU was found to be fully recoverable, with the exception of Food & Beverage in Holland where there is a prevalence of hotel services. The impairment losses recognised on goodwill for this CGU (€ 22,161k, included under "Food & Beverage – other") reflects two considerations:

- the intensity of the investments required to regain adequate occupancy rates and room prices, in a market still hampered by excess supply;
- the Group's focus on its core businesses.

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

	Discount rate net of taxes	g
Food & Beverage		
Italy	*	*
HMSHost	12.11%	(9.02%)
Other countries	7.35% / 21 .92%	(17.4%) / +0.87%
Travel Retail & Duty–Free		
Europe	11 .44%	(5.62%)
North and South America	16.71%	(22.76%)
Rest of the world	16.77%	(14.88%)

* Even if a very prudential WACC and g are applied, the Cash Generating Unit shows a positive balance

IX. Other intangible assets

(€k)	31.12.2010	31.12.2009	Change
Concessions, licenses, brands and similar rights	800,309	856,967	(56,658)
Assets under development and payments on account	2,393	3,960	(1,567)
Other	16,150	18,152	(2,002)
Discontinued operations ("Flight") *	–	25,389	(25,389)
Total	**818,852**	**904,468**	**(85,616)**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original utilisation

"Concessions, licenses, brands and similar rights" consist mainly of the amounts determined upon fair–value measurement of the assets and liabilities acquired with World Duty Free and Aldeasa. Specifically, the Group has recognised contractual rights for € 651,761k (€ 705,257k at 31 December 2009) and the tradename World Duty Free for € 105,853k (€ 108,560k the previous year).

All "Other intangible assets" have finite useful lives.

At constant exchange rates, the change in this item would amount to € –83,618k.

In addition to amortisation of € 93,060k, impairment testing resulted in impairment losses of € 3,816k. These tests are based on projected cash flows, without taking potential efficiency gains into account.

The following table shows movements during the year in intangible assets (including goodwill and other intangible assets) and in property, plant and equipment.

Intangible assets

	31.12.2009			Change in gross carrying amount				
(€k)	Gross carrying amount	Accumulated amort. and imp. losses	Carrying amount	Change in scope of consolid.	Exchange rate gains (losses)	Increases in historical cost	Decreases	Other movements
Concessions, licenses, brands and similar rights	1,040,581	(183,614)	856,967	816	29,498	2,005	(7,753)	6,508
Goodwill	1,342,055	(12,628)	1,329,427	–	70,660	–	(450)	–
Assets under development and payments on account	3,960	–	3,960	–	–	2,780	(75)	(4,272)
Other	58,107	(39,955)	18,152	–	860	4,219	(524)	499
Discontinued operations ("Flight") *	140,100	(25,627)	114,473	–	7,481	64	(273)	932
Total	**2,584,803**	**(261,824)**	**2,322,979**	**816**	**108,499**	**9,068**	**(9,075)**	**3,667**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

Property, plant and equipment

	31.12.2009			Change in gross carrying amount				
(€k)	Gross carrying amount	Accumulated depr. and imp. losses	Carrying amount	Change in scope of consolid.	Exchange rate gains (losses)	Increases in historical cost	Decreases	Other movements
Land and buildings	147,366	(65,313)	82,053	–	9,289	10,923	(4,294)	583
Leasehold improvements	939,768	(627,767)	312,001	3,277	54,268	42,873	(48,450)	33,650
Plant and machinery	252,008	(179,030)	72,978	–	15,958	10,314	(7,721)	3,199
Industrial and commercial equipment	736,914	(508,472)	228,442	1,457	27,525	34,374	(36,296)	26,220
Assets to be transferred free of charge	464,352	(347,098)	117,254	–	–	14,325	(18,177)	8,695
Other	62,400	(46,330)	16,070	–	2,271	2,238	(3,161)	816
Assets under construction and payments on account	77,092	–	77,092	20	3,910	100,910	(1,666)	(75,898)
Discontinued operations ("Flight") *	180,826	(101,524)	79,302	–	10,920	9,506	(6,250)	–
Total	**2,860,726**	**(1,875,534)**	**985,192**	**4,754**	**124,141**	**225,463**	**(126,015)**	**(2,735)**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

				Amortisation/impairment losses					31.12.2010		
				Increases							
"Flight" disposal	Total	Change in scope of consolid.	Exchange rate gains (losses)	Amor.	Imp. losses	Decreases	"Flight" disposal	Total	Gross carrying amount	Accumulated amort. and imp. losses	Carrying amount
–	31,074	–	(6,106)	(86,302)	(3,806)	8,482	–	(87,732)	1,071,655	(271,346)	800,309
–	70,210	–	(772)	–	(22,161)	450	–	(22,483)	1,412,265	(35,111)	1,377,154
–	(1,567)	–	–	–	–	–	–	–	2,393	–	2,393
–	5,054	–	(785)	(6,761)	(10)	500	–	(7,056)	63,161	(47,011)	16,150
(148,304)	(140,100)	–	(2,449)	(6,015)	–	294	33,797	25,627	–	–	–
(148,304)	**(35,329)**	**–**	**(10,112)**	**(99,078)**	**(25,977)**	**9,726**	**33,797**	**(91,644)**	**2,549,474**	**(353,468)**	**2,196,006**

				Depreciation/impairment losses					31.12.2010		
				Increases							
"Flight" disposal	Total	Change in scope of consolid.	Exchange rate gains (losses)	Depr.	Imp. losses	Decreases	"Flight" disposal	Total	Gross carrying amount	Accumulated depr. and imp. losses	Carrying amount
–	16,501	–	(5,408)	(4,351)	(7,148)	3,958	–	(12,949)	163,867	(78,262)	85,605
–	85,618	(1,645)	(34,282)	(74,934)	(8,580)	46,820	–	(72,621)	1,025,386	(700,388)	324,998
–	21,750	–	(12,143)	(23,004)	(1,336)	7,308	–	(29,175)	273,758	(208,205)	65,553
–	53,280	(1,016)	(18,191)	(76,882)	(1,434)	36,347	–	(61,176)	790,194	(569,648)	220,546
–	4,843	–	–	(26,997)	697	15,878	–	(10,422)	469,195	(357,520)	111,675
–	2,164	–	(1,853)	(5,786)	(1,338)	3,056	–	(5,921)	64,564	(52,251)	12,313
–	27,276	–	–	–	(83)	83	–	–	104,368	–	104,368
(195,002)	(180,826)	–	(5,701)	(11,439)	–	5,927	112,737	101,524	–	–	–
(195,002)	**30,606**	**(2,661)**	**(77,578)**	**(223,393)**	**(19,222)**	**119,377**	**112,737**	**(90,740)**	**2,891,332**	**(1,966,274)**	**925,058**

X. Investments

This item is mainly comprised of associates, measured using the equity method.

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

Using the equity method, € –451k was recognised in the income statement under "Share of profit of equity accounted investments".

Name	Registered office	Country	%	Currency	Revenue	Profit/(loss) for the year	Total assets	Total liabilities	Carrying amount (€k)
					Currency/000				
Investments in associates									
Souk al Mouhajir S.A.	Casablanca	Marocco	36%	Dhs	4,169	(406)	18,188	2,746	468
Creuers del Port de Barcelona S.A.	Barcelona	Spain	23%	Euro	17,386	6,360	50,895	23,178	6,209
Dewina Host Sdn Bhd	Kuala Lumpur	Malaysia	49%	Myr	25,842	1,349	13,092	2,971	1,206
TGIF National Airport Restaurant Joint Venture	Texas	USA	25%	Usd	2,717	85	27	14	1
HKSC Developments L.P. (Projecto)	Winnipeg	Canada	49%	Cad	116,368	(4,204)	42,578	27,913	5,448
HKSC Opco L.P. (Opco)	Winnipeg	Canada	49%	Cad	2,138	30	758	728	11
Others									542
Total									**13,885**

XI. Other financial assets

(€k)	31.12.2010	31.12.2009	Change
Interest bearing sums with third parties	5,082	5,122	(40)
Guarantee deposits	7,888	8,806	(919)
Other financial receivables from third parties	3,061	3,028	32
Total	**16,030**	**16,957**	**(927)**

At constant exchange rates, the change in this item would have been € –1,584k.

"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 € 95,750k (€ 98,748k at 31 December 2009). The change for the year, € –2,998k, would amount to € –6,436k at constant exchange rate.

The main components of this item are detailed below:
- € 33,800k (€ 38,058k at 31 December 2009) for the US companies, where deferred tax assets are generated primarily by the different amortisation period of leasehold improvements and the deferred deductibility of provisions for concession fees;
- € 34,268k (€ 21,886k at 31 December 2009) for the Spanish companies, mostly in relation to tax losses carried forward and the deferred deductibility of provisions for concession fees;
- € 10,348k (€ 12,062k at 31 December 2009) for the French companies, mostly in connection with losses carried forward and the different amortisation and depreciation periods.

Tests carried out on the basis of the companies' prospects for future taxable income led to the recognition of the impairment losses of € 1,646k on deferred tax assets.

Tax losses existing at 31 December 2010 on which deferred tax assets have not been recognised amount to € 128,897k.

At 31 December 2010, "Deferred tax liabilities" not offsettable against deferred tax assets amounted to € 159,112k (€ 175,806k in 2009, net of discontinued operations) and refer mainly to temporary differences concerning the intangible assets to which the Group allocated part of the price paid for the World Duty Free Europe Ltd. and Aldeasa S.A. acquisitions.

At constant exchange rates, the change would have been € –22,738k.

Total net deferred tax liabilities at 31 December 2010 (€ 63,362k) are analysed below:

	2010		2009	
	Temporary differences	Tax effect	Temporary differences	Tax effect
Trade receivables	(7,723)	(2,123)	(30,151)	(8,269)
Other receivables	57,093	18,930	38,656	13,963
Property, plant and equipment and other intangible assets	(544,541)	(154,885)	(643,526)	(168,815)
Total temporary differences on assets	**(495,171)**	**(138,079)**	**(635,021)**	**(163,121)**
Other payables	(3,523)	(2,133)	(27,721)	(8,140)
Post–employment and other employee benefits	(74,446)	(26,102)	(60,701)	(24,301)
Provisions for risks and charges	(24,836)	(5,306)	(32,345)	(5,866)
Other reserves and retained earnings	(27,040)	(7,410)	(58,086)	(15,946)
Total temporary differences on liabilities and equity	**(129,845)**	**(40,950)**	**(178,853)**	**(54,252)**
Net deferred tax assets		**(97,129)**		**(108,868)**
Deferred tax assets arising from tax losses		33,767		31,810
Total net deferred tax assets pertaining to the "Flight" business				(3,600)
Total net deferred tax assets		**(63,362)**		**(80,658)**

XIII. Other receivables

Most of the other non–current receivables (€ 33,931k at 31 December 2010) consist of premiums due from suppliers in relation to long–term procurement contracts and concession fees paid in advance.

XIV. Assets held for sale

This item amounts to € 1,032k and refers to an investment property held for sale.

Current liabilities

XV. Trade payables

Trade payables at 31 December 2010 amounted to € 674,582k (€ 655,488k at the end of 2009, net of the Flight segment). At constant exchange rates, the change would have been € +7,782k, in line with the increase in business volumes.

XVI. Tax liabilities

At € 24,048k, these increased by € 11,761k (net of the Flight segment) and refer to taxes accrued during the year. The tax liability of the main Italian companies participating in Edizione S.r.l.'s national tax consolidation scheme is recognised under "Other payables".

At constant exchange rates, the change in this item would be € +11,047k .

XVII. Other payables

(€k)	31.12.2010	31.12.2009	Change
Personnel expense	143,642	122,452	21,190
Due to suppliers for investments	77,915	60,426	17,489
Social security and defined contribution plans	40,840	36,799	4,041
Indirect taxes	35,121	34,403	718
Withholding taxes	11,227	12,077	(850)
Other	46,037	42,890	3,147
Discontinued operations ("Flight") *	–	15,384	(15,384)
Total	**354,781**	**324,431**	**30,350**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

"Personnel expense" includes the amount due under long–term incentive plans.

The heading "Other" includes amounts due to directors and statutory auditors (€ 1,097k), as well as accrued liabilities for insurance, utilities, and maintenance pertaining to 2010.

At constant exchange rates, the change in this item would be € +34,584k.

XVIII. Due to banks

(€k)	31.12.2010	31.12.2009	Change
Unsecured bank loans	115,340	144,802	(29,462)
Current account overdrafts	19,267	14,369	4,898
Total	**134,607**	**159,171**	**(24,564)**

This item pertains to Autogrill S.p.A. for € 92,460k and represents the payment due in March 2011 on the medium-term loan taken out in 2008 to finance the acquisition of World Duty Free Europe Ltd. (£ 79.6m).

At constant exchange rates, the change in this item would amount to € –26,496k.

XIX. Other financial liabilities

(€k)	31.12.2010	31.12.2009	Change
Fair value of interest rate hedging derivatives	65,415	63,823	1,592
Accrued expenses and deferred income for interest on loans	9,076	9,317	(241)
Lease payments due to others	2,102	2,595	(494)
Fair value of exchange rate hedging derivatives	1,088	1,283	(194)
Other financial accrued expenses and deferred income	132	487	(355)
Liabilities due to others	741	–	741
Total	**78,554**	**77,505**	**1,049**

"Fair value of interest rate hedging derivatives" refers to the fair value measurement of interest rate hedging derivatives (mostly interest rate swaps) outstanding at 31 December 2010, with notional amounts of € 240m and £ 400m. The increase for the year reflects the change in interest rates.

"Fair value of exchange rate hedging derivatives" refers to the fair value measurement of the derivatives, in particular to the forward sale and/or purchase of currency.

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

Non–current liabilities

XX. Other payables

The balance of € 73,823k (€ 77,584k in 2009, net of the Flight segment) consists mainly of concession fees to be paid by the end of 2012, the allocation for long–term employee incentive plans, and the liability for defined contribution plans.

XXI. Loans net of current portion

(€k)	31.12.2010	31.12.2009	Change
Unsecured bank loans	1,184,170	1,540,388	(356,218)
Commissions on bond issues	(3,852)	(6,955)	3,103
Total due to banks	**1,180,318**	**1,533,433**	**(353,115)**
Lease payments due to others	11,660	7,597	4,063
Liabilities due to others	832	825	7
Total	**1,192,810**	**1,541,855**	**(349,045)**

At constant exchange rates, the change in this item would have been € –370,052k.

More specifically, long–term bank loans outstanding at 31 December 2010 are as follows:
- a € 200m loan taken out in 2005, to be repaid in a single instalment in June 2015;
- drawdowns on a multicurrency revolving credit facility of € 300m granted in 2005, maturing in June 2012, whose utilisation enabled the early repayment of the € 500m revolving credit line contracted in May 2007;
- a revolving credit facility of € 125m arranged in 2008, maturing in March 2013, partially drawn down in British pounds (£ 5m) and in US dollars ($ 20m);
- a € 275m term loan taken out in 2008, to be repaid in a single instalment in March 2013;
- the remaining £ 397.6m of a term loan (original amount: £ 477.5m, corresponding to € 600m on the inception date), due in March 2013 and payable in three annual instalments of £ 79.6m starting in March 2010, plus a final payment of £ 238.7m at maturity. The short–term portion of £ 79.6m, due in March 2011, has been reclassified to the item "Due to banks".

At 31 December 2010 the credit facilities maturing after one year had been drawn down by about 81%. Floating interest is charged on all bank loans. The average term of bank loans, including unutilised credit lines, is about two years and three months.

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

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

At 31 December 2010, as in all previous observation periods, these covenants were fully satisfied. The leverage ratio (net debt/EBITDA) decreased from 2.97 at 31 December 2009 to 2.47, versus an upper limit of 3.50, while interest coverage (EBITDA/net financial expense) increased from 7.24 to 8.65, compared with a minimum of 4.50. The Group therefore enjoys extensive financial flexibility.

XXII. Bonds

(€k)	31.12.2010	31.12.2009	Change
Non–convertible bonds	44,903	30,543	14,361
Total current	**44,903**	**30,543**	**14,361**
Non–convertible bonds	319,821	335,720	(15,899)
Commissions on bond issues	(978)	(1,267)	289
Total non–current	**318,843**	**334,453**	**(15,610)**
Total	**363,746**	**364,996**	**(1,250)**

"Non–convertible bonds" refer to private placements guaranteed by Autogrill S.p.A. and issued by Autogrill Group Inc.:

- in January 2003 for a total of $ 370m; after the redemption at maturity of $ 44m in January 2010, at the close of the year there was a remaining balance of $ 326m in two tranches of $ 60m and $ 266m, maturing respectively in January 2011 and January 2013, paying half–yearly coupons at respective fixed interest rates of 5.66% and 6.01%;
- in May 2007 for a total of $ 150m, paying fixed annual interest of 5.73% half–yearly and maturing in May 2017. Exposure to fair value fluctuations is hedged by an interest rate swap with a notional amount of $ 75m.

At 31 December 2010 this item amounted to € 363,746k, compared with € 364,996k at the end of 2009. The change reflects the redemption mention above, the translation effect (€ +28,518k) and the change in fair value.

In 2010 there was a loss on the hedged item of $ 3.7m (€ 2.8m) and a gain on the hedge of the same amount, so the effect on the income statement was nil. The cumulative amount of fair value changes on the hedged item increased the liability at 31 December 2010 by $ 11.9m (€ 8,9m).

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

As in the case of long–term bank loans, the private placement regulations require 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 2010, as in all previous observation periods, these covenants were fully satisfied. The leverage ratio (net debt/EBITDA) decreased from 3.10 at 31 December 2009 to 2.52, versus an upper limit of 3.50, while interest coverage (EBITDA/net financial expense) increased from 6.93 to 8.62, compared with a minimum of 4.50. The Group therefore enjoys extensive financial flexibility.

XXIII. Post–employment benefits and other employee benefits

This item amounted to € 94,719k at the close of the year, a decrease of € 6,980k with respect to 31 December 2009.

At constant exchange rates, the change would have been € –9,524k.

The table below shows details of the employee benefits included in this item. The legal obligation for Italian post–employment benefits (*trattamento di fine rapporto* or "TFR") is € 75,087k, compared with € 69,506k determined on an actuarial basis.

(€k)	31.12.2010	31.12.2009	Change
Defined benefit plans:			
Post–employment benefit	69,506	72,399	(2,893)
Health insurance plans	289	327	(38)
Other	24,924	28,973	(4,049)
Total	**94,719**	**101,699**	**(6,980)**

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 2010:

(€k)	31.12.2010	31.12.2009	31.12.2008
Present value of the funded plans	212,225	206,171	161,495
Fair value of the plan assets	(189,771)	(167,761)	(139,731)
Total	**22,454**	**38,410**	**21,764**
Present value of the unfunded plans	65,405	73,640	76,863
Actuarial gains (losses) not recognised	6,860	(10,351)	8,875
Net liabilities recognised	**94,719**	**101,699**	**107,502**

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

(€k)	2010		2009	
Discount rate	2.6%	6.0%	3.3%	6.7%
Inflation rate	0.8%	3.6%	2.0%	3.8%
Yield on assets	2.7%	4.6%	3.2%	7.3%
Salary increase rate	0.2%	6.8%	1.0%	4.8%
Pension increase rate	1.8%	4.6%	0.5%	3.5%
Increase in healthcare costs	9.1%		9.4%	

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

(€k)	2010	2009	Change
Cost of benefits for current service	4,329	5,019	(690)
Interest expense	13,015	12,283	732
Estimated yield on plan assets	(8,428)	(7,156)	(1,272)
Total	**8,916**	**10,146**	**(1,230)**

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".

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

Present value of the obligation at 31.12.2008	**238,358**
Cost of benefits for current service	5,019
Interest expense	12,283
Actuarial losses (gains)	31,788
Group's share of contributions	2,671
Benefits paid	(15,771)
Exchange rate gains (losses)	7,257
Other	(1,794)
Present value of the obligation at 31.12.2009	**279,811**
Cost of benefits for current service	4,329
Interest expense	13,015
Actuarial losses (gains)	(3,148)
Group's share of contributions	2,147
Benefits paid	(18,894)
Exchange rate gains (losses)	15,442
Other	(15,073)
Present value of the obligation at 31.12.2010	**277,630**

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

Fair value of the assets at 31.12.2008	**139,731**
Estimated yield on plan assets	7,156
Actuarial losses (gains)	11,343
Employees' share of contributions	9,288
Group's share of contributions	2,591
Benefits paid	(8,141)
Exchange rate gains (losses)	5,840
Other	(47)
Fair value of the assets at 31.12.2009	**167,761**
Estimated yield on plan assets	8,428
Actuarial losses (gains)	12,899
Employees' share of contributions	10,066
Group's share of contributions	2,059
Benefits paid	(12,944)
Exchange rate gains (losses)	13,532
Other	(12,031)
Fair value of the assets at 31.12.2010	**189,771**

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

XXIV. Provisions for risks and charges

(€k)	Balance at 31.12.2009	Other movements	Accruals	Utilisations	"Flight" business disposal	Balance at 31.12.2010
Provision for taxes	2,415	297	41	(534)	–	2,219
Other provisions	7,759	(2,427)	10,417	(7,407)	–	8,342
Restructuring provision	1,597	32	(24)	(1,098)	–	507
Provision for legal disputes	1,284	76	755	–	–	2,116
Onerous contracts provision	–	–	423	–	–	423
Total provisions for current risks and charges	**13,055**	**(2,021)**	**11,613**	**(9,039)**	**–**	**13,607**
Other provisions	26,500	1,240	4,324	(1,950)	–	30,114
Onerous contracts provision	18,090	675	(2,041)	(2,778)	–	13,946
Provision for the refurbishment of third party assets	6,588	2,533	25	–	–	9,146
Provision for taxes	6,722	23	–	(507)	–	6,237
Provision for legal disputes	5,342	–	800	(1,279)	–	4,863
Provision for assets to be transferred free of charge	3,050	–	–	–	–	3,050
Discontinued operations ("Flight") *	10,574	2,188	(180)	(848)	(11,734)	–
Total provisions for non–current risks and charges	**76,865**	**6,658**	**2,930**	**(7,362)**	**(11,734)**	**67,357**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

There were no significant changes in the composition of this item with respect to 31 December 2009. The change is due to normal allocations and utilisations for the year.

At constant exchange rates, this item would have decreased by € 1,590k.

Provision for taxes
The current portion relates primarily to disputes over US companies' direct and indirect tax obligations (€ 2,110k), while most of the non–current portion concerns tax disputes involving companies in the Travel Retail & Duty–Free division (€ 6,096k).

Other provisions
These refer mainly to a "self–insurance" provision (€ 21,795k) to cover the excess on third–party liability provided for in insurance plans. In 2010, an accrual of € 10,917k was made and € 9,105k was taken out for settlements.

Decreases refer primarily to the use of the self–insurance provision.

Restructuring provision
This covers the integration plan in the Travel Retail & Duty–Free segment.

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 amounts.

Provision for the refurbishment of third party assets
This represents estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition.

Onerous contracts provision
This refers to long–term leases or concession agreements on commercial units that are not profitable enough to cover the rent.

XXV. Equity attributable to owners of the parent

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.

Schematrentaquattro S.r.l., a wholly–owned subsidiary of Edizione S.r.l., owns shares representing 59.28% of the share capital.

Autogrill S.p.A. owns 125,141 treasury shares, for a carrying amount of € 944k.

Movements in equity items during the year are detailed in a separate schedule.

The more important movements were as follows:

- decrease of € 1,940k for the effective portion of the fair value change of derivatives designated as cash flow hedges (€ –2,676k), net of the tax effect (€ +736k);
- increase of € 96,867k for exchange gains on the translation of foreign currency financial statements;
- decrease of € 17,602k for fair value losses on net investment hedges (€ –24,279k), net of the tax effect (€ +6,677k);
- increase of € 74k for the amount pertaining to the year of the value of the stock option plan launched in 2010;
- increase for profit attributable to owners of the parent (€ 103,408k).

The legal reserve (€ 26,458k) increased by € 2,618k due to allocation of the previous year's profit, as resolved by the annual general meeting of 20 April 2010.

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

	2010			2009		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Effective portion of the fair value change of derivatives designated as cash flow hedges	(2,676)	736	(1,940)	3,180	(1,113)	2,067
Gains (losses) from translation of financial statements in non–euro currencies	102,960	–	102,960	44,128	–	44,128
Gains (losses) on net investment hedge	(24,279)	6,677	(17,602)	(29,563)	8,129	(21,434)
Total other consolidated comprehensive income	**76,005**	**7,413**	**83,418**	**17,745**	**7,016**	**24,761**

Information on basic and diluted earnings per share is provided at the foot of the income statement and discussed further in note XXXVI.

2.2.4 Notes to the income statement

Comments on the items making up the income statement are provided below.

Due to the sale of the Flight segment at the end of 2010, the results from that business for both 2009 and 2010 have been reclassified to “Profit from discontinued operations” in accordance with IFRS 5.

XXVI. Revenue

Revenue in 2010 came to € 6,014,184k, an increase of € 599,726k with respect to the previous year's revenue of € 5,414,458k.

At constant exchange rates, the increase would have been € +463,783k.

Revenue includes the sale of fuel, mostly at rest stops in Italy and Switzerland, which came to € 310,640k (€ 89,053k the previous year).

XXVII. Other operating income

(€k)	2010	2009	Change
Bonuses from suppliers	59,784	63,207	(3,423)
Income from business leases	12,334	12,682	(348)
Affiliation fees	3,498	3,859	(361)
Gains on sales of property, plant and equipment	923	17,027	(16,104)
Other revenue	48,012	43,329	4,682
Total	**124,551**	**140,105**	**(15,554)**

“Other revenue” consists mainly of commissions from the sale of goods and services (e.g. fuel and cell phone top–up cards) for which the Group acts as an agent.

At constant exchange rates. the change would have been € –16,380k.

XXVIII. Raw materials, supplies and goods

(€k)	2010	2009	Change
Purchases	2,401,457	2,008,564	392,893
Change in inventories	(14,453)	47,728	(62,181)
Total	**2,387,004**	**2,056,292**	**330,712**

At constant exchange rates, the change would have been € +287,948k.

The increase with respect to 2009 is in line with the growth in revenue.

XXIX. Personnel expense

(€k)	2010	2009	Change
Wages and salaries	1,128,869	1,039,285	89,584
Social security contributions	200,808	191,007	9,800
Employee benefits	27,662	25,708	1,954
Other costs	84,756	71,480	13,276
Total	**1,442,094**	**1,327,480**	**114,614**

At constant exchange rates, the change would have been € +77,008k.

“Other costs” includes the portion pertaining to the year of the stock option plan launched in 2010 (€ 74k), as well as fees paid to members of the Board of Directors (see Section 2.2.11 for details).

The average headcount, expressed in terms of equivalent full–time employees, was 46,451 (47,113 the previous year, net of the Flight segment).

XXX. Leases, rentals, concessions and royalties

(€k)	2010	2009	Change
Leases, rentals and concessions	1,082,263	1,002,003	80,259
Royalties	68,533	61,481	7,052
Total	**1,150,795**	**1,063,484**	**87,311**

At constant exchange rates, the change in this item would be € +59,944k.

The increase correlates with the growth in sales revenue and reflects the higher cost of new and extended contracts.

XXXI. Other operating costs

(€k)	2010	2009	Change
Utilities	95,088	96,230	(1,142)
Maintenance	80,782	77,343	3,440
Cleaning and disinfestations	51,486	47,549	3,937
Consulting services	46,111	38,346	7,764
Commissions on credit card payments	39,080	32,535	6,545
Storage and transport	22,057	20,701	1,356
Advertising and market research	25,509	24,316	1,193
Travel expenses	27,223	22,918	4,305
Telephone and postal charges	17,526	16,675	850
Equipment hire and lease	8,821	8,542	279
Insurance	5,999	7,698	(1,698)
Surveillance	8,335	7,583	752
Transport of valuables	5,822	5,774	47
Banking services	5,614	4,992	623
Sundry materials	34,712	28,672	6,040
Other services	27,232	33,274	(6,042)
Costs for materials and services	**501,398**	**473,148**	**28,250**
Impairment losses on receivables	**1,227**	**1,001**	**226**
For taxes	41	1,910	(1,869)
For legal disputes	1,435	4,226	(2,791)
For resctructuring	(24)	1,541	(1,566)
For onerous contracts	(1,617)	5,290	(6,907)
For other risks	10,722	12,758	(2,036)
Provisions for risks	**10,557**	**25,726**	**(15,169)**
Indirect and local taxes	**21,875**	**23,452**	**(1,577)**
Cash differences	1,632	1,974	(342)
Gains (losses) on disposals	737	1,910	(1,173)
Other charges	16,038	15,991	46
Other operating costs	**18,407**	**19,875**	**(1,468)**
Total	**553,463**	**543,201**	**10,262**

At constant exchange rates, the change would have been € –3,289k.

"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)	2010	2009	Change
Other intangible assets	93,063	90,950	2,114
Property, plant and equipment	184,957	190,852	(5,895)
Assets to be transferred free of charge	26,997	27,173	(176)
Total	**305,017**	**308,975**	**(3,958)**

At constant exchange rates, this item would have decreased by € 11,168k.

Impairment losses (net of reversals) were recognised in the amount of € 45,199k, 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)	2010	2009	Change
Goodwill	22,161	9,765	12,396
Other intangible assets	3,816	1,413	2,403
Property, plant and equipment	19,919	10,024	9,895
Assets to be transferred free of charge	(697)	9,640	(10,337)
Total	**45,199**	**30,842**	**14,357**

As mentioned in note VIII, in 2010 the goodwill for the CGU providing food & beverage and hotel services along Dutch highways was fully impaired.

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

XXXIII. Financial income and expense

Financial income

(€k)	2010	2009	Change
Interest income	1,403	1,197	206
Ineffective portion of hedging instruments	402	2,290	(1,888)
Exchange rate gains	1,221	912	309
Other financial income	4,556	1,475	3,081
Total	**7,582**	**5,874**	**1,708**

Financial expense

(€k)	2010	2009	Change
Interest expense	69,626	88,104	(18,478)
Discounting of long–term liabilities	4,667	6,776	(2,108)
Interest differential on exchange rate hedges	70	161	(91)
Fees paid on loans and bonds	5,626	3,407	2,219
Other financial expense	2,487	595	1,892
Total	**82,476**	**99,043**	**(16,567)**
Total net financial expense	**(74,894)**	**(93,168)**	**18,274**

The reduction in interest expense relates primarily to the decrease in net debt during the year.

XXXIV. Income tax

The balance of € 89,415k (€ 100,010k in 2009) includes € 91,319k in current taxes (€ 79,760k the previous year) and € 13,676k in net deferred tax assets (net deferred tax liabilities of € 8,160k in 2009), which result mainly from testing the recoverability of fiscal losses reported in 2009 and previous years. Regional tax on productive activities (IRAP), which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense, came to € 11,772k (€ 12,090k in 2009).

In 2010 the Group's theoretical tax rate, excluding IRAP, was approximately 38.8% (39% the previous year).

Excluding IRAP, the average incidence of taxes on the consolidated pre tax profit decreased from 67.1% in 2009 to 43.2%, as results from one jurisdiction to the next were less polarised than last year and projections are more favourable as to the recoverability of tax losses, especially for the companies in the Travel Retail and Duty–Free segment.

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)	2010	2009
Theoretical income tax	**69,746**	**51,054**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(3,716)	(3,175)
Net effect of unrecognised tax losses, of utilisation of tax losses carried–forward and the revision of estimates on the taxability/deductibility of temporary differences	7,328	36,552
Other permanent differences	4,286	3,489
Income tax, excluding IRAP	**77,643**	**87,920**
IRAP	11,772	12,090
Recognised income tax	**89,415**	**100,010**

"Other permanent differences" also reflect the absence, in 2010, of the tax effect of the impairment loss on goodwill.

XXXV. Profit from discontinued operations

Totalling € 24,960k, this is the net profit of the Flight segment (in–flight catering and retail sales) sold by the Autogrill Group on 31 December 2010, plus capital gains and less costs to sell, as detailed in Section 2.2.2.

XXXVI. Basic and diluted earnings per share

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

Diluted earnings per share takes account of dilutive potential shares deriving from stock option plans when determining the number of shares outstanding.

Below is the calculation of basic earnings per share:

	2010	2009
Profit for the year attributable to owners of the parent (€k)	103,408	37,014
Weighted average no. of outstanding shares (no./000)	254,275	254,275
Basic earning per share (€/cents)	**40.7**	**14.6**

Diluted earnings per share:

	2010	2009
Profit for the year attributable to owners of the parent (€k)	103,408	37,014
Weighted average no. of outstanding shares (no./000)	254,275	254,275
Weighted average no. of shares included in stock option plans (no./000)	180	–
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,455	254,275
Diluted earning per share (€/cents)	**40.6**	**14.6**

We also present basic earnings per share from continuing operations:

	2010	2009
Profit for the year from continuing operations attributable to owner of the parent (€k)	78,448	23,399
Weighted average no. of outstanding shares (no./000)	254,275	254,275
Basic earning per share from continuing operations (€/cents)	**30.9**	**9.2**

Diluted earnings per share from continuing operations:

	2010	2009
Profit for the year from continuing operations attributable to owner of the parent (€k)	78,448	23,399
Weighted average no. of outstanding shares (no./000)	254,275	254,275
Weighted average no. of shares included in stock option plans (no./000)	180	–
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	254,455	254,275
Diluted earning per share from continuing operations (€/cents)	**30.8**	**9.2**

2.2.5 Net financial position

Details of the net financial position at 31 December 2010 and 31 December 2009 are as follows:

Note	(€m)		31.12.2010	31.12.2009	Change
I	A)	Cash on hand	59.2	60.9	(1 .7)
I	B)	Cash equivalents	117.0	133.2	(16.2)
	C)	Securities held for trading	–	–	–
	D)	**Cash and cash equivalents (A + B + C)**	**176.1**	**194.1**	**(18.0)**
II	**E)**	**Current financial assets**	**15.0**	**11.9**	**3.1**
XVIII	F)	Due to banks, current	(134.6)	(159.2)	24.6
XXII	G)	Bonds issued	(44.9)	(30.5)	(14.4)
XIX	H)	Other financial liabilities	(78.6)	(77.5)	(1 .0)
	I)	**Current financial indebtedness (F + G + H)**	**(258.1)**	**(267.2)**	**9.2**
	J)	**Net current financial indebtedness (I – E – D)**	**(66.9)**	**(61.2)**	**(5.7)**
XXI	K)	Due to banks, net of current portion	(1,180.3)	(1,533.4)	353.1
XXII	L)	Bonds issued	(318.8)	(334.5)	15.6
XXI	M)	Due to others	(12.5)	(8.4)	(4.1)
	N)	**Non–current financial indebtedness (K + L + M)**	**(1,511.7)**	**(1,876.3)**	**364.7**
	O)	**Net non–current indebtedness (J + N)**	**(1,578.6)**	**(1,937.5)**	**358.9**
XI	**P)**	**Non–current financial assets**	**3.1**	**3.0**	**–**
	Q)	**Net financial indebtedness (O – P)**	**(1,575.5)**	**(1,934.5)**	**358.9**

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

At the end of 2010 and 2009 there were no financial liabilities or assets due to or from related parties.

2.2.6 Financial risk management

The Group is exposed to the following risks:

- 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 interest rate 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 must be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly interest rate swaps (IRS).

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

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. Temporarily, that ratio was slightly higher at the close of 2010 (64%) due to significant payments made late in the year on floating–rate facilities, thanks in part to the proceeds of the sale of the in–flight catering business carried out by a subsidiary of World Duty Free Europe Ltd. The percentage of fixed–rate debt is higher when considering debt denominated in British pounds (99%) and US dollars (49%) as opposed to debt in euros (45%).

At 31 December 2010 gross debt denominated in US dollars amounted to \$ 802.1m. Of the total, \$ 487m stands for the bond loan. Part of the interest rate risk is hedged by fixed–to–floating interest rate swaps for \$ 75m, classified as fair value hedges.

Gross debt in British pounds at year end amounted to £ 403m: £ 398m for use of the term loan taken out for the acquisition of WDF and the rest for drawdowns on committed multicurrency facilities. Part of the interest rate risk is hedged by floating–to–fixed interest rate swaps for a notional amount of £ 400m.

When applying the policy described above, interest rate risk management instruments were accounted for as cash flow hedges in Group companies' financial statements where they were subject to this risk, and thus recognised as financial assets or liabilities with a specific balancing entry in comprehensive income and presented in the hedging reserve under equity. In the year ended 31 December 2010, a fair value loss of € –1,940k was recognised in respect of derivatives found to be effective.

The basic details of IRS contracts used as cash flow hedges at 31 December 2010 are as follows:

Underlying		Notional amount (in currency)	Expiry	Average fixed rate paid	Floating rate received	Fair value (€k)
€ 200m term loan	k€	120,000	24.06.2015	4.66%	3 months Euribor	(14,275)
€ 275m term loan	k€	120,000	07.03.2013	4.59%	1 month Euribor 1 month +0,165%	(8,815)
£ 402.9m term loan	k£	400,000	07.03.2013	5.39%	1 month Gbp Libor +0,32%	(42,325)

Below are the details of financial instruments used to hedge fixed–rate debt of $ 75m at the close of the year:

Underlying		Notional amount (in currency)	Expiry	Spot rate	Floating rate paid	Fair value (€k)
Bond	k$	75,000	05.09.2017	5.73%	6 months Usd Libor +0.4755/0.5055%	8,877

These instruments were accounted for as fair value hedges in the financial statements of Group companies subject to this risk, and thus recognised as financial assets or liabilities with a balancing entry in the income statement. In 2010, the in fair value gain was $ 3.7m (€ 2.8m), which cancelled the effects on the income statement of fair value losses on the payable.

The fair value of derivatives is measured using techniques based on parameters other than price that can be observed in the open market.

A hypothetical unfavourable change of 1% in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2010 would increase financial expense by € 8,665k.

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	Cad	Gbp	Chf
Net assets	209,122	198,762	234,831	331,483
Net profit	97,003	4,915	129,562	143,631

If the euro had risen by 5% against the above currencies, at 31 December 2010 equity and profit would have been reduced as shown in the following table:

	Usd	Cad	Gbp	Chf
Net assets	8,237	7,853	14,359	13,953
Net profit	3,851	189	7,949	5,477

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 of translation into euros in the parent's or its subsidiaries' financial statements of 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 2010 is shown below:

	Notional amount	Expiry	Spot rate	Forward rate	Fair value (€k)
kUsd	12,119	30.06.2011	1.3175–1.3368	1.315–1.334	(109)
kUsd	3,000	30.06.2011	1.4585	1.4549	183
kPen	4,500	30.06.2011	3.7660	3.7785	1
kCzk	13,000	13.01.2011	25.3000	25.3120	(5)
kCad	55,500	25.02.2011	1.3425–1.3438	1.344–1.3454	263
kGbp	38,298	31.01.2011	0.8510	0.8512	(509)
kGbp	35,000	18.01.2011	0.8540	0.8542	(318)
kPln	4,000	10.03.2011	4.0350	4.0580	(15)
kSek	6,000	27.01.2011	9.0800	9.0938	(9)
kChf	146,100	13.01.2011	1.2605	1.2600	907

For instruments hedging translation risk that are therefore designated as hedges of net investments, the effective component of fair value is recognised in comprehensive income and classified to the translation reserve under equity. The fair value of these hedges outstanding at 31 December 2010 is shown in the following table:

	Notional amount	Expiry	Spot rate	Forward rate	Fair value (€k)
kChf	60,000	31.01.2011	1.253–1.254	1.2526–1.2535	(123)

For the purpose of limiting total net exposure in British pounds due to the Group's presence in the UK by way of WDF, the Gbp–denominated debt has been partially designated – to the extent allowed by the policy – as a hedge of net investments.

The fair value of derivatives is measured using techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy, with no change on the previous year.

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 2.2.9.

Exposure at 31 December 2010 and 31 December 2009 was as follows:

Financial assets

(€k)	31.12.2010	31.12.2009 *	Change
Trade receivables	59,732	63,003	(3,272)
Other receivables	198,196	211,824	(13,628)
Cash and cash equivalents	176,149	194,116	(17,967)
Derivative instruments	10,230	6,800	3,430
Other financial assets	20,784	22,061	(1,276)
Total	**465,091**	**497,805**	**(32,714)**

* Excluding discontinued operations

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.

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

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

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

The following table shows the age of trade receivables by category of debtor at 31 December 2010:

Trade receivables

	31.12.2010					
		Expired not written down				
(€k)	Not expired	1–3 months	3–6 months	6 months – 1 year	Over 1 year	Total
Airlines	5,535	1,829	404	28	4	7,800
Franchises	3,785	476	–	1,061	–	5,322
Catering services agreements	2,893	2,175	452	500	11	6,032
Other	11,479	23,783	1,885	3,325	106	40,579
Total	**23,692**	**28,262**	**2,741**	**4,914**	**122**	**59,732**

Trade receivables

	31.12.2009 *					
		Expired not written down				
(€k)	Not expired	1–3 months	3–6 months	6 months – 1 year	Over 1 year	Total
Airlines	3,930	1,522	312	84	121	5,969
Franchises	4,722	668	–	–	1,177	6,567
Catering services agreements	2,233	2,659	164	124	1,376	6,556
Other	9,924	27,332	2,458	207	3,989	43,911
Total	**20,809**	**32,181**	**2,934**	**415**	**6,663**	**63,003**

* Excluding discontinued operations

There is no significant concentration of credit risk: the top 10 customers account for 10.4% of total trade receivables, and the largest customer (Total Erg S.p.A.) for 1.8%.

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.

The Group has ensured adequate financial coverage with respect to amounts and maturities, and has no significant imminent payments to meet on existing debt.

Exposure and maturity data at the close of 2010 and 2009 were as follows:

Non derivative financial liabilities

	31.12.2010						
		Contractual cash flows					
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months – 1 year	1-5 years	Over 5 years
Current account overdrafts	19,267	19,267	18,779	–	–	–	488
Unsecured bank loans	1,295,658	1,295,658	210,192	–	18,560	1,066,906	–
Lease payments due to others	13,762	13,763	731	733	1,466	4,334	6,500
Other financial liabilities	832	831	–	–	104	449	278
Bonds	363,746	363,746	43,924	–	–	199,072	120,749
Trade payables	674,581	674,581	671,120	3,163	298	–	–
Due to suppliers for investments	77,915	77,916	77,709	193	–	14	–
Total	**2,445,761**	**2,445,761**	**1,022,455**	**4,089**	**20,427**	**1,270,774**	**128,015**

Non derivative financial liabilities

	31.12.2009 *						
		Contractual cash flows					
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months – 1 year	1-5 years	Over 5 years
Current account overdrafts	14,369	14,369	14,180	–	189	–	–
Unsecured bank loans	1,678,235	1,678,235	123,262	62	14,523	1,540,388	–
Lease payments due to others	10,192	10,192	276	1,037	1,282	6,156	1,441
Other financial liabilities	825	825	2	–	87	86	650
Bonds	364,996	364,996	30,543	–	–	225,028	109,425
Trade payables	655,488	655,489	644,473	10,079	893	44	–
Due to suppliers for investments	60,426	60,426	59,854	572	–	–	–
Total	**2,784,532**	**2,784,532**	**872,590**	**11,750**	**16,975**	**1,771,701**	**111,516**

* Excluding discontinued operations

With regard to exposure to trade payables, there is no significant concentration of suppliers, of whom the largest 10 account for 19% of the total and the leading supplier (Autostrade per l'Italia S.p.A.) for 5%.

2.2.7 Segment reporting

Since the sale of the Flight business on 31 December 2010, the Autogrill Group works exclusively in two business segments, whose common denominator is direct service to people on the move. The two segments are “Food & Beverage” (or F&B) and airport shopping (“Travel Retail & Duty–Free”).

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. Following the acquisition of World Duty Free and exclusive control of Aldeasa, the Group began to integrate these with the Travel Retail & Duty–Free division of Alpha Group Plc., acquired in 2007. The integration of activities in the United Kingdom was completed by the end of 2008. In 2010, in parallel with the establishment of a distinct business group, managerial responsibility for the segment was unified and the next phase of integration began, involving organisation, processes and systems.

Group management tracks the performance of this segment as a whole, and then breaks down the trends by airport and type of merchandise.

The Group has therefore identified the following operating segments:

1. Food & Beverage (“F&B”), which is split into country units. Since many of these are insignificant on their own, only “Italy” and “HMSHost” are reported individually while the rest are grouped together as “Other”.
2. Travel Retail & Duty–Free (“TR&DF”)

The revenue and costs presented are those directly pertaining to the segment as a result of its core business. The Group has taken operating profit/loss (EBIT) as a measure of each segment’s performance, while financial income and expense and income tax are assigned to the unallocated column.

Key information on operating segments is presented below, along with a breakdown of sales by region. The accounting policies used for segment reporting are the same as those employed in the consolidated financial statements.

	2010					
Segment (€k)	**Food & Beverage Italy**	**Food & Beverage HMSHost**	**Food & Beverage Other**	**Travel Retail & Duty-Free**	**Non-allocated**	**Consolidated**
Revenue	1,630,380	1,920,832	787,278	1,675,694	–	6,014,184
Other operating income	54,724	378	27,745	31,402	10,301	124,551
Total revenue and other operating income	**1,685,105**	**1,921,210**	**815,023**	**1,707,096**	**10,301**	**6,138,735**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(51,056)	(98,796)	(79,404)	(115,387)	(5,573)	(350,216)
Operating profit (loss)	**96,434**	**138,420**	**(25,190)**	**78,245**	**(32,746)**	**255,163**
Financial income (expense)					(74,894)	(74,894)
Share of profit of equity accounted investments					(451)	(451)
Pre tax profit (loss)					**(108,091)**	**179,818**
Income tax					(89,415)	(89,415)
Profit from discontinued operations					24,960	24,960
Profit (loss) for the year					**(172,546)**	**115,363**

	31.12.2010					
Goodwill	83,516	446,263	265,244	582,131	–	1,377,154
Other intangible assets	18,572	16,103	21,447	758,785	3,945	818,852
Property, plant and equipment	215,340	362,536	206,909	101,779	38,494	925,058
Investments	–	–	–	–	26,854	26,854
Non-current assets	**317,427**	**824,902**	**493,601**	**1,442,695**	**69,294**	**3,147,918**
Assets held for sale	**–**	**–**	**–**	**–**	**1,032**	**1,032**
Net working capital	(221,102)	(63,470)	(113,568)	(94,635)	(83,157)	(575,932)
Other non current non financial assets and liabilities	(81,703)	(11,724)	(12,237)	(30,788)	(149,676)	(286,129)
Net invested capital	**14,622**	**749,707**	**367,795**	**1,317,272**	**(162,507)**	**2,286,890**

Segment (€k)	Food & Beverage Italy	Food & Beverage HMSHost	Food & Beverage Other	Travel Retail & Duty-Free	Non-allocated	Consolidated
	2009 *					
Revenue	1,360,861	1,776,856	738,669	1,538,072	–	5,414,458
Other operating income	63,340	1,752	32,628	32,193	10,192	140,105
Total revenue and other operating income	**1,424,201**	**1,778,608**	**771,297**	**1,570,265**	**10,192**	**5,554,562**
Depreciation, amortisation and impairment losses on property, plant, equipment and intangible assets	(53,245)	(98,556)	(65,325)	(116,888)	(5,802)	(339,816)
Operating profit	**107,154**	**121,844**	**(12,479)**	**40,023**	**(32,253)**	**224,289**
Financial income (expense)					(93,169)	(93,168)
Share of profit of equity accounted investments					(127)	(127)
Pre tax profit (loss)					**(125,549)**	**130,994**
Income tax					(100,010)	(100,010)
Profit from discontinued operations					20,433	20,433
Profit (loss) for the year					**(205,126)**	**51,417**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

	31.12.2009 *					
Goodwill	83,516	412,795	268,198	564,918	–	1,329,427
Other intangible assets	18,530	14,423	26,015	820,110	–	879,078
Property, plant and equipment	212,939	357,411	216,281	119,260	–	905,890
Investments	–	–	–	–	25,093	25,093
Non-current assets	**314,985**	**784,629**	**510,493**	**1,504,288**	**25,093**	**3,139,489**
Assets held for sale	**–**	**–**	**–**	**–**	**172,595**	**172,595**
Net working capital	(217,496)	(137,083)	(103,580)	(56,500)	11,922	(502,737)
Other non current non financial assets and liabilities	(83,174)	(52,912)	(19,573)	(46,371)	(109,461)	(311,491)
Net invested capital	**14,315**	**594,633**	**387,341**	**1,401,417**	**100,149**	**2,497,856**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

Geographical area

(€k)	Italy	USA and Canada	United Kingdom	Spain	Other Europe	Other world	Consolidated
	2010						
Food & Beverage revenue	1,630,380	1,803,683	17,465	76,382	777,427	33,153	4,338,491
Travel Retail & Duty-Free revenue	–	76,595	785,090	526,920	7,711	279,378	1,675,694
Total revenue	**1,630,380**	**1,880,278**	**802,555**	**603,302**	**785,138**	**312,531**	**6,014,184**

(€k)	Italy	USA and Canada	United Kingdom	Spain	Other Europe	Other world	Consolidated
	2009 *						
Food & Beverage revenue	1,360,861	1,675,725	18,178	83,863	715,881	21,878	3,876,386
Travel Retail & Duty-Free revenue	–	61,437	713,887	494,266	9,378	259,104	1,538,072
Total revenue	**1,360,861**	**1,737,162**	**732,065**	**578,129**	**725,259**	**280,982**	**5,414,458**

* Please refer to Section 2.2.2 for the description of adjustments made to the figures since their original publication

2.2.8 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 2010 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.

	2010			
(€m)	**First quarter**	**First half**	**First nine months**	**Full year**
Revenue	1,157.9	2,582.2	4,215.5	5,703.5
% on full year	*20.3%*	*45.3%*	*73.9%*	*100.0%*
Operating profit	22.7	97.5	247.8	255.2
% on full year	*8.9%*	*38.2%*	*97.1%*	*100.0%*
Pre tax profit	3.3	55.7	190.2	179.8
% on full year	*1.9%*	*31.0%*	*105.8%*	*100.0%*
Profit attributable to the owners of the parent	(9.1)	23.5	116.8	103.4
% on full year	*n.s.*	*22.7%*	*113%*	*100.0%*

Notes:
In order to compare data with the figures shown in the Director's Report, revenue does not include fuel sales made primarily in Swiss and Italian motorway service areas
Profit includes profit from discontinued operations
Profit excludes non–controlling interests

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.

The consolidation of World Duty Free and the line–by–line consolidation of Aldeasa, whose businesses are concentrated in the central part of the year, have enhanced these seasonal patterns.

2.2.9 Guarantees given, commitments and contingent liabilities

Guarantees

At 31 December 2010 the guarantees given by the Autogrill Group amounted to € 181,468k (€ 187,467k at the close of 2009) and referred to performance bonds and other personal guarantees issued in favour of grantors and business counterparties. The decrease of € 5,999k is due mainly to the assignment of contracts, which involved returning the performance bonds that guaranteed participation in the bidding process, and the posting of definitive guarantees for lower amounts.

Commitments

Commitments outstanding at 31 December 2010, essentially unchanged since the previous year, concern:
- € 2,272k to be paid for the purchase of two commercial properties;
- the value of third–party assets in use (€ 1,625k);
- the value of the assets of leased businesses (€ 14,819k);
- the value of sale–or–return products held at Group locations (€ 5,425k).

The Group has also agreed to minimum future payments under operating leases, as detailed in section 2.2.10.

Contingent liabilities

For the sake of continuity of information, we report that in October 2004, the former controlling shareholders of Receco S.A. (Spain) began an arbitration proceeding requesting termination of the purchase and sale agreement. On 6 February 2006 the arbitral tribunal issued an award which states, inter alia, that purchase and sale 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.A. shall be transferred against simultaneous payment of the sum of € 6.5m. The award also orders that a bank guarantee be issued in favour of the buyer, Autogrill Participaciones S.L.U., for the amount of the guarantee determined.

The sellers, faced with this injunction, failed to comply and instead initiated two further arbitration proceedings before the International Chamber of Commerce. In the first request the sellers asked the tribunal to order that, due to exceptional events, the final sale price be determined on the basis of operating profit (EBIT) for 2009, and not for 2006 as originally stated in the agreement. The second request is to invalidate the method and computation of an outside expert, chosen by agreement between the parties in compliance with the first arbitration award, for the determination of 2004 operating profit functional to determining the amount of the guarantee to be provided by the sellers upon transfer of the remaining 15% of Receco S.A.

In 2007, the arbitral tribunal accepted a request from Autogrill Participaciones that the two proceedings be unified.

On 23 October 2009, after completing all evidence gathering and other preliminary steps, the arbitral tribunal issued a partial award in favour of Autogrill Participaciones confirming that the final sale price should be based on EBIT for 2006, and appointed a new accounting expert to determine that amount.

The new expert substantially confirmed the conclusions of the first, but remitted to the arbitral tribunal the interpretation of some contract provisions relevant to computing the final price of Receco shares.

Autogrill's legal team is confident that a final decision will be reached during the first half of 2011.

2.2.10 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 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 business 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.

Sub–contract

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

The table below gives details by due date of the Group's future minimum lease payments at 31 December 2010:

(€k)	Total future lease payments	Sub–lease future payments [1]	Net future lease payments
2011	736,919	23,939	712,980
2012	669,888	18,195	651,693
2013	511,603	13,074	498,529
2014	466,392	10,374	456,018
2015	425,824	7,675	418,149
After 2015	1,784,001	17,800	1,766,201
Total	**4,594,628**	**91,058**	**4,503,569**

[1] Refers to part of the sub–concessions granted mainly in the USA and Italy, as agreed with the grantor

In 2010, the fees recognised in the income statement amount to € 1,082,263k for leases (including € 744,550k in guaranteed minimums), net of € 48,779k for sub–leases (including € 19,283k in guaranteed minimums).

2.2.11 Other information

Related party transactions

Autogrill S.p.A. is controlled by Schematrentaquattro S.r.l., which owns a 59.28% interest. Schematrentaquattro S.r.l. is a wholly–owned subsidiary of 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 Edizione S.r.l.

(€k)	2010	2009	Change
Income statement			
Revenue	3	3	–
Other operating income	90	90	–
Personnel expense	124	130	(6)
Other operating expense	16	–	16

(€k)	31.12.2010	31.12.2009	Change
Statement of financial position			
Trade receivables	4	4	–
Other receivables	4,919	11,586	(6,667)
Other payables	127	151	(24)

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

"Personnel expense" refers to the fees accrued at 31 December 2010 for two directors of Autogrill S.p.A., which were paid over to Edizione S.r.l. where the parties respectively serve as board member and executive manager.

"Other operating expense" refer to the hire of meeting rooms.

"Other receivables" refer to excess IRES (corporate tax) advances paid by Autogrill S.p.A. in 2010, net of the IRES liability on 2010 income (€ 2,337k), and the IRES refund due for the deduction from taxable income of IRAP (regional tax) paid from 2004 to 2007 (€ 2,025k). The amount shown also includes € 100k due to Alpha Retail Italia S.r.l. and € 457k due to Nuova Sidap S.r.l. for participation in the national tax consolidation scheme of Edizione S.r.l.

Transactions with subsidiaries of Edizione S.r.l.

Income statement (€k)	Bencom S.r.l. 2010	2009	Change
Other operating income	380	411	(31)
Other operating expense	–	2	(2)

Statement of financial position (€k)	31.12.2010	31.12.2009	Change
Trade receivables	665	773	(109)
Trade payables	–	–	–

	Verde Sport S.p.A.			Atlantia group			Edizione Property S.p.A.		
Income statement (€k)	2010	2009	Change	2010	2009	Change	2010	2009	Change
Revenue	28	30	(2)	21	9	12	5	5	0
Other operating income	2	2	(0)	1,682	3,596	(1,914)	–	–	–
Other operating expense	85	65	20	917	905	12	–	–	–
Lease, rentals, concessions and royalties	–	–	–	77,737	74,997	2,740	–	–	–
Financial expense	–	–	–	1,393	1,419	(26)	–	–	–

Statement of financial position (€k)	31.12.2010	31.12.2009	Change	31.12.2010	31.12.2009	Change	31.12.2010	31.12.2009	Change
Trade receivables	12	16	(4)	1,364	1,081	283	6	7	(0)
Other receivables	–	–	–	54	–	54	–	–	–
Trade payables	3	39	(36)	38,371	43,656	(5,285)	–	–	–
Other payables	20	–	20	2	–	2	–	–	–

- Atlantia group: “Other operating income” refers to commissions on sales of Viacards (automatic toll collection cards), the reimbursement of utility costs incurred on behalf of Autostrade per l’Italia S.p.A., and the contribution of co–marketing activities for the improvement of quality in motorway catering.
  “Other operating expense” refer mainly to the purchase of advertising space.
  “Leases, rentals, concessions and royalties” consist of rent and accessory costs pertaining to the year.
  “Financial expense” reflect interest accrued at the annual rate of 4% in relation to the revised payment schedule for concession fees. The liability was settled before the end of December.
  The change in “Trade payables” relates mostly to greater coverage of the advances paid during the year with respect to total concession fees accrued.

- Benetton Group S.p.A.: “Other operating expense” refer to the hire of meeting rooms. Since August, rent has been managed by Edizione S.r.l.

- Fabrica S.p.A.: transactions refer to graphic design consulting and advertising production costs.

- Verde Sport S.p.A.: “Revenue” and “Trade receivables” refer to sales of products under the franchisee contract for operating a Spizzico restaurant at La Ghirada – Città dello Sport. “Other operating expense” concern sponsorships at sporting events and the purchase of advertising space.

- Olimpias S.p.A.: expense refers to the purchase of uniforms for sales personnel and the purchase of sundry materials.

- Bencom S.r.l.: “Other operating income” refers to rent and related charges for the sublet of premises in Via Dante, 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.

Benetton Group S.p.A.			Fabbrica S.p.A.			Olimpias S.p.A.		
2010	2009	Change	2010	2009	Change	2010	2009	Change
–	–	–	–	–	–	–	–	–
42	73	(31)	60	67	(7)	253	106	147

31.12.2010	31.12.2009	Change	31.12.2010	31.12.2009	Change	31.12.2010	31.12.2009	Change
–	–	–	–	–	–	–	–	–
–	10	(10)	20	22	(2)	87	65	22

Stock option plans

On 20 April 2010, the Annual General Meeting approved a stock option plan entitling executive directors and/or employees of Autogrill S.p.A. and/or its subsidiaries to purchase ordinary Autogrill shares at the ratio of one share per option granted. The options are granted to beneficiaries free of charge and may be exercised, once the vesting period has elapsed, at a strike price calculated as the average stock market price for the month preceding the grant date.

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

The stock option plan approved by the general meeting states that the options granted will only vest if, at the end of the vesting period, the terminal value of Autogrill shares is € 11.00 or higher. The terminal value is defined as the average official price of Autogrill S.p.A. ordinary shares during the three months prior to the last day of the vesting period, plus the dividends paid from the grant date until the end of the vesting period.

The number of options vested will then correspond to a percentage of the options granted, ranging from 30% for a terminal value of € 11 per share to 100% for a terminal value of € 17 per share or higher.

For each beneficiary there is also a “theoretical maximum capital gain” by virtue of which, regardless of other estimates, the number of options exercisable will be limited to the ratio “theoretical maximum capital gain”/(fair value – strike price)[2].

On 10 November 2010, the Board of Directors granted 1,261,000 options out of the 2,000,000 available, to 11 beneficiaries meeting the requirements of the plan. The options are exercisable during the period from 20 April 2014 to 30 April 2015, at a strike price of € 9.34.

The status of the plan at 31 December 2010 is as follows:
- options available: 2,000,000
- options granted: 1,261,000
- strike price: € 9.34 per share
- options exercised: none
- options expired: none

An independent external advisor has been hired to calculate the fair value of the stock options, based on the value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk–free rate of return.

The average fair value of the options granted in 2010 is € 1.30.

[2] As defined by Art. 9(4) of Presidential Decree no. 917 of 22 December 1986

For the year, the total costs recognised in profit or loss relation to share–based payment plans amounted to € 74k.

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

Remuneration of directors and key managers with strategic responsibilities

The following remuneration was paid to members of the Board of Directors and to executives with strategic responsibilities during the year ended 31 December 2010:

Name	Office held	Term of office	Remuneration (€)	Bonuses and other incentives (€)	Non–monetary benefits	Other fees (€)
Gilberto Benetton	Chairman	2008–2010	52,200			
Gianmario Tondato Da Ruos	CEO	2008–2010	510,443	850,000		479,149
Alessandro Benetton	Director	2008–2010	48,600			
Giorgio Brunetti	Director	2008–2010	63,200			
Antonio Bulgheroni	Director	2008–2010	59,400			
Francesco Giavazzi	Director	2008–2010	49,800			
Javier Gómez–Navarro	Director	2008–2010	52,200			
Arnaldo Camuffo	Director	2008–2010	60,000			
Paolo Roverato	Director	2008–2010	63,200			
Claudio Costamagna	Director	2008–2010	58,200			
Gianni Mion	Director	2008–2010	61,200			
Alfredo Malguzzi	Director	2008–2010	72,800			
Total directors			**1,151,243**	**850,000**	**–**	**479,149**
Managers with strategic responsibilities				2,178,972	189,497	3,112,362
Total			**1,151,243**	**3,028,972**	**189,497**	**3,591,511**

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

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

A significant portion of the variable remuneration received by the CEO and by managers with strategic responsibilities is tied to the achievement of specific targets established in advance by the Board, by virtue of their participation in management incentive plans. Specifically, the CEO and top managers participated during the year in an annual bonus system involving earnings and financial targets and other strategic objectives for the Group and/or the relevant business unit, as well as individual objectives. This was in addition to the three–year incentive plan for 2010–2012.

See the section "Stock option plans" for a description of stock options applicable to the CEO and managers with strategic responsibilities.

Statutory auditors' fees

The following fees were paid to members of the Board of Statutory Auditors in 2010:

Name	Office held	Term of office	Fees (€)	Other fees (€)
Luigi Biscozzi	Chairman	01.01–31.12.2010	94,747	25,656
Eugenio Colucci	Standing auditor	01.01–31.12.2010	62,698	16,859
Ettore Maria Tosi	Standing auditor	01.01–31.12.2010	65,206	17,856
Total Statutory Auditors			**222,652**	**60,371**

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

Independent auditors' fees for audits and other services

Type of service	Service provider	Recipient	Fees (€k)
Auditing	Parent's auditors	Parent	317
	Parent's auditors	Subsidiaries	62
	Parent's auditors network	Subsidiaries	2,468
Attestation	Parent's auditors	Parent	177
	Parent's auditors	Subsidiaries	21
	Parent's auditors network	Subsidiaries	684
Consulting	Parent's auditors network	Subsidiaries	467

Significant non–recurring events and transactions

In 2010, 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 Communications DEM/6037577 of 28 April 2006 and DEM/6064293 of 28 July 2006 were performed in 2010.

2.2.12 Subsequent events

Since 31 December 2010, no events have occurred that if known in advance would have entailed an adjustment to the figures in the consolidated financial statements or required additional disclosures in these Notes.

2.2.13 Authorisation for publication

The Board of Directors authorised the publication of these consolidated financial statements at its meeting of 8 March 2011.

List of consolidated companies and other investments

Company	Registered office	Currency	Share/quota capital	% held	Shareholders/quota
Parent					
Autogrill S.p.A.	Novara	Eur	132,288,000	59.28	Schematrentaquattro S.r.l.
Companies consolidated line-by-line:					
Alpha Retail Italia S.r.l.	Rome	Eur	10,000	100.000	Autogrill S.p.A.
Autogrill Austria A.G.	Gottlesbrunn	Eur	7,500,000	100.000	Autogrill S.p.A.
Autogrill Czech S.r.o.	Prague	Czk	126,000,000	100.000	Autogrill S.p.A.
Autogrill D.o.o.	Lubiana	Eur	2,480,000	100.000	Autogrill S.p.A.
Autogrill Hellas E.p:E.	Avlonas	Eur	1,696,350	100.000	Autogrill S.p.A.
Autogrill Polska Sp.zo.o.	Wroclaw	Pln	10,050,000	51 .000	Autogrill S.p.A.
HMSHost Ireland Ltd.	Lee View House	Eur	13,600,000	100.000	Autogrill S.p.A.
HMSHost Sweden A.B.	Stockholm	Sek	2,500,000	100.000	Autogrill S.p.A.
Nuova Sidap S.r.l.	Novara	Eur	100,000	100.000	Autogrill S.p.A.
Autogrill Catering UK Ltd.	London	Gbp	2,154,578	100.000	Autogrill S.p.A.
Restair UK Ltd. (in liquidation)	London	Gbp	1	100.000	Autogrill Catering UK Ltd.
Autogrill España S.A.U.	Madrid	Eur	1,800,000	100.000	Autogrill S.p.A.
Autogrill Participaciones S.L.U. (Autogrill Iberia from 1st january 2011)	Madrid	Eur	7,000,000	100.000	Autogrill S.p.A.
Restauracion de Centros Comerciales S.A. (RECECO)	Madrid	Eur	108,182	85.000	Autogrill Participaciones S.L.U.
Autogrill Finance S.A.	Luxembourg	Eur	250,000	99.996	Autogrill S.p.A.
				0.004	Autogrill Europe Nord-Ouest S.A.
Autogrill Europe Nord-Ouest S.A.	Luxembourg	Eur	41,300,000	99.999	Autogrill S.p.A.
				0.001	Autogrill Finance S.A.
Autogrill Deutschland GmbH	Munich	Eur	205,000	100.000	Autogrill S.p.A.
HMSHost Egypt Catering & Services Ltd.	Cairo	Egp	1,000,000	60.000	Autogrill Deutschland GmbH
World Duty Free Europe Ltd.	London	Gbp	12,484,397	80.100	Autogrill España S.A.U.
				19.900	Aldeasa S.A.
Autogrill Holdings UK Plc.	London	Gbp	24,249,234	100.000	World Duty Free Europe Ltd.
Autogrill Retail UK Ltd.	London	Gbp	360,000	100.000	World Duty Free Europe Ltd.
Alpha Airports Group (Jersey) Ltd.	Jersey Airport. St. Peter	Gbp	4,100	100.000	Autogrill Retail UK Ltd.
Alpha Retail Ireland Ltd.	Dublin	Eur	1	100.000	Autogrill Retail UK Ltd.
Pratt & Leslie Jones Ltd. (in liquidation)	London	Gbp	8,900	100.000	Autogrill Retail UK Ltd.
Alpha Airport Holdings B.V.	Boesingheliede	Eur	74,874	100.000	World Duty Free Europe Ltd.
Alpha Kreol (India) Pvt Ltd.	Mumbai	Inr	100,000	50.000	Alpha Airport Holdings B.V.
Orient Lanka Ltd.	Fort Colombo	Lkr	30,000,000	99.982	Alpha Airport Holdings B.V.
Alpha Airports Group Ltd.	London	Gbp	2	100.000	World Duty Free Europe Ltd.
Alpha MVKB Maldives Pvt Ltd.	Male	Mvr	1,596	60.000	Alpha Airports Group Ltd.
Alpha Airport Retail Holdings Pvt Ltd.	Mumbai	Inr	404,743,809	100.000	Alpha Airports Group Ltd.
Alpha Future Airport Retail Pvt Ltd.	Mumbai	Inr	97,416,000	50.000	Alpha Airport Retail Holdings Pvt Ltd.
				50.000	Alpha Airports Group Ltd.
Autogrill Holdings UK Pension Trustee Ltd.	London	Gbp	100	100.000	Autogrill Retail UK Ltd.
Alpha ESOP Trustee Ltd. (in liquidation)	London	Gbp	100	100.000	Alpha Airports Group Ltd.
Alpha Euroservices Ltd. (in liquidation)	London	Usd	170	100.000	Alpha Airports Group Ltd.
Alpha Airports Group (Channel Island) Ltd. (in liquidation)	St. Heliers - Jersey	Gbp	21	100.000	Alpha Airports Group Ltd.

Company	Registered office	Currency	Share/quota capital	% held	Shareholders/quota
Alpha Airports (FURBS) Trustees Ltd. (in liquidation)	London	Gbp	26,000	100.000	Alpha Airports Group Ltd.
Airport Duty Free Shops Ltd. (in liquidation)	London	Gbp	2	100.000	Alpha Airports Group Ltd.
Dynair B.V.	Schipolweg	Eur	18,000	100.000	Alpha Airports Group Ltd.
Autogrill Belgie N.V.	Antwerp	Eur	20,750,000	99.999	Autogrill Europe Nord-Ouest S.A.
				0.001	Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels Beheer N.V.	Antwerp	Eur	5,500,000	99.999	Autogrill Belgie N.V.
				0.001	Ac Restaurants & Hotels S.A.
Ac Restaurants & Hotels S.A.	Grevenmacher	Eur	1,250,000	99.995	Autogrill Belgie N.V.
				0.005	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	23,143	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	90,756	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	57,176	100.000	The American Lunchroom Co B.V.
Holding de Participations Autogrill S.a.s.	Marseille	Eur	84,581,920	99.999	Autogrill Europe Nord-Ouest S.A.
				0.001	Autogrill S.p.A.
Autogrill Aéroports S.a.s.	Marseille	Eur	2,207,344	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	50.005	Autogrill Coté France S.a.s.
Société Porte de Champagne S.A. (SPC)	Perrogney	Eur	153,600	53.440	Autogrill Coté France S.a.s.
Société de Restauration Autoroutière Dromoise S.a.s. (SRAD)	Marseille	Eur	1,136,000	50.000	Autogrill Coté France S.a.s.
				49.997	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.
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA)	Romens	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	1,537,320	100.000	Autogrill Coté France S.a.s.

Company	Registered office	Currency	Share/quota capital	% held	Shareholders/quota
Vert Pré Saint Thiebaut SCI	Nancy	Eur	457	96.700	SRSRA S.A.
				3.300	Holding de Participations Autogrill S.a.s.
TJ2D S.n.c.	Nancy	Eur	1,000	99.000	SGRR S.A.
				1 .000	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 Métropoles 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.	Romens	Eur	1,524	55.000	Autogrill Coté France S.a.s.
				45.000	SRSRA
Autogrill Commercial Catering France S.a.s.	Marseille	Eur	2,916,480	100.000	Holding de Participations Autogrill S.a.s.
Autogrill Centres Commerciaux S.àr.l.	Marseille	Eur	501,900	100.000	Holding de Participations Autogrill S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	Eur	375,000	100.000	Autogrill Coté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	Eur	375,000	100.000	Autogrill Restauration Carrousel S.a.s.
SPB S.àr.l.	Marseille	Eur	4,500	100.000	SGRR S.A.
Carestel Nord S.àr.l. (in liquidation)	Mulhouse	Eur	76,225	99.800	Autogrill Commercial Catering France S.a.s.
Autogrill Trois Frontières S.àr.l.	Marseille	Eur	621,999	100.000	Autogrill Aéroports S.a.s.
Autogrill Schweiz A.G.	Olten	Chf	23,183,000	100.000	Autogrill S.p.A.
Restoroute de Bavois S.A.	Bavois	Chf	2,000,000	73.000	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Avry devant Pont	Chf	1,500,000	54.300	Autogrill Schweiz A.G.
Autogrill Group Inc.	Delaware	Usd	33,793,055	100.000	Autogrill S.p.A.
CBR Specialty Retail Inc.	Delaware	Usd	–	100.000	Autogrill Group Inc.
HMSHost Corporation	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 L.L.C.	Delaware	Usd	–	100.000	Autogrill Group Inc.
Host International Inc.	Delaware	Usd	–	100.000	HMSHost Corp.
Cleveland Airport Services Inc. (in liquidation)	Delaware	Usd	–	100.000	Host International Inc.
HMS–Airport Terminal Services Inc.	Delaware	Usd	1,000	100.000	Host International Inc.
HMS Host Family Restaurants Inc.	Baltimora	Usd	2,000	100.000	HMSHost International Inc.
HMS Host Family Restaurants L.L.C.	Delaware	Usd	–	100.000	HMS Host Family Restaurants Inc.
Gladieux Corporation	Ohio	Usd	750	100.000	HMSHost International Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	Myr	–	100.000	Host International Inc.
Host International of Canada Inc.	Vancouver	Cad	75,351,237	100.000	Host International Inc.
Host Canada L.P.	Calgary	Cad	–	99.900	Host International Inc.
				0.100	Host International Inc. of Maryland
SMSI Travel Centres Inc.	Vancouver	Cad	9,800,100	100.000	Host International of Canada Inc.
HMSHost Holding GP Inc.	Vancouver	Cad	–	100.000	SMSI Travel Centres Inc.
HMSHost Holding F&B GP Inc.	Vancouver	Cad	–	100.000	SMSI Travel Centres Inc.
HMSHost Motorways Inc	Vancouver	Cad	–	100.000	SMSI Travel Centres Inc.
HMSHost Motorways L.P.	Winnipeg	Cad	–	99.9999	SMSI Travel Centres Inc.
				0.0001	HMSHost Motorways. Inc.

Company	Registered office	Currency	Share/quota capital	% held	Shareholders/quota
HK Travel Centres GP. Inc.	Toronto	Cad	–	51 .000	HMSHost Holdings F&B GP. Inc.
HK Travel Centres L.P.	Winnipeg	Cad	–	51 .000	HMSHost Motorways L.P.
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.	North Cairns	Aud	3,910,102	100.000	Host International Inc.
Michigan Host Inc.	Delaware	Usd	1,000	100.000	Host International Inc.
HMSHost Services India Private Ltd.	Bangalore	Inr	668,441,680	99.000	Host International Inc
				1 .000	HMSHost International Inc.
HMS–Airport Terminal Services Inc.	Christchurch	Nzd	–	100.000	HMS–Airport Terminal Services Inc.
HMSHost Singapore Pte Ltd.	Singapore	Sgd	8,470,896	100.000	Host International Inc
HMSHost New Zealand Ltd.	Auckland	Nzd	1,520,048	100.000	Host International Inc
Anton Airfood Inc.	Delaware	Usd	1,000	100.000	Autogrill Group 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 North Carolina Inc.	North Carolina	Usd	–	100.000	Anton Airfood Inc.
Anton Airfood of Ohio Inc. (in liquidation)	Ohio	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.
Islip AAI Inc.	New York	Usd	–	100.000	Anton Airfood Inc.
Fresno AAI Inc.	California	Usd	–	100.000	Anton Airfood Inc.
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.
Anton/JQ RDU Joint Venture	North Carolina	Usd	–	100.000	Anton Airfood Inc.
Host Bush Lubbock Airport Joint Venture	Texas	Usd	–	90.000	Host International Inc.
Host/Diversified Joint Venture	Michigan	Usd	–	90.000	Host International Inc.
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 of Kahului Joint Venture Company	Hawaii	Usd	–	90.000	Host International Inc.
Host/Coffee Star Joint Venture	Texas	Usd	–	50.010	Host International Inc.
Host–Chelle–Ton Sunglass Joint Venture	North Carolina	Usd	–	80.000	Host International Inc.
Southwest Florida Airport Joint Venture	Florida	Usd	–	80.000	Host International Inc.
Host Honolulu Joint Venture Company	Hawaii	Usd	–	90.000	Host International Inc.
Host/Forum Joint Venture	Baltimore	Usd	–	70.000	Host International Inc.
HMS/Blue Ginger Joint Venture	Texas	Usd	–	55.000	Host International Inc.
Savannah Airport Joint Venture	Atlanta	Usd	–	45.000	Host International Inc.
Host/Aranza Services Joint Venture	Texas	Usd	–	50.010	Host International Inc.

Company	Registered office	Currency	Share/quota capital	% held	Shareholders/quota
Host & Garrett Joint Venture	Mississippi	Usd	–	75.000	Host International Inc.
Tinsley – Host – Tampa Joint Venture	Florida	Usd	–	49.000	Host International Inc.
Phoenix – Host Joint Venture	Arizona	Usd	–	70.000	Host International Inc.
Host Taco Joy Joint Venture	Atlanta	Usd	–	80.000	Host International Inc.
Host Chelsea Joint Venture	Texas	Usd	–	65.000	Host International Inc.
Host – Tinsley Joint Venture	Florida	Usd	–	84.000	Host International Inc.
Host / Tarra Enterprises Joint Venture	Florida	Usd	–	75.000	Host International Inc.
Metro–Host Joint Venture	Michigan	Usd	–	70.000	Host International Inc.
Ben–Zey/Host Lottery Joint Venture	Florida	Usd	–	40.000	Host International Inc.
Host D and D St. Louis Airport Joint Venture	Missouri	Usd	–	75.000	Host International Inc.
East Terminal Chili's 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	Atlanta	Usd	–	75.000	Host International Inc.
Houston 8/Host Joint Venture	Texas	Usd	–	60.000	Host International Inc.
Host–Houston 8 San Antonio Joint Venture	Texas	Usd	–	63.000	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	–	50.000	Anton Airfood Inc.
Host – Prose Joint Venture II	Virginia	Usd	–	70.000	Host International Inc.
HMS Host/Coffee Partners Joint Venture	Texas	Usd	–	50.010	Host International Inc.
Host–Grant Park Chili's Joint Venture	Arizona	Usd	–	60.000	Host International Inc.
Host/JV Ventures McCarran Joint Venture	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.
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 Joint Venture	Florida	Usd	–	70.000	Host International Inc.
Host of Santa Ana Joint Venture Company	California	Usd	–	75.000	Host International Inc.
Host Marriott Services – D/FW Joint Venture	Texas	Usd	–	65.000	Host International Inc.
Host Marriott Services – D/FWorth Joint Venture 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 Joint Venture	Atlanta	Usd	–	60.000	Host International Inc.
Host PJJD Jacksonville Joint Venture	Florida	Usd	–	51 .000	Host International Inc.
Host/JQ Raleigh Durham	North Carolina	Usd	–	75.000	Anton Airfood Inc.
Host–TFC–RSL. LLC	Kentucky	Usd	–	65.000	Host International Inc.
Host – Chelsea Joint Venture #4	Texas	Usd	–	63.000	Host International Inc.
Host – Houston 8 Terminal E. LLC	Texas	Usd	–	60.000	Host International Inc.
Host CTI Denver Airport Joint Venture	Colorado	Usd	–	90.000	Host International. Inc.
Host International (Poland) Sp.zo.o.	Poland	Pln	–	100.000	Host International. Inc.
Host International of Canada (RD). Ltd.	Canada	Cad	–	100.000	Host International. Inc.
Host Shellis Atlanta JV	Atlanta	Usd	–	70.000	Host International. Inc.
RDU A&W JV–Anton	North Carolina	Usd	–	100.000	Anton Airfood Inc.
Shenzhen Host Catering Company. Ltd.	Shenzhen	Cny	–	100.000	Host International. Inc.

Company	Registered office	Currency	Share/quota capital	% held	Shareholders/quota
Host/Howell – Mickens Joint Venture III	Texas	Usd	–	51 .000	Host International. Inc.
Host–Chelsea Joint Venture #3	Texas	Usd	–	63.800	Host International. Inc.
Autogrill Belux N.V.	Antwerp	Eur	10,000,000	99.999	Autogrill S.p.A.
				0.001	Carestel Motorway Services N.V.
Carestel Motorway Services N.V.	Antwerp	Eur	9,000,000	99.999	Autogrill Belux N.V.
				0.001	Ac Restaurants & Hotels Beheer N.V.
Carestel Beteiligungs GmbH & Co. (in liquidation)	Stuttgart	Eur	25,000	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	1,352,250	100.000	Aldeasa S.A.
Aldeasa Chile Ltda.	Santiago in Chile	Usd	2,516,819	99.990	Aldeasa S.A.
Sociedad de Distribución Aeroportuaria 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	99.990	Aldeasa S.A.
				0.010	Aldeasa Internacional S.A.
Aldeasa México S.A. de C.V.	Cancun	Mxn	60,962,541	99.900	Aldeasa S.A.
				0.100	Aldeasa Internacional S.A.
Transportes y Suministros Aeroportuarios S.A. (in liquidation)	Madrid	Eur	1,202,000	100.000	Aldeasa S.A.
Aldeasa Cabo Verde S.A.	Isla de Sal	Cve	6,000,000	99.990	Aldeasa S.A.
				0.010	Aldeasa Internacional S.A.
Prestadora de Servicios en Aeropuertos S.A. de C.V. (in liquidation)	Cancun	Mxn	50,000	99.900	Aldeasa S.A.
				0.100	Aldeasa Internacional S.A.
Aldeasa Italia S.l.r.	Naples	Eur	10,000	100.000	Aldeasa S.A.
Aldeasa Duty Free Comercio e Importación de Productos Ltda.	Sao Paulo		145,300	99.800	Aldeasa S.A.
				0.200	Aldeasa Internacional S.A.
Panalboa S.A.	Panama	Pab	150,000	80.000	Palacios y Museos
Audioguiarte Servicios Culturales S.L.	Madrid	Eur	251,000	100.000	Palacios y Museos
Aldeasa Servicios Aeroportuarios Ltda. (in liquidation)	Santiago in Chile	Usd	15,000	99.990	Aldeasa S.A.
Aldeasa Projets Culturels S.a.s.	Paris	Eur	1,301,400	100.000	Palacios y Museos
Cancouver Uno S.L.	Madrid	Eur	3,010	100.000	Alpha Airports Group Ltd.
Aldeasa US Inc.	Wilmington	Usd	49,012,087	100.000	Alpha Airports Group Ltd.
Alpha Keys Orlando Retail Associates Ltd.	Florida	Usd	100,000	85.000	Alpha Airport Services Inc.
Alpha Airport Services Inc.	Florida	Usd	1,400,000	100.000	Aldeasa US Inc.
Aldeasa Atlanta L.L.C.	Atlanta	Usd	1,122,000	100.000	Aldeasa US Inc.
Aldeasa Atlanta JV	Atlanta	Usd	2,200,000	76.000	Aldeasa Atlanta L.L.C.
Aldeasa Jordan Airports Duty Free Shops Ltd. (AJADFS)	Amman	Usd	705,219	100.000	Alpha Airports Group Ltd.
Aldeasa Curacao N.V.	Curaçao	Usd	500,000	100.000	Alpha Airports Group Ltd.
Aldeasa Canada Inc.	Vancouver	Cad	1,000	100.000	Cancouver Uno S.L.
Aldeasa Vancouver L.P.	Vancouver	Cad	32,701,000	99.998	Cancouver Uno S.L.
				0.002	Aldeasa Canada Inc.
Palacios y Museos S.l.U.	Madrid	Eur	160,000	100.000	Aldeasa S.A.

Company	Registered office	Currency	Share/quota capital	% held	Shareholders/quota
Companies consolidated proportionally:					
Steigenberger Gastronomie GmbH	Frankfurt	Eur	750,000	49.990	Autogrill Deutschland GmbH
Alpha ASD Ltd.	London	Gbp	20,000	50.000	Alpha Airports Group Ltd.
Caresquick N.V.	Brussels	Eur	3,300,000	50.000	Autogrill Belux N.V.
Companies consolidated using the equity method:					
Dewina Host Sdn Bhd	Kuala Lumpur	Myr	–	49.000	Host International. Inc.
TGIF National Airport Restaurant Joint Venture	Texas	Usd	–	25.000	Host International. Inc.
HKSC Developments L.P. (Projecto)	Winnipeg	Cad	–	49.000	SMSI Travel Centres. Inc.
HKSC Opco L.P. (Opco)	Winnipeg	Cad	–	49.000	HMSHost Motorways L.P.
Souk al Mouhajir S.A.	Tangier	Dhs	6,500,000	35.840	Aldeasa S.A.
Creuers del Port de Barcelona S.A.	Barcelona	Eur	7,700,000	23.000	Aldeasa S.A.

Certification by the CEO and Financial Reporting Officer

CERTIFICATION
of the consolidated financial statements
pursuant to Art. 81–*ter* of the Consob Regulations
(no. 11971 of 14 May 1999, as amended)

1. We, the undersigned, Gianmario Tondato Da Ruos as Chief Executive Officer and Mario Zanini as Financial Reporting Officer of Autogrill S.p.A., hereby declare, including in accordance with Art. 154–*bis* (3) and (4) of Legislative Decree 58 of 24 February 1998:

a) the adequacy of in relation to the characteristics of the business; and

b) due compliance with

the administrative and accounting procedures for the preparation of the consolidated financial statements during the course of 2010.

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

3. We also confirm that:

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

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

Milan, 8 March 2011

Gianmario Tondato Da Ruos
Chief Executive Officer

Mario Zanini
Financial Reporting Officer

Independent Auditor's Report

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

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(Translation from the Italian original which remains the definitive version)

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

To the shareholders of
Autogrill S.p.A.

1 We have audited the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2010, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The 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, in order to reflect the application of IFRS 5 following the sale of the "Flight" segment, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements. We audited such consolidated financial statements and issued our report thereon on 30 March 2010. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2010.

3 In our opinion, the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2010 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Autogrill Group as at 31 December 2010, the results of its operations and its cash flows for the year then ended.

Autogrill Group
Report of the auditors
31 December 2010

4 The directors of Autogrill S.p.A. are responsible for the preparation of a directors' report on the financial statements and a report on the corporate governance and shareholding structure, published in the "governance" section of Autogrill S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2010.

Milan, 30 March 2011

KPMG S.p.A.

(signed on the original)

Giovanni Rebay
Director of Audit

3. SEPARATE FINANCIAL STATEMENTS

3.1 Separate financial statements of Autogrill S.p.A.

3.1.1 Statement of financial position

Note	(€)	31.12.2010	31.12.2009	Change
	ASSETS			
I	Cash and cash equivalents	37,002,296	39,863,702	(2,861,406)
II	Other financial assets	161,378,685	64,509,031	96,869,654
III	Tax assets	–	812,301	(812,301)
IV	Other receivables	52,026,514	59,613,676	(7,587,162)
V	Trade receivables	22,580,117	27,173,832	(4,593,715)
VI	Inventories	58,184,651	57,694,965	489,686
	Total current assets	**331,172,263**	**249,667,507**	**81,504,756**
VII	Property, plant and equipment	212,411,325	210,098,222	2,313,103
VIII	Goodwill	83,631,225	78,786,906	4,844,319
IX	Other intangible assets	38,877,270	39,633,905	(756,635)
X	Investments	1,202,965,850	623,417,609	579,548,241
XI	Other financial assets	712,533,893	1,458,578,612	(746,044,719)
XII	Other receivables	12,429,674	15,756,338	(3,326,664)
	Total non-current assets	**2,262,849,237**	**2,426,271,592**	**(163,422,355)**
	TOTAL ASSETS	**2,594,021,500**	**2,675,939,099**	**(81,917,599)**
	LIABILITIES AND EQUITY			
	LIABILITIES			
XIII	Trade payables	274,344,977	292,728,327	(18,383,350)
XIV	Tax liabilities	6,098,277	–	6,098,277
XV	Other current payables	87,336,990	79,981,044	7,355,946
XVI	Due to banks	95,535,414	119,390,710	(23,855,296)
XVII	Other financial liabilities	269,126,688	120,696,608	148,430,080
	Total current liabilities	**732,442,346**	**612,796,689**	**119,645,657**
XVIII	Loans, net of current portion	978,252,596	1,352,794,172	(374,541,576)
XIX	Deferred tax liabilities	19,855,056	13,798,393	6,056,663
XX	Post-employment benefits and other employee benefits	68,552,417	71,541,288	(2,988,871)
XXI	Provisions for risks and charges	13,587,260	14,852,373	(1,265,113)
XXII	Other non-current payables	7,276,256	–	7,276,256
	Total non-current liabilities	**1,087,523,585**	**1,452,986,226**	**(365,462,641)**
	TOTAL LIABILITIES	**1,819,965,931**	**2,065,782,915**	**(245,816,984)**
XXIII	**EQUITY**	**774,055,569**	**610,156,184**	**163,899,385**
	TOTAL LIABILITIES AND EQUITY	**2,594,021,500**	**2,675,939,099**	**(81,917,599)**

3.1.2 Income statement

Note	(€)	2010	2009	Change
XXIV	Revenue	1,352,686,365	1,324,149,315	28,537,050
XXV	Other operating income	65,895,242	76,094,718	(10,199,476)
	Total revenue and other operating income	**1,418,581,607**	**1,400,244,033**	**18,337,574**
XXVI	Raw materials, supplies and goods	656,805,736	646,228,090	10,577,646
XXVII	Personnel expense	319,086,638	302,936,898	16,149,740
XXVIII	Leases, rentals, concessions and royalties	184,319,186	175,720,707	8,598,479
XXIX	Other operating costs	144,207,821	144,859,348	(651,527)
XXX	Depreciation, amortisation and impairment losses	56,922,872	54,769,942	2,152,930
	Operating profit	**57,239,354**	**75,729,048**	**(18,489,694)**
XXXI	Financial income	277,239,330	171,443,929	105,795,401
XXXII	Financial expense	(114,206,864)	(143,646,111)	29,439,247
XXXIII	Adjustment to the value of financial assets	(19,747,809)	(6,838,529)	(12,909,280)
	Pre-tax profit	**200,524,011**	**96,688,337**	**103,835,674**
XXXIV	Income tax	(36,172,114)	(33,946,945)	(2,225,169)
	Profit for the year	**164,351,897**	**62,741,392**	**101,610,505**

3.1.3 Statement of comprehensive income

(€)	2010	2009	Change
Profit for the year	**164,351,897**	**62,741,392**	**101,610,505**
Effective portion of fair value change in cash flow hedge	(1,964,067)	(822,488)	(1,141,579)
Income tax on comprehensive income	540,118	226,184	313,934
Total comprehensive income for the year	**162,927,948**	**62,145,088**	**100,782,860**

3.1.4 Statement of changes in equity

(€k)	Share capital	Legal reserve	Hedging reserve	Other reserves and retained earnings	Treasury shares	Profit for the year	Equity
31.12.2008	**132,288**	**22,925**	**(41,675)**	**422,251**	**(944)**	**18,305**	**553,150**
Effective portion of fair value change in cash flow hedges, net of the tax effect	–	–	(597)	–	–	–	(597)
Allocation of 2008 profit to reserves	–	915	–	17,390	–	(18,305)	–
Goodwill arising from mergers of subsidiaries	–	–	–	(5,138)	–	–	(5,138)
Profit for the year	–	–	–	–	–	62,741	62,741
31.12.2009	**132,288**	**23,840**	**(42,272)**	**434,503**	**(944)**	**62,741**	**610,156**
Effective portion of fair value change in cash flow hedges, net of the tax effect	–	–	(1,424)	–	–	–	(1,424)
Allocation of 2009 profit to reserves	–	2,618	–	60,123	–	(62,741)	–
Goodwill arising from mergers of subsidiaries	–	–	–	898	–	–	898
Stock option	–	–	–	74	–	–	74
Profit for the year	–	–	–	–	–	164,352	164,352
31.12.2010	**132,288**	**26,458**	**(43,696)**	**495,598**	**(944)**	**164,352**	**774,056**

3.1.5 Statement of cash flows

(€k)	2010	2009	Change
Opening - net cash and cash equivalents	**38,103**	**47,424**	**(9,321)**
Operating profit	57,239	75,729	(18,490)
Depreciation, amortisation and impairment losses on non-current assets, net of reversals	56,923	51,797	5,126
(Gains)/losses on the disposal of non-current assets	171	(7,297)	7,468
Change in working capital	(5,213)	5,127	(10,339)
Net change in non-current assets and liabilities	4,449	(13,870)	18,319
Cash flow from operating activities	**113,569**	**111,486**	**2,083**
Net interest paid	(23,061)	(48,405)	25,344
Taxes paid	(6,679)	(2,400)	(4,279)
Net cash flow from operating activities	**83,829**	**60,680**	**23,149**
Acquisition of property, plant and equipment and intangible assets	(57,191)	(31,925)	(25,266)
Proceed from sales of non-current assets	1,257	9,434	(8,177)
Acquisition in investments in subsidiaries	(605,496)	(23,309)	(582,187)
Dividends received	173,758	34,281	139,478
Other movements	74	–	74
Net cash flow used in investing activities	**(487,598)**	**(11,519)**	**(476,078)**
Net change in intercompany borrowings	814,834	170,196	644,638
Net change in drawdowns on medium/long-term revolving credit facilities	(299,421)	(238,278)	(61,143)
Short-term loans net of repayments	(115,820)	9,600	(125,420)
Net cash flow used in financing activities	**399,593**	**(58,483)**	**458,075**
Cash flow used in the year	**(4,175)**	**(9,321)**	**5,146**
Closing - net cash and cash equivalents	**33,927**	**38,103**	**(4,175)**

(€k)	2010	2009	Change
Opening - net cash and cash equivalents	**38,103**	**47,424**	**(9,321)**
Cash and cash equivalents	39,864	52,233	(12,369)
Current account overdrafts	(1,761)	(4,809)	3,048
Closing - net cash and cash equivalents	**33,927**	**38,103**	**(4,176)**
Cash and cash equivalents	37,002	39,864	(2,861)
Current account overdrafts	(3,075)	(1,761)	(1,314)

3.2 Notes to the separate financial statements

3.2.1 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. Autogrill is the only company among the main players in its market that operates almost exclusively under concession.

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

As part of the process of adapting and simplifying the Group's ownership structure, in 2010 the wholly-owned subsidiary Trentuno S.p.A. was merged into Autogrill S.p.A. The merger was effective retroactively from 1 January 2010 for tax and accounting purposes and had no significant effect on the financial statements. For the same reasons, in 2010 Autogrill S.p.A. acquired 100% of Autogrill Participaciones S.L.U. (renamed Autogrill Iberia S.L.U. on 1 January 2011) and the remaining 56.86% of Autogrill Schweiz A.G. (now wholly-owned). These companies were already indirect subsidiaries of Autogrill S.p.A.

General standards

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

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2010:

- IFRS 3 (revised in 2008) – Business combinations;
- Amendments to IAS 27 – Consolidated and separate financial statements;
- Amendments to IAS 39 – Financial instruments: Recognition and measurement (exposures qualifying for hedge accounting);
- IFRS 1 (revised in 2008) – First-time adoption of International Financial Reporting Standards;
- IFRIC 12 – Service concession arrangements;
- IFRIC 15 – Agreements for the construction of real estate;
- IFRIC 16 – Hedges of a net investment in a foreign operation;
- IFRIC 17 – Distributions of non-cash assets to owners;
- IFRIC 18 – Transfers of assets from customers;
- Improvements to IFRS (2008) – amendments to IFRS 5;
- Improvements to IFRS (2009).

Autogrill had opted for early adoption of IFRS 3 (2008 revision) starting with the 2009 financial statements. For that reason, the 2009 financial statements also incorporated the amendments to IAS 27 – Consolidated and separate financial statements.

The remaining standards cover cases and circumstances not applicable to Autogrill at the close of 2010.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning after 1 January 2010:
- Amendments to IAS 32 – Classification of rights issues;
- Amendments to IFRIC 14 – Prepayments of a minimum funding requirement;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- Amendments to IFRS 1 and IFRS 7 – Limited exemption from comparative IFRS 7 disclosures for first-time adopters;
- IAS 24 (revised in 2009) – Related party disclosures.

We believe that the application of the standards and interpretations listed above would not affect the financial statements to an extent requiring mention in these notes.

The separate financial statements were prepared on a going-concern basis using the euro as the presentation currency. The statement of financial position, income statement, and statement of comprehensive income are presented in euros, while the statement of changes in equity, the statement of cash flows and all amounts in the notes, unless otherwise specified, are expressed in thousands of euros (€k).

Structure, format and content of the separate financial statements

In accordance with IAS 1 Revised and IAS 7, the formats used in the Company's 2010 financial statements are as follows:
- Statement of financial position: with assets and liabilities split between current and non-current items;
- Income statement: with costs classified by nature;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows: using the indirect method to determine cash flow from operating activities.

Accounting policies

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

Business combinations

Business combinations carried out since 1 January 2008

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

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

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

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

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

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

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

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

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

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 assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Any costs directly attributable to a business combination also form part of its overall cost.

The acquiree's identifiable assets, liabilities and contingent liabilities that can be 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 initially measured at cost, i.e., the amount by which the acquisition cost exceeds the Company's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised on acquisition.

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

Business combinations carried out before 1 January 2004

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

Acquisitions of non-controlling interests

The Company applies IAS 27 – Consolidated and separate financial statements (2008 revision) to all acquisitions of non-controlling investments. On that basis, such acquisitions are treated as transactions carried out with shareholders in their capacity as owners, and do not give rise to goodwill. Adjustments to non-controlling investments are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non-controlling interest in a subsidiary represented the excess cost of the additional investment with respect to the carrying amount of the interest in the net assets acquired on the transaction date.

Recognition of revenue 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 revenue 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 expenses are recognised to profit or loss on an accruals basis, with the exception of those directly attributable to the acquisition, construction or production of assets requiring a significant period of time before being ready for their planned use or sale. Financial expense relating to such assets capitalised from 1 January 2009 (the effective date of Revised IAS 23 – Borrowing costs) is capitalised as part of the assets' cost.

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 and non-formalised agreements whereby the Company provides post-employment benefits to one or more employees.

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

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

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

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

The liability is recognised in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Company, the amount of the asset recognised is limited to the sum of any unrecognised cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. To establish the present value of these economic benefits, the minimum funding requirements applicable to any Company plan are considered. An economic benefit is available to the Company when it can be realised throughout the duration of the plan or upon settlement of the plan liabilities. Actuarial valuations are made by actuaries outside the Company. Regarding the actuarial gains and losses arising from the calculation of plan liabilities, the Company uses the "corridor" approach, 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 on a straight-line basis over the average remaining service lives of the beneficiaries, under the item "personnel expense," except for the financial component which is included under 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"):

- 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 vests;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognised as costs. The portion not yet paid into the funds is listed under current liabilities ("Other payables").

Stock options

The cost of services rendered by employees and remunerated through stock option plans is determined based on the fair value of the options granted to employees at the grant date. The calculation method to determine fair value considers the Autogrill share price at the grant date, the volatility of the stock, and the interest rate curve at the grant date consistent with the expected life of the plan, as well as all characteristics of the option (term, strike price and conditions, etc.). The cost is recognised in profit or loss, with a balancing-entry in net equity, over the vesting period of the options granted.

Income tax

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

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

For the period 2010-2012, Autogrill S.p.A., together with its Italian subsidiaries[1] Nuova Sidap S.r.l. and Alpha Retail Italia S.r.l.[2], have joined the national tax consolidation scheme of the ultimate parent Edizione S.r.l. as permitted by the Consolidated Income Tax Act. The regulation signed by the parties provides for payment in full of the amount corresponding to the transferred losses or profits times the IRES (corporate tax) rate, as well as the transfer of any tax assets. The net current tax assets or liability for the year, in respect of IRES only, is therefore recognised as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "other receivables" or "other payables".

Deferred tax liabilities are generally 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 each reporting date based on the latest forecasts as to future taxable income.

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

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

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

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

Goodwill

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

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

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

Other intangible assets

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

The Company reviews their estimated useful life at each year-end and whenever there is evidence of possible impairment losses.

[1] Trentuno S.p.A., merged into Autogrill S.p.A. with retrospective effect for tax and accounting purposes from 1 January 2010, had also participated in the national tax consolidation scheme of Edizione S.r.l.

[2] For Alpha Retail S.r.l. the relevant period is 2011-2013

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

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

Software licenses	3–5 years
License to sell state monopoly goods	Term of license
Brands	20 years
Other:	
Application software	3–5 years
Other costs to be amortised	5 years or term 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 assets.

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

Property, plant and equipment are systematically depreciated on a straight-line basis at rates deemed to reflect their estimated 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.

Depreciation rates are as follows:

Industrial buildings	3%
Plant and machinery	8%–33%
Industrial and commercial equipment	20%–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 term of the concession contract.

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

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

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are 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 term of the contract, whichever is shorter.

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

Leased assets

Lease contracts are classified as finance leases if the terms of the contract are such to transfer all risks and rewards 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 of the commencement date of the contract less ancillary charges and any expenses for replacing another party in the lease, or, if lower, at the present value of the minimum payments due under the contract. The corresponding liability to the lessor is charged to "Other financial liabilities". Lease payments are divided into principal and interest, using a constant interest rate over the life of the contract. Financial expense is 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.

Investments

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

Impairment losses on assets

At each reporting date, the Company tests whether there is evidence of impairment of its property, plant and equipment, intangible assets and 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 point of sale or points of sale covered by a single concession agreement.

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

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

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

Because the fair value of investments in subsidiaries 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.

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

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

Current assets and current and non-current 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 contributions from suppliers, calculated using the FIFO method.

Financial assets and liabilities

Trade and other receivables
Trade receivables and other receivables are initially recognised at fair value, and subsequently at amortised cost using the effective interest method. They are impaired to reflect estimated impairment losses.

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

Other financial assets
"Other financial assets" are recognised and derecognised on the trade date and are initially measured at fair value, including direct acquisition costs.

Subsequently, 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 year 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 available for sale are recognised directly in comprehensive income and presented under 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 own shares
Ordinary shares form part of shareholders' equity.

If own 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 (maturity of three months or less on the acquisition date) that are immediately convertible to cash; they are stated at face value as they are subject to no significant risk of impairment.

Bank loans, loans and overdrafts
Interest-bearing bank loans and account overdrafts are initially recognised at fair value taking account 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 initially recognised at fair value (normally the same as face value) net of discounts, returns and billing adjustments, and subsequently at amortised cost, if the financial effect of payment deferral is material.

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

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

See the policy described in section 2.2.6.

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

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

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

Fair value changes are measured as described below.

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

- Fair value hedge. If a derivative financial instrument is designated as a hedge against changes in the fair value of a 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 its carrying amount 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 comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reversed from comprehensive income and recognised in profit or loss 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 the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the gains or losses not yet realised that have been included in comprehensive income are reclassified immediately to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the financial derivative are immediately 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 will likely have to use resources in order to produce economic benefits that satisfy that obligation, and when the amount of the obligation can be reliably determined. Provisions are based on the best estimate of the cost of fulfilling the obligation as of the reporting date, and when the effect is material, are discounted to their present value.

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

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

Foreign currency transactions

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

Use of estimates

The preparation of the separate financial statements and notes thereto requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at year-end. Actual results may differ. Estimates are used to determine the fair value of financial instruments, allowances for impairment 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.

3.2.2 Notes to the statement of financial position

Current assets

I. Cash and cash equivalents

This item decreased by € 2,862k (see the statement of cash flows for details).

The components of this item are summarised below:

(€k)	31.12.2010	31.12.2009	Change
Bank and post office deposits	8,439	9,071	(632)
Deposits in transit	21,536	24,194	(2,658)
Cash at sales outlets and HQ	7,027	6,599	428
Total	**37,002**	**39,864**	**(2,862)**

II. Other financial assets

Other financial assets are as follows:

(€k)	31.12.2010	31.12.2009	Change
Financial receivables from subsidiaries	160,209	63,545	96,664
Fair value of exchange rate hedges	1,170	964	206
Total	**161,379**	**64,509**	**96,870**

"Financial receivables from subsidiaries" consist of € 160,209k in short-term loans, including accrued interest of € 11,356k.

Most of the change in this item was due to the Company's replacement of loans previously granted by banks to subsidiaries. Specifically, new loans were granted to:

- Aldeasa S.A. for € 55,000k and € 14,968k ($ 20m),
- Holding de Participations Autogrill S.a.s. for € 32,600k,
- Autogrill Nederland B.V. for € 13,850k,
- Autogrill Participaciones S.L.U. for € 11.000k,
- Autogrill Restauration Carrousel S.a.s. for € 4,300k,
- HMSHost Ireland Ltd. for € 1,500k,
- Autogrill Restauration Services S.a.s. for € 1,300k,
- Autogrill Hellas E.p.E. for € 891k.

There was also an increase of € 8,138k in the loan granted to Nuova Sidap S.r.l. to support a major development plan carried out during the year.

Conversely, Autogrill Finance S.A. repaid loans for a total of € 54,077k.

The "Fair value of exchange rate hedges" refers for € 262k to derivatives with a notional amount of Cad 55.5m (€ 41.3m) and for € 908k to derivatives with a notional amount of Chf 146.1m (€ 115.9m).

III. Tax assets

There were no tax assets at 31 December 2010, as the receivable for overpayment of IRAP in 2009, which constituted the balance at the end of that year, was offset by the liability accrued on 2010 taxable income.

IV. Other receivables

"Other receivables", totalling € 52,027k at 31 December 2010, are made up as follows:

(€k)	31.12.2010	31.12.2009	Change
Suppliers	34,124	32,661	1,463
Inland revenue, social security and other government agencies	372	280	92
Credit card receivables	97	116	(19)
Accrued income and prepayments	3,293	3,860	(567)
Other	14,141	22,697	(8,556)
Total	**52,027**	**59,614**	**(7,587)**

"Suppliers" refers chiefly to amounts receivable for promotional contributions and supplier bonuses.

"Accrued income and prepayments" of € 3,293k consist mainly of the portion of concession fees pertaining to the subsequent year.

Most of the change in "Other" relates to the IRES (corporate income tax) credit due from Edizione S.r.l. as a result of Autogrill's participation in the national tax consolidation scheme. The change since 31 December 2009 is due mainly to the IRES liability on 2010 taxable income, which reduced the receivable carried forward from the previous year, and the refund of the amount paid in excess.

V. Trade receivables

Trade receivables of € 22,580k at 31 December 2010 are detailed below:

(€k)	31.12.2010	31.12.2009	Change
Third parties	20,134	22,194	(2,060)
Disputed receivables	7,911	7,845	66
Due from subsidiaries	2,361	4,885	(2,524)
Allowance for impairment	(7,826)	(7,750)	(76)
Total	**22,580**	**27,174**	**(4,594)**

"Third parties" refers mainly to catering service agreements and accounts with affiliated companies. The latter, amounting to € 5,339k at the close of the year, are secured by bank guarantees totalling € 4,982k.

"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 to Italian subsidiaries. The balance went down due mainly to the merger of Trentuno S.p.A. into Autogrill S.p.A.

The "Allowance for impairment" changed as follows:

(€k)	
Balance at 31.12.2009	**7,750**
Contribution from merger (Trentuno S.p.A.)	15
Allocation	174
Utilisations	(113)
Balance at 31.12.2010	**7,826**

VI. Inventories

Inventories consist of:

(€k)	31.12.2010	31.12.2009	Change
Food & Beverage and retail	34,802	33,731	1,071
State monopoly goods, lottery tickets and newspapers	20,170	21,203	(1,033)
Fuel and lubricants	1,110	1,323	(213)
Sundry merchandise and other	2,103	1,438	665
Total	**58,185**	**57,695**	**490**

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

(€k)	
Balance at 31.12.2009	**600**
Utilisations	(168)
Balance at 31.12.2010	**432**

The main reason for the decrease in state monopoly goods, lottery tickets and newspapers is the absorption of the overstock of instant lottery tickets that was formed at the end of 2009 as the result of an exceptional procurement.

Non-current assets

VII. Property, plant and equipment

As follows:

	31.12.2010				31.12.2009			
(€k)	Gross value	Accumulated depreciation	Accumulated impairment losses	Carrying amount	Gross value	Accumulated depreciation	Accumulated impairment losses	Carrying amount
Land and buildings	40,207	(17,748)	(314)	22,145	38,928	(16,894)	(171)	21,863
Plant and machinery	47,725	(38,254)	(651)	8,820	45,445	(35,215)	(478)	9,752
Industrial and commercial equipment	280,705	(226,133)	(3,327)	51,245	264,975	(209,343)	(3,384)	52,248
Assets to be transferred free of charge	162,777	(112,280)	(1,545)	48,952	150,798	(103,734)	(599)	46,465
Other	29,711	(26,945)	(122)	2,644	29,064	(25,813)	(125)	3,126
Assets under construction and payments on account	16,236	–	–	16,236	17,718	–	–	17,718
Leasehold improvements	245,337	(173,703)	(9,265)	62,369	229,307	(164,310)	(6,071)	58,926
Total	**822,698**	**(595,063)**	**(15,224)**	**212,411**	**776,235**	**(555,309)**	**(10,828)**	**210,098**

Details of changes in all items are given in the table further on.

The increase of € 50,138k stems primarily from the modernisation and renovation of stores and the replacement of obsolete plant, equipment and furnishings. Net decreases of € 1,267k mostly concern the streamlining of the business portfolio.

Impairment testing led to the recognition of € 4,800k in impairment losses (€ 2,974k in 2009).

VIII. Goodwill

Goodwill shows a balance of € 83,631k, up from € 78,787k at the close of 2009 due to the merger of Trentuno S.p.A.

The operations of Trentuno S.p.A. have been completely integrated into the "Food & Beverage - Italy" business, to which its 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 of the measurement date.

Future cash flows have been estimated on the basis of the 2011 budget and forecasts for 2012-2015. Cash flows beyond 2015 have been projected by applying a nominal growth rate ("g"), which does not exceed the sector's long-term growth projections in Italy, to the final year of the forecast.

Below are the main assumptions used for impairment testing. Only the discount rate has changed since the previous year, to reflect market conditions at 31 December 2010:

	Forecast period	Terminal value calculation method Yield used	Forecast nominal growth rate "g"	Discount rate after taxes		Discount rate before taxes	
				31.12.2010	31.12.2009	31.12.2010	31.12.2009
Food & Beverage Italy	5 years	Perpetual	2%	7.19%	7.15%	10.08%	9.85%

To estimate cash flows for the period 2011-2015, the Company 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. More specifically, revenue growth was set to average 3.0% per year. This assumes a moderate recovery in motorway traffic and a renewal rate for expiring contracts in line with Autogrill's track record. Operating costs are expected to rise as a percentage of revenue as leases and concession contracts expire, reflecting a probable increase in rent.

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 growth rate for terminal value and in the discount rate has confirmed that the carrying amount of goodwill is fully recoverable even when using extremely prudent rates.

IX. Other intangible assets

	31.12.2010				31.12.2009			
(€k)	Gross value	Accumulated amortisation	Accumulated impairment losses	Carrying amount	Gross value	Accumulated amortisation	Accumulated impairment losses	Carrying amount
Concessions, licenses, brands and similar rights	45,979	(19,798)	(189)	25,992	44,708	(16,245)	(212)	28,251
Assets under development and payments on account	2,051	–	–	2,051	3,429	–	–	3,429
Other	47,616	(35,395)	(1,387)	10,834	39,724	(30,380)	(1,390)	7,954
Total	**95,646**	**(55,193)**	**(1,576)**	**38,877**	**87,861**	**(46,625)**	**(1,602)**	**39,634**

"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 (€ 284k), the renewal of expired licenses (€ 436k), and the purchase/renewal of software licenses (€ 450k).

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

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 and property, plant and equipment

Intangible assets

	31.12.2009			Changes in gross carrying amount				
(€k)	Gross value	Accumulated amortisation and impairment losses	Net carrying amount	Increases	Decreases	Other movements	Contribution from merger	Total
Concessions, licenses, brands and similar rights	44,708	(16,457)	28,251	1,170	(179)	242	38	1,271
Assets under development and payments on account	3,429	–	3,429	2,504	(76)	(3,806)	–	(1,378)
Other	39,724	(31,770)	7,954	3,379	(56)	3,109	1,460	7,892
Total	**87,861**	**(48,227)**	**39,634**	**7,053**	**(311)**	**(455)**	**1,498**	**7,785**

Property, plant and equipment

	31.12.2009			Changes in gross carrying amount				
(€k)	Gross value	Accumulated depreciation and impairment losses	Net carrying amount	Increases	Decreases	Other movements	Contribution from merger	Total
Non-industrial land	5,479	–	5,479	–	(48)	–	–	(48)
Industrial land and buildings	33,449	(17,065)	16,384	363	(25)	471	518	1,327
Plant and machinery	45,445	(35,693)	9,752	1,163	(277)	352	1,042	2,280
Industrial and commercial equipment	264,975	(212,727)	52,248	12,886	(2,638)	1,639	3,843	15,730
Assets to be transferred free of charge	150,798	(104,333)	46,465	10,676	(2,087)	3,390	–	11,979
Other	29,064	(25,938)	3,126	503	(351)	308	187	647
Assets under construction and payments on account	17,718	–	17,718	8,017	(249)	(9,250)	–	(1,482)
Leasehold improvements	229,307	(170,381)	58,926	16,530	(4,518)	3,545	473	16,030
Total	**776,235**	**(566,137)**	**210,098**	**50,138**	**(10,193)**	**455**	**6,063**	**46,463**

Amortisation/impairment losses						31.12.2010		
Increase								
Amortisation	Impairment losses	Decreases	Other movements	Contribution from merger	Total	Gross value	Accumulated amortisation and impairment losses	Net carrying amount
(3,669)	(11)	180	–	(29)	(3,529)	45,979	(19,986)	25,993
–	–	–	–	–	–	2,051	–	2,051
(4,115)	–	54		(952)	(5,013)	47,616	(36,783)	10,834
(7,784)	**(11)**	**234**	**–**	**(981)**	**(8,542)**	**95,646**	**(56,769)**	**38,877**

Depreciation/impairment losses						31.12.2010		
Increase								
Depreciation	Impairment losses	Decreases	Other movements	Contribution from merger	Total	Gross value	Accumulated depreciation and impairment losses	Net carrying amount
–	–	–	–	–	–	5,431	–	5,431
(813)	(143)	23	–	(64)	(997)	34,776	(18,062)	16,714
(2,384)	(194)	254	–	(888)	(3,212)	47,725	(38,905)	8,820
(16,453)	–	2,488	(13)	(2,755)	(16,733)	280,705	(229,460)	51,245
(10,558)	(946)	1,695	317	–	(9,492)	162,777	(113,825)	48,952
(1,313)	–	351	–	(167)	(1,129)	29,711	(27,067)	2,644
–	–	–	–	–	–	16,236	–	16,236
(12,659)	(3,517)	4,115	(304)	(222)	(12,587)	245,337	(182,968)	62,369
(44,180)	**(4,800)**	**8,926**	**–**	**(4,096)**	**(44,150)**	**822,698**	**(610,287)**	**212,411**

X. Investments

Investments at 31 December 2010 were worth € 1,202,966k: € 1,202,946k in subsidiaries and € 20k in other companies.

Movements during the year are shown below:

	31.12.2009		
(€k)	Cost	Impairment losses	Net carrying amount
Nuova Sidap S.r.l.	1,753	(1,220)	533
Trentuno S.p.A.	12,240	(6,039)	6,201
Alpha Retail Italia S.r.l.	900	–	900
Autogrill Austria A.G.	13,271	–	13,271
Autogrill Belux N.V.	46,375	–	46,375
Autogrill Catering UK Limited	1,647	–	1,647
Autogrill Czech S.r.o.	–	–	–
Autogrill D.o.o.	3,464	(3,068)	396
Autogrill Deutschland GmbH	25,378	–	25,378
Autogrill Participaciones S.L.U	–	–	–
Autogrill España S.A.U.	28,783	–	28,783
Autogrill Europe Nord-Ouest S.A.	168,606	–	168,606
Autogrill Finance S.A.	250	–	250
Autogrill Hellas E.p.E.	2,791	–	2,791
Autogrill Group Inc. (formerly Autogrill Overseas Inc.)	217,406	–	217,406
Autogrill Polska Sp.zo.o.	358	–	358
Autogrill Schweiz A.G.	91,000	–	91,000
HMSHost Ireland Ltd.	13,500	–	13,500
HMSHost Sweden A.B.	6,005	–	6,005
Holding de Participations Autogrill S.a.s.	–	–	–
Others	18	–	18
Total	**633,745**	**(10,327)**	**623,418**

The more important changes concern:
- the derecognition of the investment in Trentuno S.p.A. after it was merged into Autogrill S.p.A.;
- the reversal of the impairment loss recognised on the investment in Nuova Sidap S.r.l. after the reasons for charging such impairment loss ceased to apply, and an increase due to the partial waiver of a receivable due from that subsidiary during the year;
- the acquisition of a further 56.86% interest in Autogrill Schweiz A.G., active in the Food & Beverage business in Switzerland, for €152,031k. The purchase price was based on an independent appraisal commissioned by the two

Movements				31.12.2010		
Cancellation due to merger	Increases	Decreases	Impairment (losses)/reversals	Cost	Impairment losses	Net carrying amount
–	600	–	1,220	2,353	–	2,353
(6,201)	–	–	–	–	–	–
–	–	–	–	900	–	900
–	–	–	(13,271)	13,271	(13,271)	–
–	–	–	–	46,375	–	46,375
–	1,204	–	–	2,851	–	2,851
–	1,858	–	–	1,858	–	1,858
–	1,300	–	(1,696)	4,764	(4,764)	–
–	–	–	–	25,378	–	25,378
–	47,629	–	–	47,629	–	47,629
–	400,000	–	–	428,783	–	428,783
–	–	–	–	168,606	–	168,606
–	–	–	–	250	–	250
–	–	–	–	2,791	–	2,791
–	–	–	–	217,406	–	217,406
–	872	–	–	1,230	–	1,230
–	152,031	–	–	243,031	–	243,031
–	–	–	(6,000)	13,500	(6,000)	7,500
–	–	–	–	6,005	–	6,005
–	–	–	–	–	–	–
–	2	–	–	20	–	20
(6,201)	**605,496**	**–**	**(19,747)**	**1,227,001**	**(24,035)**	**1,202,966**

companies. The acquisition increased the investment percentage from 43.14% to 100%;

- the acquisition of 100% of Autogrill Partecipaciones S.L.U. (renamed Autogrill Iberia S.L.U. from 1 January 2011), active in the Food & Beverage business in Spain, for € 47,629k. The purchase price was based on an independent appraisal commissioned by the two companies;
- the capital contributions made during the year to Autogrill Czech S.r.o., Autogrill España S.A.U., Autogrill Catering UK Ltd. and Autogrill Polska Sp.zo.o.;
- the impairment losses recognised on the investment in Autogrill Austria A.G. and HMSHost Ireland Ltd.;
- the waiver of the receivable due from Autogrill D.o.o. (Slovenia) for € 1,300k, and the complete impairment of that investment.

The following table provides key data on subsidiaries at 31 December 2010 (see the annex for a full list of subsidiaries held indirectly):

Name	Registered office	Currency	Share capital/ quota	Number of shares/ quotas *	Equity at 31.12.2010 *	2010 profit (loss) *	% held Directly	% held Indirectly	Carrying amount (€) *
Nuova Sidap S.r.l.	Novara	Euro	100,000	0.001	233	(653)	100.0	–	2,353
Alpha Retail Italia S.r.l.	Rome	Euro	10,000	0.001	647	(76)	100.0	–	900
Autogrill Austria A.G.	Gottlesbrunn (Austria)	Euro	7,500,000	7,500	(3,337)	(6,218)	100.0	–	–
Autogrill Belux N.V.	Merelbeke (Belgium)	Euro	10,000,000	8,883	22,098	3,581	99.999	0.001	46,375
Autogrill Catering UK Limited	Bedfont Lakes (United Kingdom)	Gbp	2,154,578	500	(1,785)	841	100.0	–	2,851
Autogrill Czech S.r.o.	Prague (Czech Republic)	Czk	126,000,000	–	35,419	(5,736)	100.0	–	1,858
Autogrill D.o.o.	Ljubljana (Slovenia)	Euro	2,480,000	1	823	(519)	100.0	–	–
Autogrill Deutschland GmbH	Munich (Germany)	Euro	205,000	1	27,414	471	100.0	–	25,378
Autogrill Participaciones S.L.U	Madrid (Spain)	Euro	7,000,000	1	17,875	103	100.0	–	47,629
Autogrill España S.A.U.	Madrid (Spain)	Euro	1,800,000	300	600,273	237,246	100.0	–	428,783
Autogrill Europe Nord-Ouest S.A.	Luxembourg	Euro	41,300,000	4,130	11,932	764	99.999	0.001	168,606
Autogrill Finance S.A.	Luxembourg	Euro	250,000	25	116	153	99.996	0.004	250
Autogrill Hellas E.p.E.	Avlona Attikis (Greece)	Euro	1,696,350	57	1,787	(474)	100.0	–	2,791
Autogrill Group Inc. (formerly Autogrill Overseas Inc.)	Wilmington (USA)	Usd	33,793,055	1	229,500	96,600	100.0	–	217,406
Autogrill Polska Sp.zo.o.	Wroclaw (Poland)	Pln	10,050,000	6,100	7,009	(2,985)	51.0	–	1,230
Autogrill Schweiz A.G.	Olten (Switzerland)	Chf	23,183,000	10	178,745	144,109	100.0	–	243,031
HMSHost Ireland Ltd.	Lee View House (Ireland)	Euro	13,600,000	13,600	5,905	(2,079)	100.0	–	7,500
HMSHost Sweden A.B.	Stockholm (Sweden)	Sek	2,500,000	25	40,486	8,773	100.0	–	6,005
Holding de Participations Autogrill S.a.s.	Marseille (France)	Euro	84,581,920	556	81,184	141	0.001	99.999	–
Others		Euro	–	–	–	–	100.0	–	20
Total									**1,202,966**

* Amounts in local currency, in thousands

During the year, the investments in Autogrill Austria A.G., Autogrill D.o.o. (Slovenia) and HMSHost Ireland Ltd. showed signs of impairment.

Impairment testing (by means of discounting the cash flows from projected cash flows) showed that their recoverable amount had fallen below their carrying amounts, which were therefore reduced accordingly. The combined impairment loss of € 19,747k was recognised in the income statement.

XI. Other financial assets

These consist mainly of long-term loans due from Group companies:

(€k)	31.12.2010	31.12.2009	Change
Loans granted to subsidiaries:			
Alpha Retail Italia S.r.l.	251	250	1
Autogrill Austria A.G.	11,099	10,099	1,000
Autogrill Czech S.r.o.	–	2,455	(2,455)
Autogrill España S.A.U.	479,630	1,250,737	(771,107)
World Duty Free Europe Ltd.	214,929	189,618	25,311
Autogrill Polska Sp.zo.o.	1,006	–	1,006
Autogrill D.o.o.	–	200	(200)
Other financial receivables	5,619	5,220	399
Total	**712,534**	**1,458,579**	**(746,045)**

All of these loans charge interest at market rates.

Most of the change in this item reflects:
- the partial repayment of loans for a total of € 771,107k by Autogrill España S.A.U., using the funds obtained from the € 400m capital contribution made by Autogrill S.p.A. at the end of the year, the substantial dividends received from its UK subsidiary, and the proceeds from the sale of Autogrill Participaciones S.L.U. to Autogrill S.p.A. of the change, € 5,167k also reflects the translation at the year-end exchange rate of the remaining £ 144.4m balance on a £ 400m loan granted in 2008;
- the repayment of € 1,932k by Autogrill Czech S.r.l. and the reclassification of the short-term portion (€ 523k);
- an increase of € 25,311k with respect to World Duty Free Europe Ltd., including € 4,985k for translation at the year-end exchange rate of the loan denominated in British pounds (£ 185m);
- an increase of € 1,000k in loans to Autogrill Austria A.G.;
- a new loan of Pln 4m (€ 1,006k) to Autogrill Polska Sp.zo.o.

XII. Other receivables

Most of the balance of € 12,430k (€ 15,756k at 31 December 2009) consists of concession fees paid in advance, primarily for motorway food & beverage operations. The decrease is explained by the reclassification to short-term receivables of the amount pertaining to 2010.

Current liabilities

XIII. Trade payables

These amount to € 274,345k, as follows:

(€k)	31.12.2010	31.12.2009	Change
Due to suppliers	274,288	290,469	(16,181)
Due to subsidiaries	57	2,259	(2,202)
Total	**274,345**	**292,728**	**(18,383)**

The change in amounts due to suppliers mainly reflects the purchase of fewer Italian national lottery tickets, which are paid for in January, and greater coverage of the advances paid during the year with respect to total concession fees accrued.

XIV. Tax liabilities

The balance of € 6,098k is shown net of offsettable tax credits.

XV. Other payables

With a balance of € 87,337k (€ 79,981k at 31 December 2009), these are made up as follows:

(€k)	31.12.2010	31.12.2009	Change
Deferred wages and salaries	23,166	26,602	(3,436)
Social security payables	16,016	16,350	(334)
Due to pension funds	2,619	2,546	73
Due for withholding tax on employee wages and salaries	6,325	8,152	(1,827)
Trade payables for purchase of fixed assets	18,358	13,501	4,857
Other tax liabilities	3,306	2,489	817
Other	17,547	10,341	7,206
Total	**87,337**	**79,981**	**7,356**

The change in deferred wages and salaries is due primarily to the payment of bonuses for the three-year-period 2007-2009.

The increase in trade payables for the purchase of fixed assets reflects the trend in capital expenditure for the upgrading and restyling of stores, which was concentrated in the fourth quarter.

The change in “Other tax liabilities” relates chiefly to the higher VAT charge accrued in 2010 (€ 959k) with respect to the previous year (€ 481k).

XVI. Due to banks

This item, totalling € 95,535k at the close of the year, refers to the current portion of the £ 477.51m (€ 600m) term loan recognised under “Loans net of current portion” and payable in March 2011 (€ 92,460k or £ 79.6m), as well as bank overdrafts (€ 3,075k).

XVII. Other financial liabilities

These amount to € 269,127k, an increase of € 148,430k on the previous year. Most of the balance is made up of:

- the fair value of interest rate hedging derivatives (€ 68,592k) and exchange rate hedging derivatives (€ 979k) outstanding at year end;
- short-term loans received from Host International of Canada Ltd. (€ 41,716k, or Cad 55.5m), Autogrill Deutschland GmbH (€ 20,066k), Autogrill Schweiz A.G. (€ 116,853k, or Chf 146.1m) and Autogrill Belux N.V. (€ 18,907k). The amount includes accrued interest of € 75k.

For further information on derivative financial instruments, see the financial risk management section.

Non-current liabilities

XVIII. Loans net of current portion

Credit lines	Amount (€k)	Drawdowns In €k	In currency (/000) [1]	In currency (/000) [1]	Total in €k	Amount available (€k)	Expiry
Multicurrency revolving facility agreement	300,000	96,488	–	–	96,488	– [2]	June 2012
2010 Line	**300,000**	**96,488**	**–**	**–**	**96,488**	**–**	
2008 Syndicated line – Revolving credit facility	125,000	–	£ 5,000	$ 20,000	20,777	104,223	March 2013
2008 Syndicated line – Term loan facility 1	275,000	275,000	–	–	275,000	–	March 2013
2008 Syndicated line – Term loan facility 2	600,000	–	£ 318,340	–	369,840	–	March 2013
2008 Syndicated line	**1,000,000**	**275,000**	**£ 323,340**	**$ 20,000**	**665,617**	**104,223**	
2005 Syndicated line - Term loan	200,000	200,000	–	–	200,000	–	June 2015
2005 Syndicated line – Revolving credit facility	300,000	20,000	–	–	20,000	280,000	June 2012
2005 syndicated line	**500,000**	**220,000**	**–**	**–**	**220,000**	**280,000**	
Total lines of credit	**1,800,000**	**591,488**	**323,340**	**20,000**	**982,105**	**384,223**	

[1] Drawdowns in currency are valued based on exchange rates at 31 December 2010

[2] € 203,512k ($ 270m) was drawn down by Autogrill Group Inc. and Host International Inc., as the credit line was granted to Autogrill S.p.A. and its subsidiaries

Amounting to € 978,253k (€ 1,352,794k at 31 December 2009), this item consists of € 982,105k in bank loans net of € 3,852k in charges and fees.

The loans include a € 1,000m credit line arranged on 19 March 2008 and comprised of:

- a revolving credit facility of € 125m due in March 2013, partially drawn down in British pounds (£ 5m) and US dollars ($ 20m);
- a five-year term loan of € 275m, to be reimbursed in full at maturity (2013);
- a multicurrency term loan originally for £ 477.5m (corresponding to € 600m on the inception date), due in March 2013 and payable in three annual instalments of £ 79.6m starting in March 2010, plus a final payment of £ 238.7m at maturity. The payment of £ 79.6m due in March 2011 has been reclassified to other current financial liabilities.

The term loans, specifically earmarked for the acquisitions of World Duty Free Europe Ltd. and 49.95% of Aldeasa S.A., provided the funds used for the loans to Autogrill España S.A.U., which heads up the Autogrill Group's Travel Retail & Duty-Free business.

In addition to the above, non-current bank loans at 31 December 2010 are 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;
- drawdowns on a revolving credit facility of € 300m, granted in December 2010 and expiring in June 2012.

The last of the above was used on 16 December 2010 for the early repayment of the revolving credit facility of Credit line500m contracted in May 2007.

At 31 December 2010 the credit facilities maturing after one year had been drawn down by about 74%. Floating interest is charged on all bank loans. The average remaining term of bank loans is about two years and two months.

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 2010, as in all previous observation periods, these covenants were fully satisfied.

Specifically, the leverage ratio (net debt/EBITDA) fell from 2.97 at 31 December 2009 to 2.47, versus a ceiling of 3.50, while interest coverage (EBITDA/net financial expense) increased to 8.65 (from 7.24 at the close of 2009) versus an allowable minimum of 4.50. The deleverage achieved during the year gives the Group extensive financial flexibility.

XIX. Deferred tax assets

These amount to € 19,855k, as follows:

	2010		2009	
(€k)	Temporary differences	Tax effect	Temporary differences	Tax effect
Trade receivables	7,500	2,063	7,113	1,956
Non-current assets	(69,533)	(20,269)	(79,356)	(24,214)
Investments	(47,391)	(13,032)	(46,285)	(15,500)
Total temporary differences on assets	**(109,424)**	**(31,238)**	**(118,528)**	**(37,758)**
Other payables	4,337	1,228	22,537	9,023
Post-employment benefits and other employee benefits	(3,956)	(1,088)	(4,101)	(1,127)
Provisions for risks and charges	12,694	3,784	13,411	4,168
Losses carried forward	(33,149)	(9,116)	(15,050)	(4,139)
Heding reserve (equity)	60,274	16,575	58,310	16,035
Total temporary differences on liabilities and equity	**40,200**	**11,383**	**75,107**	**23,960**
Total net deferred tax assets		**(19,855)**		**(13,798)**

XX. Post-employment benefits

Movements during the year were as follows:

(€k)	
Defined benefit plans at 31.12.2008	**75,630**
Contribution from merger (Aviogrill S.r.l.)	176
Current service costs	1,024
Interest expense	3,219
Benefits paid	(8,372)
Transfers to subsidiaries	(112)
Other	(24)
Defined benefit plans at 31.12.2009	**71,541**
Contribution from merger (Trentuno S.p.A.)	222
Current service costs	1,050
Interest expense	3,173
Actuarial gains (losses)	(331)
Benefits paid	(7,537)
Other	434
Defined benefit plans at 31.12.2010	**68,552**

At 31 December 2010 the legal obligation for post-employment benefits (Art. 2120 of the Italian Civil Code) was € 74,133k.

Below, the present value of plan obligations is reconciled with the liability recognised for 2010 and the previous two years:

(€k)	31.12.2010	31.12.2009	31.12.2008
Present value of plan obligations	59,914	68,734	78,665
Actuarial gains (losses) not recognised	8,638	2,807	(3,036)
Net liability recognised	**68,552**	**71,541**	**75,630**

The actuarial gain for the year, € 8,969k, is recognised in the amount exceeding the limit of ±10% of the present value of the plan obligations, on a straight-line basis over the average remaining service lives of the beneficiaries. The actuarial gain recognised comes to € 331k.

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

	31.12.2010	31.12.2009
Discount rate	4.8%	4.3%
Inflation rate	2.0%	2.5%
Average frequency of termination	6.0%	6.0%
Average frequency of advances	2.0%	2.0%
Mortality table	RG 48	RG 48
Annual TFR increase	3.0%	3.4%

XXI. Provisions for risks and charges

These amounted to € 13,587k at the end of 2010, a decrease of € 1,265k on the previous year.

(€k)	31.12.2009	Other movements	Accruals	Utilisations	Contribution from merger (Trentuno S.p.A.)	31.12.2010
Other provisions:						
– for charges	10,251	(121)	(366)	(204)	–	9,560
– for legal risks	4,601	121	461	(1,161)	6	4,027
Total	**14,852**	**–**	**95**	**(1,365)**	**6**	**13,587**

Provisions for charges include an estimate of contractual expense, mostly for the motorway business.

Provisions for legal risks (€ 4,027k, compared with € 4,601k at 31 December 2009) concern litigation with employees and with business counterparties.

The allocations for the year include the effects of discounting to present value and the relative adjustments, in the amount of € 74k.

XXII. Other non-current payables

Totalling € 7,276k, these refer to deferred wages and salaries relating to the incentive plan for 2010-2012.

XXIII. Equity

Equity at 31 December 2010 amounts to € 774,056k.

Of the 2009 profit of € 62,741k, as resolved by the annual general meeting of 20 April 2010, € 2,618k was allocated to the legal reserve to bring its balance to one fifth of the share capital and the remaining € 60,123k was carried forward.

The following table details the possibility of the main components of equity:

				Summary of utilisations in the past three years:	
(€k)	31.12.2010	Possibility of	Amount available	For loss coverage	For other reasons
Share capital:	**132,288**	**–**	**–**	**–**	**–**
Income-related reserves:					
Legal reserve	26,458	A, B	–	–	–
Hedging reserve	(43,696)	–	(43,696)	–	–
Other reserves and retained earnings	495,598	A, B, C	462,319	–	–
Treasury shares	(944)	–	–	–	–

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

The share capital, fully subscribed and paid up at 31 December 2010, consists of 254,400,000 ordinary shares with a par value of € 0.52 each. This item is unchanged with respect to the previous year.

During the extraordinary part of the Annual General Meeting of 20 April 2010 the shareholders authorised a share capital increase to service the stock option plan approved on the same date, valid whether subscribed in full or in part, and excluding subscription rights pursuant to Art. 2441(5) and (8) of the Italian Civil Code and Art. 134(2) of Legislative Decree 58 of 24 February 1998, by a maximum par value of € 1,040,000 (plus share premium) to be carried out no later than 30 May 2015 through the issue of up to 2,000,000 ordinary shares in one or more tranches. At 31 December 2010, options convertible into a maximum of 1,291,000 ordinary shares had been granted. See the section "Information on stock option plans" for further details.

Legal reserve

The legal reserve amounts to € 26,458k and increased due to the allocation of the 2009 profit, as resolved by the Annual General Meeting of 20 April 2010.

Hedging reserve

The balance of € –43,696k (€ –42,272k at 31 December 2009) corresponds to the effective portion of the fair value of derivatives designated as cash flow hedges. See note 3.2.5, Financial risk management - Interest rate risk.

Other reserves and retained earnings

This item (€ 495,598k) includes the reserve arising on first-time adoption of IFRS in 2006; the difference resulting from derecognition of the 100% interest in Trentuno S.p.A., merged in 2010 (€ 898k); and reserves relating to the recognised costs of stock option plans (€ 74k).

Reserve for the purchase of treasury shares

The annual general meeting of 20 April 2010, after revoking the authorisation granted on 21 April 2009 and pursuant to Arts. 2357 *et seq*. of the Italian Civil Code, authorised the purchase and subsequent disposal of ordinary shares with a par value of € 0.52 each up to a maximum of 12,720,000 shares and an amount not exceeding € 200,000k. There were no changes in this reserve during the year.

At 31 December 2010 the Company held 125,141 treasury shares with a total carrying amount of € 944k.

The following table breaks down the tax effect for items in the statement of comprehensive income:

	2010			2009		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Effective portion of fair value gains (losses) on cash flow hedges, net of the tax effect	(1,964)	540	(1,424)	(823)	226	(597)
Total other comprehensive income	**(1,964)**	**540**	**(1,424)**	**(823)**	**226**	**(597)**

3.2.3 Notes to the income statement

XXIV. Revenue

Revenue increased by 2.2% to € 1,352,686k and can be broken down as follows:

(€k)	2010	2009	Change
Food & Beverage and Retail sales	1,284,029	1,249,547	34,482
Fuel sales	28,795	43,707	(14,912)
Sales to affiliates, third parties and subsidiaries	39,862	30,895	8,967
Total	**1,352,686**	**1,324,149**	**28,537**

"Food & Beverage and Retail sales" were up by 2.8% and are comprised chiefly of catering revenue of € 712,294k (€ 693,513k the previous year), sales of retail goods for € 205,420k (€ 201,888k in 2009), and sales of tobacco products, newspapers and lottery tickets for € 366,186k (€ 353,962k the previous year).

The decrease in fuel sales is due mostly to the transfer of a point of sale to the subsidiary Nuova Sidap S.r.l. in December 2009.

The main reason for the growth in sales to affiliates, third parties and subsidiaries is the increased business with Nuova Sidap S.r.l., which during the course of 2010 added 86 new points of sale (for a total of 99 at year end), most of which not only distribute fuel but also provide food & beverage services and sell a range of other products.

XXV. Other operating income

Other operating income of € 65,895k decreased by 13.4% on the previous year, due primarily to smaller gains on the sale of assets (€ 164k, versus € 7,668k in 2009), shown under "Other income and reimbursements".

(€k)	2010	2009	Change
Royalties and lease payments from affiliates	13,018	12,641	377
Contributions from suppliers	37,872	38,808	(936)
Other income and reimbursements	15,005	24,646	(9,641)
Total	**65,895**	**76,095**	**(10,200)**

XXVI. Raw materials, supplies and goods

The cost of raw materials, supplies and goods rose by € 10,578k, consistently with the trend in sales:

(€k)	2010	2009	Change
Total purchases relating to food & beverage and retail sales:	**623,926**	**620,127**	**3,799**
– Merchandise and ingredients	262,362	257,424	4,938
– State monopoly products, newspapers and lottery tickets	334,364	321,252	13,112
– Fuel for resale	27,200	41,451	(14,251)
Products for sale to affiliates, third parties and subsidiaries	**32,880**	**26,101**	**6,779**
Total	**656,806**	**646,228**	**10,578**

XXVII. Personnel expense

Personnel expense totalled € 319,087k, an increase of 5.3% on the previous year:

(€k)	2010	2009	Change
Wages and salaries	232,609	221,940	10,669
Post-employment benefits	13,958	13,767	191
Social security contributions	70,096	65,557	4,539
Temporary workers	2,424	1,673	751
Total	**319,087**	**302,937**	**16,150**

The change in this item is explained chiefly by the increased workforce and the higher unit cost due to renewal of the national collective employment contract.

Personnel expense includes the year's share of the cost of the stock option plan (about € 74k). See the section "Information on stock option plans" for further details.

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

	31.12.2010			31.12.2009		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	68	–	68	66	–	66
Junior managers	547	7	554	529	5	534
White collars	782	165	947	801	165	966
Blue collars	3,724	6,228	9,952	3,643	6,061	9,704
Total	**5,121**	**6,400**	**11,521**	**5,039**	**6,231**	**11,270**

These figures include 43 white collar employees and one executive seconded to subsidiaries.

The average headcount, expressed in terms of equivalent full-time employees, was 8,805 in 2010 (8,670 the previous year).

XXVIII. Leases, rentals, concessions and royalties

These increased by € 8,598k, due mainly to the growth in Food & Beverage revenue and Retail sales:

(€k)	2010	2009	Change
Leases, rentals and concessions	182,892	174,443	8,449
Royalties for use of brands	1,427	1,278	149
Total	**184,319**	**175,721**	**8,598**

XXIX. Other operating costs

Amounting to € 144,208k, these showed a slight decrease on 2009 as shown in the table below:

(€k)	2010	2009	Change
Utilities	32,455	33,038	(583)
Consulting services	10,380	12,097	(1,717)
Cleaning and maintenance	37,571	32,222	5,349
Advertising and market research	8,304	8,067	237
Sundry materials	4,235	3,789	446
Travel expenses	5,115	4,544	571
Equipment hire and lease	3,357	3,565	(208)
Data communication, telephone and postal charges	2,451	2,208	243
Security surveillance	1,108	1,180	(72)
Insurance	1,904	2,073	(169)
Logistics	14,178	14,072	106
Other operating costs	17,380	18,246	(866)
Costs for materials, services and other operating expenses	**138,438**	**135,101**	**3,337**
Taxes	**5,576**	**5,688**	**(112)**
Impairment losses on receivables	**174**	**589**	**(415)**
Provisions for risks and charges	**20**	**3,481**	**(3,461)**
Total	**144,208**	**144,859**	**(651)**

The most significant changes concerned:

- utilities, which decreased by 1.8% thanks to conservation efforts at points of sale;
- consulting services, which went down due to the completion of projects begun in 2009;
- cleaning and maintenance, which increased as a result of efforts to improve the locations and the service provided to consumers.

XXX. Depreciation, amortisation and impairment losses

The total of € 56,923k is broken down below:

(€k)	2010	2009	Change
Amortistion	7,784	6,881	903
Depreciation	44,180	44,916	(736)
Total amortisation and depreciation	**51,964**	**51,797**	**167**
Impairment losses on property, plant and equipment	4,959	2,973	1,986
Total	**56,923**	**54,770**	**2,153**

In 2010 there were impairment losses of € 4,959k, further to impairment testing based on the future estimated cash flow of stores, as explained in note VII.

XXXI. Financial income

Financial income amounted to € 277,239k, as follows:

(€k)	2010	2009	Change
Dividends from subsidiaries	182,232	34,281	147,951
Interest from subsidiaries	47,292	60,623	(13,331)
Other interest	1,165	91	1,074
Exchange rate gains	40,780	63,494	(22,714)
Other financial income	5,770	12,955	(7,185)
Total	**277,239**	**171,444**	**105,795**

Dividends from subsidiaries consist of € 173,454k ($ 230m) from Autogrill Group Inc., € 8,478k (Chf 12,078k) from Autogrill Schweiz A.G., and € 300k from Autogrill Hellas E.p.E., all received in 2010.

Interest from subsidiaries stems from the financing provided by Autogrill S.p.A. to subsidiaries, mostly Autogrill España S.A.U. and World Duty Free Europe Ltd.

Exchange rate gains, totalling € 40,780k, are made up primarily of € 16,755k on the £ 400m loan to the subsidiary Autogrill España S.A.U. (of which £255m was repaid during the year), € 6,277k on the £ 185m loan to World Duty Free Europe Ltd., € 2,536k on loans granted during the year to Autogrill France and fully repaid, € 1,809k on the term loan drawn down by £477.5m, and € 1,645k on derivative financial instruments with a notional amount of Chf 60m.

"Other income" includes € 287k and € 5,483k for the respective gains on forward currency swaps and interest rate swaps, and € 402k for the ineffective portion of interest rates swaps designated as cash flow hedges.

XXXII. Financial expense

Financial expense decreased by € 29,439k:

(€k)	2010	2009	Change
Exchange rate losses	49,052	65,724	(16,672)
Bank interest expense	17,659	30,292	(12,633)
Other financial expense	43,390	42,064	1,326
Financial expense on post-employment benefits	3,173	3,219	(46)
Discounting of other provisions	74	1,649	(1,575)
Interest paid to subsidiaries	859	698	161
Total	**114,207**	**143,646**	**(29,439)**

The decrease in bank interest expense relates to the gradual reduction in interest rates and average debt. The average rate in 2010 was 1.57%, compared with 1.9% the previous year.

Exchange rate losses, totalling € 49m, refer 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 2010 Autogrill had used the revolving credit facility in the amount of £ 5m and $ 20m, as well as the £ 397.9 term loan for the acquisition of World Duty Free Europe Ltd.

Of the amount shown for "Other financial expense", € 36,276k concerns rate spreads on interest rate swaps, denominated:
- in British pounds for a notional £ 400m, to hedge part of the interest rate risk on the loan of £ 477.5m;
- in euros for a notional € 120m, 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.

XXXIII. Adjustment to the value of financial assets

This item amounts to € 19,747k and refers to impairment losses on the following investments:

- Autogrill Austria A.G. for € 13,271k;
- Autogrill D.o.o. for € 1,696k;
- HMS Host Ireland Ltd. for € 6,000k;

and to the reversal of the impairment loss on Nuova Sidap S.r.l. for € 1,220k, as mentioned in note X.

XXXIV. Income tax

The total of € 36,172k consists of current taxes for corporate income tax (IRES) of € 18,360k and regional business tax (IRAP) of € 11,274k, as well as deferred taxes of € 6,538k.

Reconciliation of effective tax and theoretical tax for 2010:

	2010			2009		
	IRES	IRAP	Total	IRES	IRAP	Total
(€k)	27.50%	3.90%	31.40%	27.50%	3.90%	31.40%
Pre-tax profit			**200,524**			**96,688**
Theoretical tax	**55,144**	**7,820**	**62,965**	**26,589**	**3,771**	**30,360**
Permanent differences:						
– Personnel expense	–	8,230	8,230	–	7,731	7,731
– Dividends and other financial components	(40,529)	(6,358)	(46,887)	(7,022)	(768)	(7,790)
– Impairment losses on investments	5,860	770	6,630	–	–	–
– Other	2,403	118	2,521	2,725	372	3,097
Increase in regional tax rate	**–**	**543**	**543**	**–**	**549**	**549**
Reversal of previous years' temporary differences	(8,403)	(94)	(8,497)	3,853	54	3,907
Taxed temporary differences deductible in future years	3,884	244	4,128	(8,768)	189	(8,579)
Current taxes	**18,360**	**11,274**	**29,633**	**17,377**	**11,898**	**29,275**
Adjustment of prior years' provision for temporary differences	2,170	–	2,170	–	–	–
Net temporary differences	**6,689**	**(150)**	**6,538**	**4,915**	**(243)**	**4,672**
Income tax	**25,048**	**11,123**	**36,172**	**22,292**	**11,655**	**33,947**

During the latter half of the year the Company underwent a tax audit for 2007, which concluded with a Notice of Findings dated 24 December 2010. Respecting the deadline for filing a response, the Company replied to the findings on 21 February 2011, but has not heard back from the tax authorities given the brief amount of time elapsed.

Autogrill is confident of having suitably documented its proper conduct, and any tax liability that might arise due to a different interpretation by the authorities would not be especially large.

3.2.4 Net financial position

The net financial position at the end of 2010 and 2009 is detailed below:

Note	(€m)		31.12.2010	31.12.2009	Change
I	A)	Cash on hand	37.0	39.9	(2.9)
	B)	Cash equivalents	–	–	–
	C)	Securities held for trading	–	–	–
	D)	**Cash and cash equivalents (A + B + C)**	**37.0**	**39.9**	**(2.9)**
II	**E)**	**Current financial assets**	**161.4**	**64.5**	**96.9**
	F)	Due to banks, current	(3.1)	(1.8)	(1.3)
	G)	Due to others	(92.5)	(89.6)	(2.9)
	H)	Other financial liabilities	(269.3)	(148.7)	(120.6)
XVI-XVII	**I)**	**Current financial indebtedness (F + G + H)**	**(364.9)**	**(240.1)**	**(124.8)**
	J)	**Net current financial indebtedness (I - E - D)**	**(166.5)**	**(135.7)**	**(30.8)**
XVIII	K)	Due to banks, net of current position	(978.3)	(1,352.8)	374.5
	L)	Bonds issued	–	–	–
	M)	Due to others	–	–	–
	N)	**Non-current financial indebtedness (K + L + M)**	**(978.3)**	**(1,352.8)**	**374.5**
	O)	**Net non-current indebtedness (J + N)**	**(1,144.8)**	**(1,488.5)**	**343.7**
XI	**P)**	**Non-current financial assets**	**712.5**	**1,458.6**	**(746.1)**
	Q)	**Net financial indebtedness (O + P)**	**(432.3)**	**(29.9)**	**(402.4)**

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

As demonstrated by the statement of cash flows, the increase of € 343.7m in net non-current indebtedness is due primarily to the capital contributions made to subsidiaries in order to rebalance their financial position, and the purchase of additional investments in companies held indirectly with a view to streamlining the Group's chain of ownership.

3.2.5 Financial risk management

Autogrill S.p.A. is exposed to the following categories of risk:
- 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 flows from a financial instrument may fluctuate due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to monitor these risks and keep them within acceptable levels, along with their potential impact on the Company's 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 Company's borrowings and its international profile.

There is a single, centralised risk management unit for all Group companies.

Interest rate risk

The aim of interest rate 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 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, 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 (IRS).

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. Temporarily, that ratio was slightly higher at the close of 2010 (64%) due to payments made late in the year on floating-rate facilities, thanks mainly to the proceeds of the sale of the onboard catering (Flight) business carried out by a subsidiary of World Duty Free Europe Ltd. The percentage of fixed-rate debt is generally 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 a specific balancing entry in the hedging reserve under equity. With regard to the instruments that tested effective, in 2010 Autogrill recognised a fair value loss of € 43,696k (net of the tax effect).

The details of IRS contracts at 31 December 2010 are as follows:

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%	3 months Euribor	(14,275)
€ 275m term loan	€k	120,000	07.03.2013	4.59%	1 month Euribor +0.165%	(8,815)
£ 402.9m term loan	£k	400,000	07.03.2013	5.39%	1 month Gbp Libor +0.32%	(42,325)

The fair value of derivatives is measured using valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy, with no change on the previous year.

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 2010 is as follows:

	Notional amount	Expiry	Spot rate	Forward rate	Fair value (€k)
kGbp	38,298	31.01.2011	0.8510	0.8512	(509)
kGbp	35,000	18.01.2011	0.8540	0.8542	(318)
kCad	45,500	25.02.2011	1.3438	1.3454	200
kCad	10,000	25.02.2011	1.3425	1.3440	63
kCzk	13,000	13.01.2011	25.3000	25.3120	(5)
kChf	30,000	31.01.2011	1.2530	1.2526	(51)
kChf	30,000	31.01.2011	1.2540	1.2535	(72)
kChf	146,100	13.01.2011	1.2605	1.2600	907
kPln	4,000	10.03.2011	4.0350	4.0580	(15)
kSek	6,000	27.01.2011	9.0800	9.0938	(9)

The fair value of derivatives is measured using valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy, with no change on the previous year.

Credit risk

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

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

Carrying amounts are shown below with prior-year figures for comparison:

(€k)	31.12.2010	31.12.2009	Change
Cash and cash equivalents	37,002	39,864	(2,862)
Other current financial assets	161,379	64,509	96,870
Trade receivables	22,580	27,174	(4,594)
Other current receivables	52,027	59,614	(7,587)
Other non-current financial assets	712,534	1,458,579	(746,045)
Total	**985,522**	**1,649,740**	**(664,218)**

Exposure to credit risk depends on the specific characteristics of each customer. Autogrill'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.

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

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

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

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

As discussed in note XI, "Other financial assets", other non-current financial assets include € 480m for the loan granted to Autogrill España S.A.U. for the acquisitions of Aldeasa S.A. and World Duty Free Europe Ltd., and € 174m for the loan granted to World Duty Free Europe Ltd. for the purchase of Autogrill Holding UK Plc. (formerly Alpha Group Holding Plc.), to further the process of integrating homogeneous operations conducted in the UK.

The breakdown by region is as follows:

Current financial assets

	€k	%
Spain	82,453	51.5%
France	38,215	23.9%
Netherlands	13,857	8.6%
Italy	11,223	7.0%
United Kingdom	10,131	6.3%
Ireland	1,502	0.9%
Greece	892	0.6%
Sweden and Denmark	676	0.4%
Czech Republic	524	0.3%
Luxembourg	452	0.3%
Slovenia	100	0.1%
Austria	95	0.1%
Germany	86	0.1%
Poland	3	–
Total	**160,209**	**100.0%**

Non-current financial assets

	€k	%
Spain	479,630	67.3%
United Kingdom	214,929	30.2%
Austria	11,099	1.6%
Italy	5,870	0.8%
Poland	1,006	0.1%
Total	**712,534**	**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 ageing of invoiced trade receivables by class of debtor, gross of impairment losses and excluding disputed receivables (more than 90 days overdue).

(€k)		Receivables	Overdue	0-30	31-60	61-90	>90
Affiliates	26%	5,339	1,537	226	123	127	1,061
Special agreements	21%	4,279	1,663	948	292	125	298
Motorway partners	15%	3,197	2,837	61	171	218	2,387
Intercompany	11%	2,335	59	28	7	3	21
Other	27%	5,645	3,447	2,273	653	337	184
Total		**20,795**	**9,543**	**3,536**	**1,246**	**810**	**3,951**

First-demand bank guarantees are required on entering into affiliation agreements to cover exposure. At 31 December 2010 these guarantees amounted to € 4,982k.

All current receivables are analysed monthly to determine potential collection problems, any action to be taken, and the adequacy of the allowance for impairment. At year end the allowance for impairment amounted to € 7,826k and was 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.

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

Exposure and maturity data at the close of 2010 and 2009 were as follows:

	31.12.2010						
		Contractual cash flows					
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months - 1 year	1-5 years	Over 5 years
Current accounts overdrafts	3,075	3,075	3,075	–	–	–	–
Unsecured bank loans	1,074,564	1,074,564	92,460	–	–	982,104	–
Trade payables	274,289	274,289	274,289	–	–	–	–
Total	**1,351,928**	**1,351,928**	**369,824**	**–**	**–**	**982,104**	**–**

	31.12.2009						
		Contractual cash flows					
(€k)	Carrying amount	Total	1-3 months	3-6 months	6 months - 1 year	1-5 years	Over 5 years
Current accounts overdrafts	1,761	1,761	1,761	–	–	–	–
Unsecured bank loans	1,477,378	1,477,378	117,630	–	–	1,359,748	–
Trade payables	290,469	290,469	290,469	–	–	–	–
Total	**1,769,608**	**1,769,608**	**409,860**	**–**	**–**	**1,359,748**	**–**

As for exposure to trade payables, there is no significant concentration of suppliers: the top 10 account for 36% of the total, the largest (Autostrade per l'Italia S.p.A.) for 13%, and the second largest (Consorzio Lotterie Nazionali) for 7%.

3.2.6 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.

3.2.7 Guarantees given, commitments and contingent liabilities

Guarantees given and commitments assumed come to € 839,133k, an increase of € 196,256k on 2009:

(€k)	31.12.2010	31.12.2009	Change
Sureties and personal guarantees in favour of third parties	162,737	168,243	(5,506)
Sureties and personal guarantees in favour of subsidiaries	655,511	453,799	201,712
Other commitments and guarantees	20,885	20,835	50
Total	**839,133**	**642,877**	**196,256**

Sureties and personal guarantees in favour of third parties were issued in accordance with customary market practice. The decrease is due mainly to the assignment of contracts, which involved returning the performance bonds that guaranteed participation in the bidding process, and the posting of definitive guarantees for lower amounts.

Sureties and personal guarantees in favour of subsidiaries were issued to financial backers of direct or indirect subsidiaries. Most of the change concerns sureties given in favour of the subsidiaries Autogrill Group Inc. and Host International Inc., for direct drawdowns (totalling $ 270m) on the multicurrency revolving facility agreement contracted by Autogrill S.p.A. in December 2010 (see note XVIII, "Loans net of current portion", for details).

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

3.2.8 Operating leases

For the purposes of the financial statements, 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, mostly under sub-concession arrangements. In railway stations, in addition to this kind of contract, there are also commercial leases. For operations conducted 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 revenue, 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.
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 revenue - 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. organized 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 authorization and the necessary buildings and equipment. Leasing a company in the concession business entails the obligation to ensure continuity of service and payment of a comprehensive fee which includes all amounts due to the 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 at the close of the year, showing those concerning operations sub-leased to others:

	2010		
Years (€m)	Total minimum lease payments	Minimum sub-lease payments	Net minimum lease payments
2011	115.5	3.4	112.1
2012	111.9	3.1	108.8
2013	105.1	3.0	102.1
2014	76.7	2.3	74.4
2015	69.9	2.3	67.6
Subsequent years	291.9	5.5	286.4
Total	**771.0**	**19.6**	**751.4**

	2009		
Years	Total minimum lease payments	Minimum sub-lease payments	Net minimum lease payments
2010	107.8	2.7	105.1
2011	101.1	2.7	98.4
2012	97.7	2.6	95.1
2013	91.0	2.6	88.4
2014	64.0	2.0	62.0
Subsequent years	301.9	5.5	296.4
Total	**763.5**	**18.1**	**745.4**

3.2.9 Other information

Related party transactions

59.28% of the share capital of Autogrill S.p.A. is held by Schematrentaquattro S.r.l. The entire quota capital of this latter is held by Edizione S.r.l.

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

Neither Autogrill S.p.A. nor its Italian subsidiaries had any transactions during the year with its direct parent, Schematrentaquattro S.r.l.

Transactions with Edizione S.r.l.

(€k)	2010	2009	Change
Income statement			
Revenue	3	3	–
Other operating income	90	90	–
Personnel expense	124	130	(6)
Other operating expense	16	–	16

(€k)	31.12.2010	31.12.2009	Change
Statement of financial position			
Trade receivables	4	4	–
Other receivables	4,919	11,323	(6,404)
Other payables	127	130	(3)

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

Personnel expense refers to the accrual at 31 December 2010 of the fees due to two directors of Autogrill S.p.A., which were paid over to Edizione S.r.l. where the parties respectively serve as board member and executive manager.

"Other operating expense" concerns the hire of meeting rooms, handled by Benetton Group S.p.A. until July 2010 and since then by Edizione.

"Other receivables" refer to excess IRES (corporate tax) advances paid by Autogrill S.p.A. in 2010, net of the IRES liability on 2010 income (€ 2,337k), and the IRES refund due for the deduction from taxable income of IRAP (regional tax) paid from 2004 to 2007 (€ 2,025k). The amount shown also includes € 100k due to Alpha Retail Italia S.r.l. and € 457k due to Nuova Sidap S.r.l. for participation in the national tax consolidation scheme of Edizione S.r.l. In accordance with the tax consolidation rules, these amounts will be settled by the third day prior to the normal deadline for payment of the IRES balance for 2010 (July 2011), less the balance due for 2010 and the first advance on 2011.

"Other payables" represent the amount still due for the directors' fees and meeting room hire mentioned above.

Transactions with companies under joint control

(€k)	Bencom S.r.l. 2010	Bencom S.r.l. 2009	Benetton Group S.p.A. 2010	Benetton Group S.p.A. 2009	Fabrica S.p.A. 2010	Fabrica S.p.A. 2009
Income statement						
Revenue	–	–	–	–	–	–
Other operating income	380	411	–	–	–	–
Other operating expense	–	2	42	73	60	67
Leases, rentals, concessions and royalties	–	–	–	–	–	–
Financial income	–	–	–	–	–	–
Financial expense	–	–	–	–	–	–

(€k)	Bencom S.r.l. 31.12.2010	Bencom S.r.l. 31.12.2009	Benetton Group S.p.A. 31.12.2010	Benetton Group S.p.A. 31.12.2009	Fabrica S.p.A. 31.12.2010	Fabrica S.p.A. 31.12.2009
Statement of financial position						
Trade receivables	665	773	–	–	–	–
Other receivables	–	–	–	–	–	–
Financial receivables	–	–	–	–	–	–
Trade payables	–	–	–	10	20	22
Other payables	–	–	–	–	–	–
Financial payables	–	–	–	–	–	–

In detail:

- Atlantia group: “Other operating income” refers to commissions on sales of Viacard (automatic toll collection cards), the reimbursement of utility costs incurred on behalf of Autostrade per l'Italia S.p.A., and the contribution of co-marketing activities for the improvement of quality in motorway catering.
  “Other operating expense” refers mainly to the purchase of advertising space.
  “Leases, rentals, concessions and royalties” consist of rent and accessory costs pertaining to the year.
  “Financial expense” reflects interest accrued at the annual rate of 4% in relation to the revised payment schedule for concession fees. The liability was settled before the end of December.
  The change in “Trade payables” relates mostly to greater coverage of the advances paid during the year with respect to total concession fees accrued.

- Benetton Group S.p.A.: “Other operating expense” refers to the hire of meeting rooms.

Olimpias S.p.A.		Verde Sport S.p.A.		Atlantia group		Edizione Property S.p.A.	
2010	2009	2010	2009	2010	2009	2010	2009
–	–	28	30	21	9	5	5
–	–	2	2	1,682	3,596	–	–
253	106	85	65	917	905	–	–
–	–	–	–	77,737	74,997	–	–
–	–	–	–	–	–	–	–
–	–	–	–	1,393	1,419	–	–

31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
–	–	12	16	1,364	1,081	6	7
–	–	–	–	54	–	–	–
–	–	–	–	–	–	–	–
87	65	3	39	38,371	43,656	–	–
–	–	20	–	2	–	–	–
–	–	–	–	–	–	–	–

- Fabrica S.p.A.: transactions refer to graphic design consulting and advertising production costs.
- Verde Sport S.p.A.: “Revenue” and “Trade receivables” refer to sales of food & beverage products under the franchisee contract for operating a Spizzico restaurant at La Ghirada - Città dello Sport. “Other operating expense” concern ssponsorships at sporting events and the purchase of advertising space.
- Olimpias S.p.A.: expense refers to the purchase of uniforms for sales personnel and the purchase of sundry materials.
- Bencom S.r.l.: “Other operating income” refers to rent and related charges for the sublet of premises in Via Dante, 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 subsidiaries

	Autogrill Austria A.G.		Autogrill Belux N.V.		Autogrill Schweiz A.G.	
Income statement (€k)	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenue	91	110	–	–	13	36
Other operating income	71	99	22	71	10,224	1,830
Other operating expense	(4)	–	(14)	11	(7)	–
Leases, rentals, concessions and royalties	–	–	9	–	–	–
Financial income	95	84	–	–	8	30,190
Financial expense	–	–	95	–	10	–

Statement of financial position (€k)	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
Trade receivables	–	125	–	3	–	550
Other receivables	25	57	2	117	474	87
Financial receivables	11,194	10,455	–	–	–	–
Trade payables	–	6	–	10	–	–
Other payables	–	116	13	30	5	274
Financial payables	–	–	18,907	–	116,853	–

	Aldeasa S.A.		Autogrill Coté France S.a.s.		Autogrill Hellas E.P.E.	
Income statement (€k)	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenue	–	–	–	2	38	101
Other operating income	35	3	403	623	348	97
Other operating expense	(60)	–	270	618	6	–
Leases, rentals, concessions and royalties	–	–	–	–	–	–
Financial income	37,845	71	15	104	11	700
Financial expense	144	42	–	–	–	–

Statement of financial position (€k)	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
Trade receivables	–	–	–	330	9	44
Other receivables	–	108	293	195	188	32
Financial receivables	551,080	–	38,215	–	892	–
Trade payables	–	–	–	239	–	54
Other payables	5	–	121	727	44	–
Financial payables	–	–	–	–	–	–

	Autogrill Czech S.r.o.		Autogrill Deutschland GmbH		HMSHost Egypt Catering & Services Ltd.		Autogrill Participaciones S.L.U.	
	2010	2009	2010	2009	2010	2009	2010	2009
	6	1	12	–	–	–	–	6
	–	2	73	6	–	1	493	821
	(1)	–	(4)	–	–	–	315	262
	–	–	–	–	–	–	–	–
	35	29	5	22	–	–	3	51,856
	–	–	147	42	–	–	3	–

	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	7	24	81	7	–	1	–	286
	23	12	34	20	–	–	183	50
	524	2,484	86	790	–	–	11,003	1,253,907
	–	52	–	–	–	–	–	281
	–	22	–	15	–	–	228	248
	–	–	20,066	21,386	–	–	–	–

	HMSHost Ireland Ltd.		Autogrill Finance S.A.		Autogrill Nederland B.V.		Autogrill Polska Sp.zo.o.	
	2010	2009	2010	2009	2010	2009	2010	2009
	–	–	–	–	–	–	26	3
	1	8	12	12	19	36	1	–
	(2)	–	297	1,271	(3)	–	(1)	–
	–	–	–	–	–	–	7	–
	2	–	668	4,396	7	–	3	–
	–	–	–	2	–	–	–	–

	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	–	8	–	66	–	28	27	1
	–	36	124	–	9	81	18	–
	1,502	–	452	54,546	13,857	–	1,009	–
	–	–	–	186	–	–	–	–
	–	–	672	–	11	17	–	–
	–	–	–	–	–	–	–	–

	HMSHost Sweden A.B.		Autogrill D.o.o.		World Duty Free Europe Ltd.	
Income statement (€k)	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenue	–	–	4	–	–	–
Other operating income	1	6	3	4	867	607
Other operating expense	(1)	–	(1)	–	1,195	–
Leases, rentals, concessions and royalties	–	–	–	–	–	–
Financial income	9	–	5	–	8,516	5,836
Financial expense	–	–	–	–	–	–

Statement of financial position (€k)	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Trade receivables	–	6	–	2	–	1,506
Other receivables	9	24	–	4	1,338	569
Financial receivables	676	–	100	200	225,010	191,184
Trade payables	–	–	–	–	–	83
Other payables	–	–	–	15	1,329	500
Financial payables	–	–	–	–	–	–

Transactions with Autogrill S.p.A.'s subsidiaries, summarised in the table below, are both financial and commercial in nature. The amounts shown refer to transactions carried out during the year and to asset and liability balances at 31 December 2010.

All transactions are conducted at arm's length.

During the year the Company made the following acquisitions:

- from Autogrill España S.A., 100% of Autogrill Participaciones S.A. (subsequently renamed Autogrill Iberia S.A.) for € 47,629k, generating a gain of € 20,841k for Autogrill España;
- from World Duty Free Europe Ltd., 56.86% of Autogrill Schweiz A.G. for € 152,031k, producing no gain or loss for the seller.

The sale prices were based on the companies' balance sheets as of the acquisition date and on estimated future earnings, and are backed by independent appraisals. They did not differ from those that would have been determined in a transaction between independent parties.

Significant non-recurring events and transactions

In 2010, 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 Communications DEM/6037577 of 28 April 2006 and DEM/6064293 of 28 July 2006, were performed in 2010.

Autogrill Catering UK Ltd.		Autogrill Group Inc.		Nuova Sidap S.r.l.		Alpha Retail Italia S.r.l.	
2010	2009	2010	2009	2010	2009	2010	2009
–	–	–	–	11,182	2,677	–	–
57	3	173,656	(223)	1,031	620	40	49
(1)	–	1,053	1,043	2,252	231	–	–
–	–	–	–	–	–	–	–
–	–	–	1,264	62	38	3	15
–	–	460	611	–	–	–	–
31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
–	3	–	39	2,181	677	56	38
10	–	29	91	382	–	17	17
–	–	–	–	11,194	3,055	252	269
–	–	–	293	879	661	–	–
–	–	331	250	2,291	–	100	–
–	–	41,716	28,439	–	–	–	–

Remuneration of directors and key managers with strategic responsibilities

The following remuneration was paid to members of the Board of Directors and to executives with strategic responsibilities during the year ended 31 December 2010:

Name	Office held	Term of office	Remuneration (€)	Bonuses and other incentives (€)	Non-monetary benefits	Other fees (€)
Gilberto Benetton	Chairman	2008-2010	52,200			
Gianmario Tondato Da Ruos	CEO	2008-2010	510,443	850,000		479,149
Alessandro Benetton	Director	2008-2010	48,600			
Giorgio Brunetti	Director	2008-2010	63,200			
Antonio Bulgheroni	Director	2008-2010	59,400			
Francesco Giavazzi	Director	2008-2010	49,800			
Javier Gómez-Navarro	Director	2008-2010	52,200			
Arnaldo Camuffo	Director	2008-2010	60,000			
Paolo Roverato	Director	2008-2010	63,200			
Claudio Costamagna	Director	2008-2010	58,200			
Gianni Mion	Director	2008-2010	61,200			
Alfredo Malguzzi	Director	2008-2010	72,800			
Total directors			**1,151,243**	**850,000**	**–**	**479,149**
Managers with strategic responsibilities				2,178,972	189,497	3,112,362
Total			**1,151,243**	**3,028,972**	**189,497**	**3,591,511**

The CEO's remuneration 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.

A significant portion of the variable remuneration received by the CEO and by managers with strategic responsibilities is tied to the achievement of specific targets established in advance by the Board, by virtue of their participation in management incentive plans. Specifically, the CEO and top managers participated during the year in an annual bonus system involving earnings and financial targets and other strategic objectives for the Group and/or the relevant business unit, as well as individual objectives. This was in addition to the three-year incentive plan for 2010-2012.

Statutory auditors' fees

Statutory auditors' fees are as follows:

Name	Office held	Term of office	Fees (€)	Other fees (€)
Luigi Biscozzi	Chairman	2009–2011	94,747	25,656
Eugenio Colucci	Auditor	2009–2011	62,698	16,859
Ettore Maria Tosi	Auditor	2009–2011	65,206	17,856
Total statutory auditors			**222,652**	**60,371**

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

Information on stock option plans

On 20 April 2010, the Annual General Meeting approved a stock option plan entitling executive directors and/or employees of Autogrill S.p.A. and/or its subsidiaries to purchase ordinary Autogrill shares at the ratio of one share per option granted. The options are granted to beneficiaries free of charge and may be exercised, once the vesting period has elapsed, at a strike price calculated as the average stock market price for the month preceding the grant date.

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

The stock option plan approved by the general meeting states that the options granted will only vest if, at the end of the vesting period, the terminal value of Autogrill shares is at least € 11.00 (the average official share price during the three months prior to the last day of the vesting period, plus the dividends paid from the grant date until the end of the vesting period).

The number of options vested will then correspond to a percentage of the options granted, ranging from 30% for a terminal value of € 11 per share to 100% for a terminal value of € 17 per share or higher.

For each beneficiary there is also a "theoretical maximum capital gain" by virtue of which, regardless of other estimates, the number of options exercisable will be limited to the ratio "theoretical maximum capital gain"/(fair value - strike price)[3].

On 10 November 2010, the Board of Directors granted 1,261,000 options out of the 2,000,000 available, to 11 beneficiaries meeting the requirements of the plan. The options are exercisable during the period from 20 April 2014 to 30 April 2015, at a strike price of € 9.34.

The status of the plan at 31 December 2010 is as follows:

- options available: 2,000,000
- options granted: 1,261,000
- strike price: € 9.34 per share
- options exercised: none
- options expired: none

[3] As defined by Art. 9(4) of Presidential Decree 917 of 22 December 1986

An independent external advisor has been hired to calculate the fair value of the stock options, based on the value of shares on the grant date, volatility, the estimated dividend rate, the term of the plan and the risk-free rate of return. The average fair value of the options granted in 2010 is € 1.30.

For the year, the total costs recognised in relation to share-based payment plans amounted to € 74k.

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

3.2.10 Subsequent events

Since 31 December 2010, no events have occurred that if known in advance would have entailed an adjustment to the figures in the financial statements or required additional disclosures in these Notes.

3.2.11 Authorisation for publication

The Board of Directors authorised the publication of these draft financial statements at its meeting of 8 March 2011.

List of investments held directly and indirectly in subsidiaries and associates

Company	Registered office	Country	Currency	Share/quota	% owned 31.12.2010 Directly	Indirectly
Parent						
Autogrill S.p.A.	Novara		Eur	132,288,000		
Companies consolidated line-by-line						
Alpha Retail Italia S.r.l.	Rome	Italy	Eur	10,000	100.000%	
Autogrill Austria A.G.	Gottlesbrunn	Austria	Eur	7,500,000	100.000%	
Autogrill Czech S.r.o.	Prague	Czech Republic	Czk	126,000,000	100.000%	
Autogrill D.o.o.	Lubiana	Slovenia	Eur	2,480,000	100.000%	
Autogrill Hellas E.p.E.	Avlonas	Greece	Eur	1,696,350	100.000%	
Autogrill Polska Sp.zo.o.	Wroclaw	Poland	Pln	10,050,000	51.000%	
HMSHost Ireland Ltd.	Lee View House	Ireland	Eur	13,600,000	100.000%	
HMSHost Sweden A.B.	Stockholm	Sweden	Sek	2,500,000	100.000%	
Nuova Sidap S.r.l.	Novara	Italy	Eur	100,000	100.000%	
Autogrill Catering UK Ltd.	London	United Kindom	Gbp	2,154,578	100.000%	
Restair UK Ltd. (in liquidation)	London	United Kindom	Gbp	1		100.000%
Autogrill España S.A.U.	Madrid	Spain	Eur	1,800,000	100.000%	
Autogrill Participaciones S.L.U. (Autogrill Iberia from 1 January 2011)	Madrid	Spain	Eur	7,000,000	100.000%	
Restauracion de Centros Comerciales S.A. (RECECO)	Madrid	Spain	Eur	108,182		85.000%
Autogrill Finance S.A.	Luxembourg	Luxembourg	Eur	250,000	99.996%	0.004%
Autogrill Europe Nord-Ouest S.A.	Luxembourg	Luxembourg	Eur	41,300,000	99.999%	0.001%
Autogrill Deutschland GmbH	Munich	Germany	Eur	205,000	100.000%	
HMSHost Egypt Catering & Services Ltd.	Cairo	Egypt	Egp	1,000,000		60.000%
World Duty Free Europe Ltd.	London	United Kindom	Gbp	12,484,397		100.000%
Autogrill Holdings Uk Plc.	London	United Kindom	Gbp	24,249,234		100.000%
Autogrill Retail UK Ltd.	London	United Kindom	Gbp	360,000		100.000%
Alpha Airports Group (Jersey) Ltd.	Jersey Airport, St. Peter	United Kindom	Gbp	4,100		100.000%
Alpha Retail Ireland Ltd.	Dublin	Ireland	Eur	1		100.000%
Pratt & Leslie Jones Ltd. (in liquidation)	London	United Kindom	Gbp	8,900		100.000%
Alpha Airport Holdings B.V.	Boesingheliede	The Netherlands	Eur	74,874		100.000%
Alpha Kreol (India) Pvt Ltd.	Mumbai	India	Inr	100,000		50.000%
Orient Lanka Ltd.	Fort Colombo	Sri Lanka	Lkr	30,000,000		99.982%
Alpha Airports Group Ltd.	London	United Kindom	Gbp	2		100.000%
Alpha MVKB Maldives Pvt Ltd.	Male	Maldives	Mvr	1,596		60.000%
Alpha Airport Retail Holdings Pvt Ltd.	Mumbai	India	Inr	404,743,809		100.000%
Alpha Future Airport Retail PvT Ltd.	Mumbai	India	Inr	97,416,000		100.000%
Autogrill Holdings UK Pension Trustee Ltd.	London	United Kindom	Gbp	100		100.000%
Alpha ESOP Trustee Ltd. (in liquidation)	London	United Kindom	Gbp	100		100.000%

					% owned 31.12.2010	
Company	Registered office	Country	Currency	Share/quota	Directly	Indirectly
Alpha Euroservices Ltd. (in liquidation)	London	United Kindom	Usd	170		100.000%
Alpha Airports Group (Channel Island) Ltd. (in liquidation)	St. Heliers - Jersey	United Kindom	Gbp	21		100.000%
Alpha Airports (FURBS) Trustees Ltd. (in liquidation)	London	United Kindom	Gbp	26,000		100.000%
Airport Duty Free Shops Ltd. (in liquidation)	London	United Kindom	Gbp	2		100.000%
Dynair B.V.	Schipolweg	The Netherlands	Eur	18,000		100.000%
Autogrill Belgie N.V.	Antwerp	Belgium	Eur	20,750,000		100.000%
Ac Restaurants & Hotels Beheer N.V.	Antwerp	Belgium	Eur	5,500,000		100.000%
Ac Restaurants & Hotels S.A.	Grevenmacher	Luxembourg	Eur	1,250,000		100.000%
Autogrill Nederland B.V.	Breukelen	The Netherlands	Eur	41,371,500		100.000%
Maison Ledeboer B.V.	Zaandam	The Netherlands	Eur	69,882		100.000%
Ac Holding N.V.	Breukelen	The Netherlands	Eur	150,000		100.000%
The American Lunchroom Co B.V.	Zaandam	The Netherlands	Eur	18,151		100.000%
Ac Apeldoorn B.V.	Apeldoorn	The Netherlands	Eur	45,378		100.000%
Ac Bodegraven B.V.	Bodegraven	The Netherlands	Eur	18,151		100.000%
Ac Heerlen B.V.	Heerlen	The Netherlands	Eur	23,143		100.000%
Ac Hendrik Ido Ambacht B.V.	Hendrik Ido Ambacht	The Netherlands	Eur	2,596,984		100.000%
Ac Holten B.V.	Holten	The Netherlands	Eur	34,034		100.000%
Ac Leiderdorp B.V.	Leiderdorp	The Netherlands	Eur	18,151		100.000%
Ac Meerkerk B.V.	Meerkerk	The Netherlands	Eur	18,151		100.000%
Ac Nederweert B.V.	Weert	The Netherlands	Eur	34,034		100.000%
Ac Nieuwegein B.V.	Nieuwegein	The Netherlands	Eur	18,151		100.000%
Ac Oosterhout B.V.	Oosterhout	The Netherlands	Eur	18,151		100.000%
Ac Restaurants & Hotels B.V.	Breukelen	The Netherlands	Eur	90,756		100.000%
Ac Sevenum B.V.	Sevenum	The Netherlands	Eur	18,151		100.000%
Ac Vastgoed B.V.	Zaandam	The Netherlands	Eur	18,151		100.000%
Ac Vastgoed I B.V.	Zaandam	The Netherlands	Eur	18,151		100.000%
Ac Veenendaal B.V.	Veenendaal	The Netherlands	Eur	18,151		100.000%
Ac Zevenaar B.V.	Zevenaar	The Netherlands	Eur	57,176		100.000%
Holding de Participations Autogrill S.a.s.	Marseille	France	Eur	84,581,920	0.001%	99.999%
Autogrill Aéroports S.a.s.	Marseille	France	Eur	2,207,344		100.000%
Autogrill Coté France S.a.s.	Marseille	France	Eur	31,579,526		100.000%
Société Berrichonne de Restauration S.a.s. (Soberest S.a.s.)	Marseille	France	Eur	288,000		50.005%
Société Porte de Champagne S.A. (SPC)	Perrogney	France	Eur	153,600		53.440%
Société de Restauration Autoroutière Dromoise S.a.s. (SRAD)	Marseille	France	Eur	1,136,000		99.997%
Société de Restauration de Bourgogne S.A. (Sorebo S.A.)	Marseille	France	Eur	144,000		50.000%
Société de Restauration de Troyes-Champagne S.A. (SRTC)	Marseille	France	Eur	1,440,000		70.000%
Société Régionale de Saint Rambert d'Albon S.A. (SRSRA)	Romans	France	Eur	515,360		50.000%
Volcarest S.A.	Riom	France	Eur	1,050,144		50.000%

Company	Registered office	Country	Currency	Share/quota	% owned 31.12.2010 Directly	Indirectly
Société de Gestion de Restauration Routière (SGRR S.A.)	Marseille	France	Eur	1,537,320		100.000%
Vert Pré Saint Thiebaut SCI	Nancy	France	Eur	457		100.000%
TJ2D S.n.c.	Nancy	France	Eur	1,000		100.000%
Autogrill Restauration Services S.a.s.	Marseille	France	Eur	15,394,500		100.000%
Autogrill Gares Métropoles S.àr.l.	Marseille	France	Eur	4,500,000		100.000%
Autogrill Restauration Carrousel S.a.s.	Marseille	France	Eur	2,337,000		100.000%
La Rambertine S.n.c.	Romans	France	Eur	1,524		100.000%
Autogrill Commercial Catering France S.a.s.	Marseille	France	Eur	2,916,480		100.000%
Autogrill Centres Commerciaux S.àr.l.	Marseille	France	Eur	501,900		100.000%
Autogrill FFH Auotoroutes S.àr.l.	Marseille	France	Eur	375,000		100.000%
Autogrill FFH Centres Villes S.àr.l.	Marseille	France	Eur	375,000		100.000%
SPB S.àr.l.	Marseille	France	Eur	4,500		100.000%
Carestel Nord S.àr.l. (in liquidation)	Mulhouse	France	Eur	76,225		99.980%
Autogrill Trois Frontières S.àr.l.	Marseille	France	Eur	621,999		100.000%
Autogrill Schweiz A.G.	Olten	Switzerland	Chf	23,183,000	100.000%	
Restoroute de Bavois S.A.	Bavois	Switzerland	Chf	2,000,000		73.000%
Restoroute de la Gruyère S.A.	Avry devant Pont	Switzerland	Chf	1,500,000		54.300%
Autogrill Group Inc.	Delaware	USA	Usd	33,793,055	100.000%	
CBR Specialty Retail Inc.	Delaware	USA	Usd	–		100.000%
HMSHost Corporation	Delaware	USA	Usd	–		100.000%
HMSHost International Inc.	Delaware	USA	Usd	–		100.000%
HMSHost Tollroads Inc.	Delaware	USA	Usd	–		100.000%
HMSHost USA L.L.C.	Delaware	USA	Usd	–		100.000%
Host International Inc.	Delaware	USA	Usd	–		100.000%
Cleveland Airport Services Inc. (in liquidation)	Delaware	USA	Usd	–		100.000%
HMS-Airport Terminal Services Inc.	Delaware	USA	Usd	1,000		100.000%
HMS Host Family Restaurants Inc.	Baltimore	USA	Usd	2,000		100.000%
HMS Host Family Restaurants L.L.C.	Delaware	USA	Usd	–		100.000%
Gladieux Corporation	Ohio	USA	Usd	750		100.000%
Host (Malaysia) Sdn. Bhd.	Kuala Lumpur	Malaysia	Myr	–		100.000%
Host International of Canada Inc.	Vancouver	Canada	Cad	75,351,237		100.000%
Host Canada L.P.	Calgary	Canada	Cad	–		100.000%
SMSI Travel Centres Inc.	Vancouver	Canada	Cad	9,800,100		100.000%
HMSHost Holding GP Inc.	Vancouver	Canada	Cad	–		100.000%
HMSHost Holding F&B GP Inc.	Vancouver	Canada	Cad	–		100.000%
HMS Host Motorways Inc.	Vancouver	Canada	Cad	–		100.000%
HMSHost Motorways L.P.	Winnipeg	Canada	Cad	–		100.000%
HK Travel Centres GP. Inc.	Toronto	Canada	Cad	–		51.000%
HK Travel Centres L.P.	Winnipeg	Canada	Cad	–		51.000%
Host International of Kansas Inc.	Kansas	USA	Usd	1,000		100.000%
Host International of Maryland Inc.	Maryland	USA	Usd	79,576		100.000%
HMS Host USA Inc.	Delaware	USA	Usd	–		100.000%
Host of Holland B.V.	Amsterdam	The Netherlands	Eur	–		100.000%

Company	Registered office	Country	Currency	Share/quota	% owned 31.12.2010 Directly	Indirectly
Horeca Exploitatie Maatschappij Schiphol B.V.	Amsterdam	The Netherlands	Eur	45,378		100.000%
Host Services Inc.	Texas	USA	Usd	–		100.000%
Host Services of New York Inc.	Delaware	USA	Usd	1,000		100.000%
Host Services Pty Ltd.	North Cairns	Australia	Aud	6,252,872		100.000%
Las Vegas Terminal Restaurants Inc.	Delaware	USA	Usd	–		100.000%
Marriott Airport Concessions Pty Ltd.	North Cairns	Australia	Aud	3,910,102		100.000%
Michigan Host Inc.	Delaware	USA	Usd	1,000		100.000%
HMSHost Services India Private Ltd.	Bangalore	India	Inr	668,441,680		100.000%
HMS-Airport Terminal Services Inc.	Christchurch	New Zealand	Nzd	–		100.000%
HMSHost Singapore Pte Ltd.	Singapore	Singapore	Sgd	8,470,896		100.000%
HMSHost New Zealand Ltd.	Auckland	New Zealand	Nzd	1,520,048		100.000%
Anton Airfood Inc.	Delaware	USA	Usd	1,000		100.000%
Anton Airfood JFK Inc.	New York	USA	Usd	–		100.000%
Anton Airfood of Cincinnati Inc.	Kentucky	USA	Usd	–		100.000%
Anton Airfood of Minnesota Inc.	Minnesota	USA	Usd	–		100.000%
Anton Airfood of North Carolina Inc.	North Carolina	USA	Usd	–		100.000%
Anton Airfood of Ohio Inc. (in liquidation)	Ohio	USA	Usd	–		100.000%
Anton Airfood of Texas Inc.	Texas	USA	Usd	–		100.000%
Anton Airfood of Virginia Inc.	Virginia	USA	Usd	–		100.000%
Palm Springs AAI Inc.	California	USA	Usd	–		100.000%
Anton Airfood of Boise Inc.	Idaho	USA	Usd	–		100.000%
Anton Airfood of Tulsa Inc.	Oklahoma	USA	Usd	–		100.000%
Islip AAI Inc.	New York	USA	Usd	–		100.000%
Fresno AAI Inc.	California	USA	Usd	–		100.000%
Anton Airfood of Newark. Inc.	New Jersey	USA	Usd	–		100.000%
Anton Airfood of Seattle. Inc.	Washington	USA	Usd	–		100.000%
Anton/JQ RDU Joint Venture	North Carolina	USA	Usd	–		100.000%
Host Bush Lubbock Airport Joint Venture	Texas	USA	Usd	–		90.000%
Host/Diversified Joint Venture	Michigan	USA	Usd	–		90.000%
CS Host Joint Venture	Kentucky	USA	Usd	–		70.000%
Airside C F & B Joint Venture	Florida	USA	Usd	–		70.000%
Host of Kahului Joint Venture Company	Hawaii	USA	Usd	–		90.000%
Host/Coffee Star Joint Venture	Texas	USA	Usd	–		50.010%
Host-Chelle-Ton Sunglass Joint Venture	North Carolina	USA	Usd	–		80.000%
Southwest Florida Airport Joint Venture	Florida	USA	Usd	–		80.000%
Host Honolulu Joint Venture Company	Hawaii	USA	Usd	–		90.000%
Host/Forum Joint Venture	Baltimore	USA	Usd	–		70.000%
HMS/Blue Ginger Joint Venture	Texas	USA	Usd	–		55.000%
Savannah Airport Joint Venture	Atlanta	USA	Usd	–		45.000%
Host/Aranza Services Joint Venture	Texas	USA	Usd	–		50.010%
Host & Garrett Joint Venture	Mississippi	USA	Usd	–		75.000%

Company	Registered office	Country	Currency	Share/quota	% owned 31.12.2010 Directly	Indirectly
Tinsley - Host - Tampa Joint Venture	Florida	USA	Usd	–		49.000%
Phoenix - Host Joint Venture	Arizona	USA	Usd	–		70.000%
Host Taco Joy Joint Venture	Atlanta	USA	Usd	–		80.000%
Host Chelsea Joint Venture	Texas	USA	Usd	–		65.000%
Host -Tinsley Joint Venture	Florida	USA	Usd	–		84.000%
Host/Tarra Enterprises Joint Venture	Florida	USA	Usd	–		75.000%
Metro-Host Joint Venture	Michigan	USA	Usd	–		70.000%
Ben-Zey/Host Lottery JV	Florida	USA	Usd	–		40.000%
Host D and D St. Louis Airport Joint Venture	Missouri	USA	Usd	–		75.000%
East Terminal Chili's Joint Venture	Missouri	USA	Usd	–		55.000%
Host - Chelsea Joint Venture #2	Texas	USA	Usd	–		75.000%
Host/LJA Joint Venture	Missouri	USA	Usd	–		85.000%
Host/NCM Atlanta e Joint Venture	Atlanta	USA	Usd	–		75.000%
Houston 8/Host Joint Venture	Texas	USA	Usd	–		60.000%
Host-Houston 8 San Antonio Joint Venture	Texas	USA	Usd	–		63.000%
Seattle Restaurant Associates	Washington	USA	Usd	–		70.000%
Bay Area Restaurant Group	California	USA	Usd	–		49.000%
Islip Airport Joint Venture	New York	USA	Usd	–		50.000%
Host - Prose Joint Venture II	Virginia	USA	Usd	–		70.000%
HMS Host/Coffee Partners Joint Venture	Texas	USA	Usd	–		50.010%
Host-Grant Park Chili's Joint Venture	Arizona	USA	Usd	–		60.000%
Host/JV Ventures McCarran Joint Venture	Nevada	USA	Usd	–		60.000%
Airside E Joint Venture	Florida	USA	Usd	–		50.000%
Host-CJ & Havana Joint Venture	California	USA	Usd	–		70.000%
Host/Howell-Mickens Joint Venture	Texas	USA	Usd	–		65.000%
Host/JZ RDU Joint Venture	North Carolina	USA	Usd	–		75.000%
MIA Airport Retail Partners Joint Venture	Florida	USA	Usd	–		70.000%
Host of Santa Ana Joint Venture Company	California	USA	Usd	–		75.000%
Host Marriott Services - D/FW Joint Venture	Texas	USA	Usd	–		65.000%
Host Marriott Services - D/FWorth Joint Venture II	Texas	USA	Usd	–		75.000%
Host - Prose Joint Venture III	Virginia	USA	Usd	–		51.000%
Host Adevco Joint Venture	Arkansas	USA	Usd	–		70.000%
HMSHost Shellis Trans Air Joint Venture	Atlanta	USA	Usd	–		60.000%
Host PJJD Jacksonville Joint Venture	Florida	USA	Usd	–		51.000%
Host/JQ Raleigh Durham	North Carolina	USA	Usd	–		75.000%
Host-TFC-RSL. LLC	Kentucky	USA	Usd	–		65.000%
Host -Chelsea Joint Venture #4	Texas	USA	Usd	–		63.000%
Host – Houston 8 Terminal E. LLC	Texas	USA	Usd	–		60.000%
Host CTI Denver Airport Joint Venture	Colorado	USA	Usd	–		90.000%

Company	Registered office	Country	Currency	Share/quota	% owned 31.12.2010 Directly	Indirectly
Host International (Poland) Sp.zo.o.	Poland	Poland	Pln	–		100.000%
Host International of Canada (RD). Ltd.	Canada	Canada	Cad	–		100.000%
Host Shellis Atlanta JV	Atlanta	USA	Usd	–		70.000%
RDU A&W JV-Anton	North Carolina	USA	Usd	–		100.000%
Shenzhen Host Catering Company. Ltd.	Shenzhen	China	Cny	–		100.000%
Host/Howell - Mickens Joint Venture III	Texas	USA	Usd	–		51.000%
Host-Chelsea Joint Venture #3	Texas	USA	Usd	–		63.800%
Autogrill Belux N.V.	Antwerp	Belgium	Eur	10,000,000	99.999%	0.001%
Carestel Motorway Services N.V.	Antwerp	Belgium	Eur	9,000,000		100.000%
Carestel Beteiligungs GmbH & Co. (in liquidation)	Stuttgart	Germany	Eur	25,000		100.000%
Aldeasa S.A.	Madrid	Spain	Eur	10,772,462		99.960%
Aldeasa Internacional S.A.	Madrid	Spain	Eur	1,352,250		100.000%
Aldeasa Chile Ltda.	Santiago	Chile	Usd	2,516,819		99.900%
Sociedad de Distribución Aeroportuaria de Canarias S.L.	Las Palmas	Spain	Eur	667,110		60.000%
Aldeasa Colombia Ltda.	Cartagena de Indias	Colombia	Cop	2,356,075,724		100.000%
Aldeasa México S.A. de C.V.	Cancun	Mexico	Mxn	60,962,541		100.000%
Transportes y Suministros Aeroportuarios S.A. (in liquidation)	Madrid	Spain	Eur	1,202,000		100.000%
Aldeasa Cabo Verde S.A.	Isla de Sal	Cape Verde	Cve	6,000,000		100.000%
Prestadora de Servicios en Aeropuertos S.A. de C.V. (in liquidation)	Cancun	Mexico	Mxn	50,000		100.000%
Aldeasa Italia S.r.l.	Naples	Italy	Eur	10,000		100.000%
Aldeasa Duty Free Comercio e Importación de Productos Ltda	Sao Paulo	Brazil	Brl	145,300		100.000%
Panalboa S.A.	Panama	Panama Republic	Pab	150,000		80.000%
Audioguiarte Servicios Culturales S.L.	Madrid	Spain	Eur	251,000		100.000%
Aldeasa Servicios Aeroportuarios Ltda. (in liquidation)	Santiago	Chile	Usd	15,000		99.990%
Aldeasa Projets Culturels S.a.s.	Paris	France	Eur	1,301,400		100.000%
Cancouver Uno S.L.	Madrid	Spain	Eur	3,010		100.000%
Aldeasa US Inc.	Wilmington	USA	Usd	49,012,087		100.000%
Alpha Keys Orlando Retail Associates Ltd.	Florida	USA	Usd	100,000		85.000%
Alpha Airport Services Inc.	Florida	USA	Usd	1,400,000		100.000%
Aldeasa Atlanta L.L.C.	Atlanta	USA	Usd	1,122,000		100.000%
Aldeasa Atlanta JV	Atlanta	USA	Usd	2,200,000		76.000%
Aldeasa Jordan Airports Duty Free Shops Ltd (AJADFS)	Amman	Jordan	Usd	705,219		100.000%
Aldeasa Curaçao N.V.	Curaçao	Dutch Antilles	Usd	500,000		100.000%
Aldeasa Canada Inc.	Vancouver	Canada	Cad	1,000		100.000%
Aldeasa Vancouver L.P.	Vancouver	Canada	Cad	32,701,000		100.000%
Palacios y Museos S.l.U.	Madrid	Spain	Eur	160,000		100.000%

Company	Registered office	Country	Currency	Share/quota	% owned 31.12.2010	
					Directly	Indirectly
Companies consolidated proportionally						
Steigenberger Gastronomie GmbH	Frankfurt	Germany	Eur	750,000		49.990%
Alpha ASD Ltd.	London	United Kindom	Gbp	20,000		50.000%
Caresquick N.V.	Brussels	Belgium	Eur	3,300,000		50.000%
Companies consolidated using the equity method						
Dewina Host Sdn Bhd	Kuala Lumpur	Malaysia	Myr	–		49.000%
TGIF National Airport Restaurant Joint Venture	Texas	USA	Usd	–		25.000%
HKSC Developments L.P. (Projecto)	Winnipeg	Canada	Cad	–		49.000%
HKSC Opco L.P. (Opco)	Winnipeg	Canada	Cad	–		49.000%
Souk al Mouhajir S.A.	Tangier	Morocco	Dhs	6,500,000		35.840%
Creuers del Port de Barcelona S.A.	Barcelona	Spain	Eur	7,700,000		23.000%

Certification by the CEO and Financial Reporting Officer

CERTIFICATION
of the separate financial statements
pursuant to Art. 81-*ter* of Consob Regulation 11971
of 14 May 1999 (as amended)

1. We, the undersigned, Gianmario Tondato Da Ruos as Chief Executive Officer and Mario Zanini as Financial Reporting Officer of Autogrill S.p.A., hereby declare, including in accordance with Art. 154-*bis* (3) and (4) of Legislative Decree 58 of 24 February 1998:

a) the adequacy of in relation to the characteristics of the business; and

b) due compliance with

the administrative and accounting procedures for the preparation of the separate financial statements during the course of 2010.

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

3. We also confirm that:

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

3.2 the directors' report includes a reliable description of the performance and financial position of the company, along with the main risks and uncertainties to which it is exposed.

Milan, 8 March 2010

Gianmario Tondato Da Ruos
Chief Executive Officer

Mario Zanini
Financial Reporting Officer

Independent Auditors' Report

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

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

To the shareholders of
Autogrill S.p.A.

1 We have audited the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2010, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Reference should be made to the report dated 30 March 2010 for our opinion on the prior year separate financial statements, which included the corresponding figures presented for comparative purposes.

3 In our opinion, the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2010 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of Autogrill S.p.A. as at 31 December 2010, the results of its operations and its cash flows for the year then ended.

Autogrill S.p.A.
Report of the auditors
31 December 2010

4 The directors of Autogrill S.p.A. are responsible for the preparation of a directors' report on the financial statements and a report on the corporate governance and shareholding structure, published in the "governance" section of Autogrill S.p.A.'s website, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the directors' report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the report on the corporate governance and shareholding structure are consistent with the separate financial statements of Autogrill S.p.A. as at and for the year ended 31 December 2010.

Milan, 30 March 2011

KPMG S.p.A.

(signed on the original)

Giovanni Rebay
Director of Audit

Board of Statutory Auditors' Report

Dear Shareholders,

During the year ended 31 December 2010 we performed the supervisory activities required by law, following the rules of conduct for statutory auditors endorsed by the Italian Accounting Profession and taking account of the recommendations provided by Consob in Circular 1025564 of 6 April 2001 and similar communications.

We confirm that we have:

- attended the annual general meeting of the shareholders and all meetings of the Board of Directors held during the year, and obtained periodic information from the directors on their activities and on the most significant transactions carried out by Autogrill S.p.A. and its subsidiaries;
- stayed informed of and supervised the company's and its subsidiaries' activities, including as envisaged by Art. 151 of Legislative Decree 58/1998 (the Consolidated Finance Act), within the scope of our remit. The information in question was gathered through audits and directly from the chief executive officer and department heads, through attendance at the meetings of the Internal Control and Corporate Governance Committee, and by sharing information with the independent auditors KPMG S.p.A.;
- arranged meetings with the top representatives of the various corporate functions to ensure that the initiatives being followed were geared not only toward achieving business objectives but also toward improving the internal control system;
- verified the adequacy of the administrative-accounting system and its ability to represent performance correctly, including by examining the findings of the independent auditors, who informed us during the year of their inspections and reported no irregularities;
- received from Board of Directors, by the deadlines set by law, the 2010 Half-year Report and the Interim Management Statements at 31 March and 30 September 2010;
- been informed by the directors regarding the accounting policies used to prepare the 2010 financial statements;
- verified that, in respect of Art. 36 of Consob's Market Regulations, the procedures adopted by the company ensure compliance with the above-mentioned regulations;
- ensured that the procedures for related party transactions adopted by the Board of Directors on 29 November 2010 comply with the standards laid down in Consob Regulation 17221/2010.

Again with reference to the aforementioned Consob circular, we provide the following information and statements:

a) The transactions of economic and financial significance carried out by the company comply with the by-laws and with pertinent legislation. On the basis of information at our disposal we were able to determine that such transactions were not manifestly imprudent, hazardous, or otherwise liable to comprise the company's financial soundness.
b) We have found no atypical and/or unusual transactions carried out during the year. The Directors' Report and the notes provide information on the characteristics and economic effects of the main transactions with third parties, related parties and other companies in the Autogrill Group.
c) The report of the independent auditors KPMG S.p.A. issued an unqualified report on Autogrill S.p.A.'s separate financial statements at 31 December 2010, on 30 March 2011. KPMG's report on the Autogrill Group's 2010 consolidated financial statements, issued on the same date, is also unqualified.
d) In 2010 the Board of Statutory Auditors received no complaints pursuant to Art. 2408 of the Italian Civil Code.
e) In 2010 the Board of Statutory Auditors received no statements or exposés.
f) Concerning the independence of the independent auditors, we were informed that in 2010 KPMG S.p.A. conducted a review of the Sustainability Report for fees of € 85,000, checked the Company's tax returns as required by law for fees of € 6,000, reviewed the consideration due to landlords in accordance with the relevant contracts for fees of € 18,000, issued fairness opinion on the stock option plan for fees of € 40,000, and provided other certification services for fees of € 28,000.
g) For auditing the separate and consolidated financial statements, on the basis of contractual agreements in force, KPMG S.p.A. was paid an additional € 25,000 for extra hours relating mostly to the sale of the Flight business.
h) The independent auditors informed us that the foreign subsidiaries of Autogrill S.p.A. have hired members of KPMG's network for assignments other than auditing the financial statements, as reported in the notes.
i) We have received confirmation of the independence of the firm hired for compulsory accounts auditing pursuant to Art. 17(9)(a) of Legislative Decree 39/2010, and no situations or circumstances have come to light that would disqualify that firm or compromise its independence.
j) The independent auditors have provided us with the report required by Art. 19(3) of Legislative Decree 39/2010, which notes no significant shortcomings in the internal control system concerning the financial reporting process.

k) In 2010 the Board of Statutory Auditors issued the opinions called for by law.
l) The company has complied with all data protection obligations as stated in Legislative Decree 196/2003, and has drawn up the Data Protection Document required by law.
m) In accordance with the company's organisational and management model for the prevention of legal offences envisaged by Legislative Decree 231 of 8 June 2001 regarding corporate liability for crimes committed by employees and other staff, Autogrill S.p.A., through the Supervisory Board set up for this purpose, monitored the processes and procedures designed to prevent such offences. The Board of Statutory Auditors was informed in communications addressed to itself and to the Board of Directors.
n) In 2010 there were 12 meetings of the Board of Directors and 10 meetings of the Internal Control and Corporate Governance Committee. There were also 12 meetings of the Board of Statutory Auditors.
o) We have no comments to make on the company's observance of sound management principles, which appear to have been consistently followed and geared toward the company's best interests.
p) In 2010 the company continued to adapt its organisational structure, especially as regards the "Travel Retail & Duty-Free" division, although no significant changes took place; risk management and control was also a continued priority through the work of the Group's Internal Audit department.
q) We verified that, in accordance with Art. 114(2) of Legislative Decree 58/1998, the company gave its subsidiaries sufficient instruction for the prompt receipt of the information needed to meet the reporting requirements mandated by law.
r) We have no observations to make regarding contacts with the corresponding bodies of the company's subsidiaries.
s) During regular meetings between the Board of Statutory Auditors and the independent auditors, pursuant to Art. 150(3) of the Consolidated Finance Act, no circumstances were noted that are worthy of mention in this report.
t) The company continued to improve and implement the rules of corporate governance in accordance with the Corporate Governance Code published by Borsa Italiana in March 2006, which the company adopted by resolution of the Board of Directors on 19 December 2006. Compliance with the code was verified by us and is the subject of the Autogrill Group's 2010 Corporate Governance Report, which is available in the required forms.
u) During the year the company verified the true independence of the directors qualifying as such, in accordance with the Corporate Governance Code; likewise, it ascertained our own continued independence, according to the provisions of that Code.
v) The statutory auditors confirm that both the separate and the consolidated financial statements have been prepared according to the IFRS published by the IASB and endorsed by the European Union, as required by EC Regulation 1606 of 19 July 2002 and by Legislative Decree 38/2005. Those financial statements, and in particular the accompanying notes, contain the information required by Consob Circular no. 6064293 of 28 July 2006 and by Banca d'Italia/Consob/ISVAP Document no. 4 of 3 March 2010. Periodic accounting checks and auditing of the separate and consolidated financial statements was assigned to the independent auditors KPMG S.p.A. During the year the independent auditors checked that the books were kept correctly, that transactions were properly entered in the accounting records, and that the accounting records correspond to the financial statements on 31 December 2010; the financial reporting officer and the chief executive officer have issued the statements and certifications required by law. The Board of Statutory Auditors in any case monitored the general layout of the financial statements, their compliance with the law and their observance of applicable regulations. The notes to the financial statements specify the accounting policies used and provide all information required by law; the Directors' Report describes the company's performance, current situation and outlook, as well as the group's development and reorganisation, including information on credit, market, liquidity, and operational risks.

During the course of our work, as described above, no matters arose that might have required reporting to the authorities or mention in this report.

In conclusion, we certify that in the course of our work we found no omissions, inappropriate conduct or irregularities to report to the shareholders.

Within the scope of our mandate, we also assent to the approval of the 2010 financial statements accompanied by the Directors' Report as presented by the Board of Directors, and to the directors' recommended allocation of the net profit for the year.

Milan, 30 March 2011

The Board of Statutory Auditors

Luigi Biscozzi
Eugenio Colucci
Ettore Maria Tosi

Autogrill S.p.A.

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