AUTOGRILL S.p.A.

Sede legale: 28100 Novara
Via Luigi Giulietti n. 9
Capitale sociale 132.288.000 euro i.v.
Registro imprese di Novara
C.F.03091940266

WORLD DUTY FREE S.p.A.

Sede legale: 28100 Novara
Via Greppi, 2
Capitale sociale 120.000,00 euro i.v.
Registro imprese di Novara
C.F: 02362490035

INFORMATION DOCUMENT

prepared in accordance with Article. 57 (I) of Consob Regulation 11971 of 14 May 1999, as ameded relating to

PARTIAL AND PROPORTIONAL DEMERGER OF AUTOGRILL S.p.A. TO WORLD DUTY FREE S.p.A.

This Information Document does not constitute an offer to sell or the solicitation of an offer to buy any securities.

***

This Information Document is being distributed to all registered holders of Autogrill S.p.A.'s shares as of the date herein. Further copies of this Information Memorandum and documents referred to in the Information Memorandum are available from the Sponsor (as defined below).

Courtesy translation

Sponsor

BANCA IMI

IMPORTANT NOTICE TO HOLDERS OF AUTOGRILL'S SHARES IN THE UNITED STATES:

The World Duty Free S.p.A. Shares to be distributed to you in connection with the Demerger will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and will be distributed to you in reliance on the position taken by the Division of Corporation Finance of the United States Securities and Exchange Commission (the "SEC"), set forth in Staff Legal Bulletin No. 4, issued on September 16, 1997, that the shares do not require registration under the Securities Act if, as is the case with respect to the Demerger, certain conditions specified in SLB No. 4 are satisfied.

Since the WDF Shares will not initially be listed on any exchange or quoted on an inter-dealer quotation system in the United States, it is unlikely that an active trading market will develop in the United States.

CONTENTS

DEFINITIONS

Below is the list of the definitions used in this Document. These definitions, unless otherwise specified, shall have the meaning indicated below. Anytime the context so requires the singular shall include the plural and vice versa.

AENA	AENA Aeropuertos, S.A.
AENA Agreements	The concession agreements executed on 14 February 2013 between AENA, on one side, and WDFG España and Canariensis, on the other side, whereby the WDF Group currently manages the commercial areas of 26 airports in Spain, as better described in Chapter 12, Paragraph 12.1.4.
Aldeasa	Aldeasa, S.A., that subsequently changed its corporate name into WDFG España.
Alpha	Alpha Airports Group Plc., with registered office in 4 New Square, Bedfont Lakes, Feltham, Middlesex, TW14 8HA, UK.
Auditing Company	KPMG S.p.A., with registered office in Milan, Via Vittor Pisani no. 25.
Authorised Intermediaries	The authorised intermediaries participating to the centralised system managed by Monte Titoli.
Autogrill or the Assigning Company	Autogrill S.p.A., with registered office in Novara, Via L. Giulietti no. 9 and secondary office in Rozzano (MI), Centro Direzionale Milanofiori – Strada 5, Building Z.
Banca IMI	Banca IMI S.p.A., with registered office in Milan, Largo Mattioli no. 3.
Borrowing Companies	WDFG SAU, WDFG España, WDFG UK Holdings and WDFG UK.
Borsa Italiana	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari no. 6.
Borsa Italiana Corporate Governance Code	Corporate Governance Code applying to Italian listed companies prepared by Borsa Italiana.
Borsa Italiana Rules	The rules governing stock markets organized and managed by Borsa Italiana, adopted by the shareholders' meeting of Borsa Italiana and into force as of the Date of the Document.
By-laws	WDF's by-laws, approved by the shareholders' meeting on 6 June 2013, that shall enter into force upon the effective date of the Demerger.

BoD Report	The report on the Demerger Project, prepared pursuant to Sections 2501-*quinquies* and 2506-*ter* of the Civil Code and Section 70, paragraph 2, of the Issuers Regulation, approved on 3 May 2013 by the Board of Directors of Autogrill and made available on Autogrill's website on 4 May 2013.
Canariensis	Sociedad de Distribución Comercial Aeroportuaria de Canarias, S.L., with registered office in Beneficiado José Estupiñán, 1 Polìgono industrial Telde, Isla de Gran Canaria, Las Palmas, Spain, whose share capital is owned 60% by WDFG España and 40% by Canaria de Retailing Aeroportuario, S.A., a company not belonging to the Autogrill Group.
CBR Retail	CBR Specialty Retail Inc., that subsequently converted into WDFG NA.
Civil Code	Italian Royal Decree of 16 March 1942, no. 262, as subsequently supplemented and amended.
Consob	Commissione Nazionale per le Società e la Borsa, with registered office in Rome, Via G.B. Martini no. 3.
Date of the Document	The date of publication of the Document.
Demerger	The partial proportional demerger of Autogrill in favor of WDF, better described in the Demerger Project, by virtue of which Autogrill will transfer to WDF the portion of its assets and liabilities relating to the activity carried out, directly and indirectly, in the Travel Retail & Duty Free sector.
Demerger Project	The project for the partial proportional demerger of Autogrill in favor of WDF, prepared jointly by Autogrill and WDF pursuant to Sections 2506-*bis* and 2501-*ter* of the Civil Code, approved by the Board of Directors of these companies on 3 May 2013, made available on Autogrill's website on 4 May 2013 and approved by Autogrill's and WDF's shareholders meetings on 6 June 2013.
Distribution	The cash payment by WDFG SAU to Autogrill of Euro 220 million, resolved by Autogrill (as former sole shareholder of WDFG SAU) on 30 April 2013 and made on 5 June 2013, mainly as distribution of retained profits earned by WDFG SAU Group in the financial years in which it was controlled by Autogrill and not distributed in such financial years.
Document	This information document, prepared pursuant to Article 57, first paragraph of the Issuers Regulation.
Group or Autogrill Group	Jointly Autogrill and the companies directly or indirectly controlled by the same, pursuant to Section 2359 of the Civil

	Code and to Section 93 of TUF, prior to the Demerger (including WDF).
Group of the Assigning Company or Autogrill Post-Demerger Group	Jointly Autogrill and the companies directly or indirectly controlled by the same, pursuant to Section 2359 of the Civil Code and to Section 93 of TUF, following consummation of the Demerger.
Group of the Beneficiary Company or WDF Group	Jointly WDF and the companies directly or indirectly controlled by the same, pursuant to Section 2359 of the Civil Code and to Section 93 of TUF, following consummation of the Demerger.
Guidelines	The guidelines to Borsa Italiana Rules, in effect as of the Date of the Document.
HMS	HMSHost Corporation, with registered office at Corporation Service Company, 2711 Centerville Road (Suite 400), Wilmington, New Castle County, Delaware 19808 USA.
IAS or IFRS	“International Financial Reporting Standards”, including all the “International Accounting Standards” (IAS), all the “International Financial Reporting Standards” (IFRS) and all the interpretation of “International Financial Reporting Interpretations Committee” (IFRIC), formerly known as “Standing Interpretations Committee” (SIC) adopted by the European Union.
Intercompany Loan	The revolving credit line granted by Autogrill to WDFG SAU for maximum amount of Euro 200 millions.
Issuers Regulation	The regulation approved by Consob with resolution no. 11971 of 14 May 1999 as subsequently amended and supplemented.
Loan	The Euro 1,25 billion facility granted to the Borrowing Companies pursuant to the Loan Agreement, as better described in Chapter 7, Paragraph 7.1.3.
Loan Agreement	The loan agreement executed on 30 May 2013, governing the Loan granted to the Borrowing Companies (as defined herein).
Market Regulation	The regulation approved by Consob with resolution no. 16191 of 20 October 2007 as subsequently amended and supplemented.
Monte Titoli	Monte Titoli S.p.A., with registered office in Milan, Piazza degli Affari no. 6.
MTA or Mercato Telematico Azionario	The electronic stock market organized and managed by Borsa Italiana.

Related Parties The related parties as defined under the Related Parties Regulation (as herein defined).

Related Parties Regulation The regulation setting forth provisions on Related Parties transactions approved by Consob with resolution no. 17221 of 12 March 2010 as subsequently amended and supplemented.

Stock Grant Plan The long term incentive plan called "Nuovo Leadership Team Long Term Incentive Plan Autogrill L-LTIP", approved by Autogrill shareholders' meeting on 21 April 2011, giving beneficiaries the right to receive Autogrill shares of common stock without consideration.

Stock Option Plan The stock option plan approved by Autogrill shareholders' meeting on 20 April 2010, giving the beneficiaries the right to receive ordinary shares in Autogrill upon payment of a fee.

Shares The no. 254.520.000 shares of common stock, with no par value, that shall represent WDF's entire stock capital after the Demerger.

TUB Italian Legislative Decree 1 September 1993, no. 385 as subsequently amended and supplemented.

TUF Italian Legislative Decree 24 February 1998, no. 58 as subsequently amended and supplemented.

Tuir Italian Presidential Decree 22 December 1986, no. 917 as subsequently amended and supplemented.

UK Airports Operators Heathrow Airport Limited, Gatwick Airport Limited, Stansted Airport Limited, Southampton International Airport Limited, Edinburgh Airport Limited, Glasgow Airport Limited and Aberdeen Airport Limited and each a "**UK Airport Operator**".

UK Framework Agreement The framework retail concession agreement entered into among WDFG UK Holdings (formerly, WDF Europe) and Autogrill, on one side, and the UK Airport Operators (as defined below), on the other side, on 21 May 2008 and novated on 10 March 2010 from WDFG UK Holdings to WDFG UK (formerly Autogrill Retail UK Limited). The UK Framework Agreement is better described in Chapter 12, Paragraph 12.1.3.

US Retail Division The entire stock capital of WDFG NA, the going concerns relating to the management of the concessions for the convenience stores located primarily in certain United States airports (including the concession agreements whereby said management is carried out) operated by HMS and some of its subsidiaries and the employees

	primarily related to the operation of the above going concerns, representing the subject matter of the sale and purchase agreement executed on 30 July 2013 and described in the following Chapter 12, Paragraph 12.3.1.
Waivers	The waivers, from the relevant banks, to their right to the remedies, contemplated by certain medium-long term loan agreements to which Autogrill and other companies of the Autogrill Group were parties, enforceable by reason of the Demerger.
WDF or the Beneficiary Company or the Issuer	World Duty Free S.p.A., with registered office in Novara, Via Greppi no. 2.
WDF Europe	World Duty Free Europe Ltd., that subsequently changed its corporate name in WDFG UK Holdings.
WDFG España	World Duty Free Group España, S.A. (formerly, Aldeasa, S.A.), with registered office in calle Josefa Valcárcel 30, Merrimack IV Building, Madrid, Spain in which WDFG SAU holds a 99.89% interest.
WDFG NA	WDFG North America LLC, with registered office at Corporation Service Company, 2711 Centerville Road (Suite 400), Wilmington, New Castle County, Delaware 19808 USA (formerly known as CBR Retail).
WDFG SAU	World Duty Free Group, S.A.U., with registered office in calle Josefa Valcárcel 30, Merrimack IV Building, Madrid, Spain.
WDFG SAU Group	Jointly WDFG SAU and the companies directly or indirectly controlled by the same, pursuant to Section 2359 of the Civil Code and to Section 93 of TUF.
WDFG UK	WDFG UK Ltd., with registered office at 4 New Square, Bedfont Lakes, Feltham, Middlesex, TW14 8HA.
WDFG UK Holdings	WDFG UK Holdings Limited, with registered office in 4 New Square, Bedfont Lakes, Feltham, Middlesex, TW14 8HA.
WDFG US	WDFG US Inc., with registered office in 8500 Parkline Blvd Ste 100, Orlando, FL 32809.
809/2004/CE Regulation	The regulation 809/2004/CE adopted by the European Commission on 29 April 2004, implementing the directive 2003/71/CE of the European Parliament and the European Council, concerning the information to be provided in prospectuses, the inclusion of information by reference, the publication of the prospectuses and the disclosure of advertising messages, as subsequently amended and supplemented.

GLOSSARY

Below is the list of the technical definitions used in the Document. These definitions, unless otherwise specified, shall have the meaning indicated below. Anytime the context so requires the singular shall include the plural and viceversa.

brand partner	Any of the main product suppliers of the WDF Group with whom a cooperation framework agreement was executed (See Chapter 6, Paragraph 6.2.3.4)
BRICS Countries	Brasil, Russia, India, China and South Africa.
capture rate	The ratio between the number of passengers purchasing in any WDF Group's travel retail store and the total number of passengers passing through the airport where the store is located.
concession	The permission, obtained by virtue of a concession agreement, to operate stores located within the commercial areas in airports and in other venues, for the purpose of selling products included in different product categories.
concession agreements	Any agreement, in the form of a concession agreement or a lease agreement, concerning the right to operate stores located within the commercial areas in airports and in other venues, for the purpose of selling products across different product categories.
convenience store	Retail stores in which it is possible to purchase products included in the "Convenience" category (See Chapter 6, Paragraph 6.2.3.3)
cultural institutions	Buildings, museums and other venues of historical or artistic import.
duty-free regime	Regime applicable to sales of goods exempt from import taxes, customs and other taxes.
duty-paid regime	Ordinary regime applicable to sales of goods that does not benefit from exemptions provided for under the duty-free regime.
extra-UE	Qualifies a State or a country which is not a member of the European Union or the position of a location outside the territory of European Union member States.

Food & Beverage	Restaurant business and administration and retailing of food, beverage and other goods business.
generalist travel retail store	A retail store in which products of different categories are sold. The most significant of these products belong to the following categories: “Beauty”, “Drinks”, “Tobacco” and “Food” (See Chapter 6, Paragraph 6.2.3.5).
GBP	United Kingdom Pound.
hub	An airport that, with reference to a given carrier, represent an important junction for the passengers’ traffic arriving or departing for different destinations.
INR	Indian Rupee.
IT	Methods for the transmission, receipt and processing of information through the use of technology.
licensor and licensee	Respectively the legal entity awarding the concession (in the airport sector, the entity managing the airport) and the travel retail operator to which the concession is awarded and that, therefore, by virtue of the same, is authorized to manage stores located within the commercial areas in airports and in other venues for the purpose of selling products included in different product categories.
pop up store	A travel retail store opening for a limited period in connection with a certain trend or to sell a seasonal product.
renewal rate	In relation to concession agreements expired in a given timeframe, the ratio between the revenues obtained under the concession agreements renewed in that timeframe and the revenues obtained under expired concession agreements (renewed and not renewed) in the same timeframe.
specialized or themed store	A retail store specialized in the sale of a specific category of products.
supply chain	An organized system of activities, people, information and resources structured to transfer products and services from the manufacturer to the customer.
travel retail or Travel Retail & Duty Free	The business of selling goods and providing services mainly to travelers in different retail channels connected to transportation.
traditional retail operator or traditional retailer or “Down Town” retailer	Any legal entity or company carrying out its retail activity or performance of services in town.

travel retail operator or travel retailer	Any legal entity or company operating in the travel retail sector as a licensor.
USD	United States Dollar.
“walk-through” store	A retail store usually located after the security controls that the passengers have to walk-through on their way to the gates.

INTRODUCTION

On 6 June 2013 the shareholders meetings of Autogrill and WDF approved the Demerger. Through the Demerger, Autogrill's business relating to the activities indirectly carried out in the Travel Retail & Duty Free sector (and, more precisely, the shares representing the entire share capital held by Autogrill in WDFG SAU) will be transferred to WDF.

The scope of the Demerger is predominantly industrial and the transaction is aimed at separating the two sectors, Food & Beverage and Travel Retail & Duty Free, in which Autogrill group operates, considering that these two sectors have substantially different features from each other, both in terms of market and competitive context of reference, as well as in terms of dynamic management and development strategies. These features are reflected in the different historical and projected results of the two sectors and development strategies that they will enact in the coming years. The Demerger will have the effect of creating two distinct groups, autonomous and independent and will allow each of them to better pursue its strategies and improve its performance by leveraging their respective strengths.

Apart from the different strategic objectives, currently the Food & Beverage and Travel Retail & Duty Free sectors are managed independently and no significant synergies connect one to the other.

By virtue of the Demerger, the shareholders of Autogrill will receive, without payment of any consideration, a number of newly issued shares of WDF equal to the number of shares held in Autogrill. Following the Demerger, both Autogrill and WDF shares will be listed on the MTA, allowing the financial markets to independently assess the respective performances and strategies and facilitating business combinations in their respective markets of reference.

For further information on the structure and goals of the Demerger, see Chapter 3 below.

This Document, which includes and supplements the information contained in the BoD Report, has been prepared pursuant to Article 57, paragraph 1, letter d) of the Issuers Regulation for the admission to trading on the MTA of all the shares of WDF, in order to make available information deemed by Consob equivalent to the information contained in a listing prospectus.

On 23 September 2013, Borsa Italiana resolved the admission to listing of WDF's shares on the MTA.

On 25 September 2013, Consob issued its decision on the equivalence of this Document pursuant to Article 57, paragraph 1, of the Issuers Regulation and authorized its publication.

This Document has beed deposited with Consob and made available to the public at the registered offices of Autogrill and WDF, at the registered office of Borsa Italiana in Milan, Piazza degli Affari 6 and is also available online on WDF's website www.wdfg.com and on Autogrill's website www.autogrill.com.

1. RESPONSIBLE ENTITIES AND AUDITING COMPANY

1.1 Entities responsible of the Document

World Duty Free S.p.A, with registered office in Novara, Via Greppi 2 and Autogrill S.p.A. with registered office in Novara, Via L. Giulietti 9, with a branch in Rozzano (MI), Centro Direzionale Milanofiori – Strada 5, Palazzo Z, are responsible for the accuracy and completeness of the data and information contained in the Document.

1.2 Declaration of Responsibility

Having applied reasonable care, World Duty Free S.p.A. and Autogrill S.p.A. hereby declare that, to the best of their knowledge and understanding, the information in the Document correctly represents the facts and there are no omissions that may alter their meanings.

The Document is aligned with the draft filed with the Consob on the 26 September 2013, following the release of the Declaration of Conformity with a note dated 25 September 2013, Protocol No. 76355/13.

1.3 Issuer's Independent Auditors

WDF was incorporated on March 27, 2013 and registered with the Novara Company register on 3 April 2013; as such, there are no prior year separate and consolidated financial statements.

At their ordinary meeting held on 18 July 2013, pursuant to Articles 13 and following of Legislative Decree No. 39 of 27 January 2010, the shareholders appointed, KPMG S.p.A., with registered office in Milan, Via Vittor Pisani 25, as the auditing company for the financial years from 2013 to 2021. KPMG S.p.A. is registered with the Registry of Auditing Companies that was established pursuant to Article 161 of the TUF.

The appointment includes the audit of WDF's separate and consolidated financial statements for the financial years from 2013 to 2021, the review of the condersed interim consolidated financial statements, and the checks that the company's accounts are Kept properly and that accounting entries accurately reflect its operations for the financial years from 2013 to 2021.

KPMG S.p.A. has:

(i) performed the review of the WDF Group's condensed interim combined financial statements as at and for the six months ended 30 June 2013 (See Annex 1 to the Document);

(ii) performed the audit of the WDF Group's combined financial statements as at and for the years ended 31 December 2012, 2011 and 2010 (See Annex 2 to the Document);

(iii) examined the *pro forma* consolidated financial statements of the WDF Group as at and for the six months ended 30 June 2013, with a focus on the reasonableness of the assumptions adopted, the correctness of the methodology used and the correctness of the accounting policies adopted (See Chapter 7, Paragraph 7.2.1.);

(iv) examined the *pro forma* consolidated financial statements of the WDF Group as at and for the year ended 31 December 2012 with a focus on the reasonableness of the assumptions adopted, the correctness of the methodology used and the correctness of the accounting policies adopted (See Chapter 7, Paragraph 7.2.2.).

2. RISK FACTORS

Investors should carefully read the risk factors described below and the other information in this Document before making an investment decision in the financial instruments issued by the Issuer.

2.1 RISKS ASSOCIATED WITH THE ISSUER AND ITS GROUP

2.1.1 Risks associated with the concentration of the WDF Group's activities in the United Kingdom and in Spain

During financial year 2012, the revenue generated by the WDF Group's activities in the United Kingdom represented 48% of the WDF Group's total revenue, while the revenue generated by the WDF Group's activities in Spain represented 29% of the total revenue; by including the revenue that the US Retail Division generated in financial year 2012, these figures would decrease respectively to 43.3% and 26.2% (1). During the first semester of financial year 2013 the above figures diminished to 46.9% and 26.8%, respectively (and to 42.9% and 24.6%, respectively, by including the revenue that the US Retail Division generated during such period).

As of 30 June 2013 the value of the contractual rights connected with the concessions in the United Kingdom and in Spain, recorded as intangibles in the WDF Group's balance sheet, was equal to respectively Euro 220.7 million and Euro 191.5 million. These intangible assets are amortised based on their estimated useful life. Therefore, the loss or non renewal of the concessions in these Countries would cause the write off of the book value, at the date of the loss or of non-renewal, of these assets.

Considering the fundamental contribution of the concessions in the United Kingdom and in Spain to the WDF Group's revenue, the loss or non renewal of these concessions, expiring starting from 2020, or any event or circumstance which may negatively impact the volume of passengers in transit through the UK or Spanish airports in which the WDF Group operates (especially London Heathrow, London Gatwick, Madrid Barajas and Barcelona El Prat), may, more in general, materially adversely affect the financial, economic situation and the assets of the WDF Group.

For further information, see Chapter 6, Paragraph 6.2.3.2.

(1) In particular, the revenue generated by the WDF Group's activities in financial year 2012 at the London Heathrow airport represents approximately half of the total revenue of the WDF Group in the United Kingdom.

2.1.2 Risks associated with the acquisition, renewal and keeping of the WDF Group concessions

The WDF Group performs its core activity predominantly under concession agreements where it has the right to operate in certain airport commercial areas. Concessions are the WDF Group's core asset and, consequently, the WDF Group focuses its strategy on renewing its existing concessions and on acquiring new ones.

The WDF Group competes with other travel retail operators globally, regionally and locally to obtain and renew these concessions. Therefore, there is ultimately no guarantee that the WDF Group will renew the existing concessions and/or will be able to acquire new ones. The above circumstances may adversely affect the WDF Group's ability to achieve its strategic goals (see Chapter 6, Paragraphs 6.2.3.1 and 6.2.3.9). Furthermore, due to the strong competition in this sector, in the case of new acquisitions and/or renewals of concessions, the terms provided by the licensors may be less favourable than those currently in place.

The concession agreements in force as of the Date of the Document, may be terminated or cease to be in force for several reasons – some of which are beyond the WDF Group's control – including an order by the competent authorities or courts nullifying them, the loss of authorisation, licenses or certifications required by the applicable national provisions to perform duty-free activities, or the licensors not granting their prior approval to transactions resulting in a change in control of a member of the WDF Group. If any of these circumstances occur, it may adversely affect the profitability of the concessions and, the financial, economic situation and the assets of the WDF Group.

Except for the concession agreements relating to the airports of Vancouver, Amman, Newcastle and Jersey, the completion of the Demerger does not trigger application of the change of control provisions that are included in the concession agreements to which the WDF Group is party as of the Date of the Document. As of that date, the WDF Group has obtained the consent from the licensors of Vancouver, Newcastle and Jersey airports, while is engaged in advanced negotiations for obtaining the consent from the licensor of Amman airport (whose revenue in financial year 2012 have amounted to approximately 3.2% of the WDF Group aggregate revenues). Following the Demerger, the company of the WDF Group party to the concession agreement relating to the Amman airport shall remain party to that agreement, without prejudice to the right of the licensor to terminate the agreement, by virtue of the changes to the control chain, should the consent to the Demerger be denied.

For further information, see Chapter 6, Paragraph 6.2.3.1.

2.1.3 Risks associated with specific provisions contained in the concession agreements entered into by members of the WDF Group

The concession agreements to which the members of the WDFG Group are party contain provisions limiting the WDF Group's ability to perform its activities in the relevant airports, including but not limited to, restrictions on the range of products to be offered for sale and to the applicable pricing policy. Among other things, the need to comply with these conditions may prevent the WDF Group from adapting its range of products and the sales conditions to the changing needs and preferences of its clients, thus adversely affecting the financial and economic situation and the assets of the WDF Group.

Furthermore, the concession agreements to which the members of the WDFG Group are party typically entitle the licensors, even when the licensee is not in breach, to unilaterally modify certain terms of the concession (sometimes without any corresponding indemnification right), for reasons of public interest or airport safety. By virtue of these clauses, which do not relate to the determination of the concession charges, the licensors may, among other things, modify the extension or the location of the WDF Group's stores, which could reduce the flow of passengers through them.

In the last three financial years none of the concession agreements entered into by the WDF Group has been unilaterally modified by the relevant licensor.

Nonetheless, the licensor's decision to exercise the above rights may adversely affect the WDF Group's financial and economic condition and assets.

The performance by the WDF Group of its obligations under the conession agreements is secured by performance bonds, mainly in the forms of bank guarantees and security deposit, whose total amount, as at 30 June 2013, was equal to approximately Euro 150 million. In case of breaches by any of the company of the WDF Group of its obligation under the concession agreements of which it is a party, the enforcement of the relevant guarantee by the concerned licensor may adversely affect the WDF Group's financial-economic condition and assets.

For further information, see Chapter 6, Paragraph 6.2.3.1.

2.1.4 Risks associated with the guaranteed minimum charges in the concession agreements entered into by members of the WDF Group

The concession agreements entered into by the WDF Group are typically for fixed term periods and provide for the licensee obligation to pay guaranteed minimum annual charges, irrespective of the revenues actually generated under the relevant agreements.

If the revenue generated by a concession is lower than that foreseen when the concession was acquired (even due to a reduction in the number of passengers or in their spending attitudes), the profitability of the concession may decrease or even become negative due to the obligation to pay the guaranteed minimum charges (if any), thus adversely affecting the WDF Group's financial-economic condition and assets.

In the last three financial years, the amount of the minimum concession charges has represented, on average, the 3.2% of the total concession charges of the WDF Group.

For further information, see Chapter 6, Paragraph 6.2.3.1.

2.1.5 Risks associated with the acquisition of the US Retail Division

On 30 July 2013, HMS and its subsidiary, Host International Inc. (companies that will continue to be part of the of Autogrill Post-Demerger Group) on the one side, and WDFG SAU and its subsidiary WDFG US (companies that following the Demerger will belong to the WDF Group) on other side, entered into a purchase agreement whereby HMS and certain subsidiaries agreed to sell to WDFG US the US Retail Division, which is composed by 248 convenience stores located in 29 airports in the United States and certain tourist destinations therein, as better described in Chapter 12, Paragraph 12.3.1.

The purchase price stipulated in the sale and purchase agreement, in the event all the concession agreements included in the US Retail Division are transferred, is equal to maximum USD 120 million. The purchase price is also subject to certain post-closing net working capital adjustments. The fairness of such consideration was supported, from a financial standpoint, by a fairness opinion rendered, in its capacity as financial advisor of WDFG SAU, by Nomura International Plc., which has made its assessment based on information provided by WDFG SAU.

The sale of most part of the US Retail Division was completed on 6 September 2013, in exchange for an initial consideration of USD 105,327 thousand (equal to, as at the same date, Euro 80,298 thousand), corresponding to 87.8% of the maximum consideration, agreed in USD 120 million (equal to, as of 6 September 2013, Euro 91,484 thousand).

Following 6 September 2013 and within 6 months therefrom, the additional agreements for which the necessary consents are obtained in the meanwhile will be transferred to the WDF Group, in exchange for the payment of the portion of the agreed upon overall consideration relating to those contracts. The agreements for which the consent is not obtained by such term will not be transferred to the WDF Group and the relevant portion of the purchase price will not be paid.

Under the purchase agreement, the WDF Group benefits from standard indemnification clauses providing for the seller's obligation to face all the liabilities the purchaser may incur in connection with the pre-closing liabilities of the US Retail Division. However, HMS's liability is subject to certain limitations, including without limitation, a threshold, certain caps to the maximum amount indemnifiable by HMS, as well as certain time limits within which the indemnification rights can be exercised (for a description of these limitations, see Chapter 12, Paragraph 12.3.1). In addition, the indemnification obligations of HMS will terminate in case of change of control of WDFG US or HMS. Therefore, any liability not covered by reason of such indemnification limitations may adversely affect the WDF Group's financial and economic condition and assets.

Following the sale of the US Retail Division, in accordance with US applicable rules and to the extent that HMS is unable to satisfy its tax liabilities, WDFG NA may be liable for tax liabilities deriving from the tax group regime with respect to the periods during which WDFG NA was a subsidiary of HMS and for which a tax assessment is not barred by statute of limitations (*i.e.*, at the Date of the Document, the fiscal years 2010, 2011, 2012 and 2013). As at the Date of the Document, no tax assessment is pending in relation to HMS for such fiscal years. Should WDFG NA be required to bear such tax liabilities of HMS, without having recourse on the latter for any reason, this may adversely affect the WDF Group's financial and economic condition and assets. This risk is deemed remote, however, in light of the abovementioned indemnification provisions, the financial soundness of HMS and its subsidiaries and HMS' primary responsibility for such tax liabilities. Furthermore, any such tax liability would be a liability of WDFG NA only (and not a liability of WDF, WDFG SAU or any other direct or indirect parent company of WDFG NA), and recourse for such liability would be limited to the net equity of WDFG NA, which is equal, as at 6 September 2013, to USD 120 million.

The sale and purchase of the US Retail Division is exempt from the application of the Related Parties Transactions Procedure of Autogrill in force at the time such transaction took place, being an intragroup transaction.

The 2012 *pro forma* revenues of the US Retail Division were equal to Euro 189,603 thousand and represented 8.7% of the aggregate *pro forma* revenues of the WDF Group for that financial year (equal to Euro 2,191,576 thousand), while the *pro forma* EBITDA was equal to Euro 11,345 thousand and represented 4.1% of the aggregate *pro forma* EBITDA of WDF Group (equal to Euro 273,825 thousand). In the first semester of 2013, the *pro forma* revenues of the US Retail Division were equal to Euro 85,040 thousand and represented 8.4% of the overall *pro forma* revenues of the WDF Group for such period (equal to Euro 1,007,890 thousand), while the *pro forma* EBITDA was equal to Euro 796 thousand and represented 0.7% of the aggregate *pro forma* EBITDA of the WDF Group (equal to Euro 109,953 thousand).
The type of products offered by the US Retail Division has a marginality lower than the average marginality of the WDF Group. However, the widespread penetration in the United States, the first market for passenger volumes for airline traffic [(2)], represents for the WDF Group a strategic move. The goal of the WDF Group is therefor to integrate the US Retail Division with the rest of its business, expanding its presence in the area and consequently lowering the impact of overheads costs on the North American business. In the event the WDF Group does not succeed in such strategy, the marginality of the US Retail Division will remain lower than the marginality of the rest of the WDF Group. Please note that, in case the

(2) Source: ACI Global Traffic Forecast 2012-2031, Edition 2013.

contracts (included in the US Retail Division) not transferred on 6 September 2013 are not thereafter transferred, such circumstance would not in itself prevent the achievement of the above mentioned goals, nor would diminish the strategic relevance of the acquisition of the US Retail Division for the WDF Group.

Moreover, as part of the acquisition of the US Retail Division, an agreement was executed for the supply by HMS to WDFG US and its subsidiaries, until 31 March 2015, of several services (including accounting, IT, personnel management services and other administrative support services); the purpose of this agreement is to allow WDFG US to effectively carry out the activities of the recently acquired US Retail Division. The services will be provided in exchange for the payment by WDFG US of a consideration set at arms' length. The maximum yearly base consideration that WDFG US and its subsidiaries may be required to pay to HMS in the event that the latter rendered all the services falling within the scope of the agreement will be approximately USD 8.6 million.

It is not possible to exclude however that, by the above term, WDFG US will not be able to become entirely independent in the performance of the activities covered by the services or to source alternative suppliers of said services at the same terms and conditions.

For further information, see Chapter 12, Paragraph 12.3.

2.1.6 Risks associated with product procurement

The risks associated with product procurement can be ascribed to two main factors: the degree of concentration the WDF Group shows with regard to some suppliers and the complexity of effectively managing the supply chain so as to continuously ensure a complete, balanced and effective assortment of products, meeting the consumer's expectations.

As regards the first factor, approximately 44% of the revenue generated by the WDF Group in 2012 arose from products supplied by the ten main suppliers.

Therefore, if the suppliers' concentration increases, their bargaining power towards the WDF Group may increase, and, if not balanced through appropriate strategies, it may result in an increase of the purchase cost of the products.

It should be noted, however, that airport commercial areas are an appealing distribution channel for the suppliers, which enhances the WDF Group's bargaining power. Furthermore, as regards the main suppliers that are also brand partners of the WDF Group, the collaborative approach the WDF Group has adopted with these suppliers may further reduce their interest in taking advantage of their potential bargaining power.

As regards the second factor, if any event occurs that may adversely affect the ability of one of the main suppliers to manufacture and/or supply products to the WDF Group, the replenishment of its stores would be negatively affected. The impact may be magnified if the suppliers are non-replaceable or are suppliers on which the WDF Group has a higher dependence.

Furthermore, any events interfering with the operation of the WDF Group's internal logistics chain may also have repercussions on the stores' supply.

Therefore, any event that may interfere on the efficient operation of the WDF Group's procurement and logistics chains, as well as the trend towards an increasing concentration of the suppliers, may adversely affect the WDF Group's financial-economic condition and assets.

For further information on the suppliers, see Chapter 6, Paragraphs 6.2.3.4 and 6.2.3.7.

2.1.7 Risks associated with changes in costs related to concession charges under the concession agreements entered into by the WDF Group

The WDF Group carries out its business mainly on the basis of concession agreements which grant the right to operate in certain commercial areas located in airports. These contracts govern, among others, the consideration payable to the licensor in the form of concession charges. Such charges are determined for the entire duration of the concession agreement and are effective until its expiration.

The WDF Group's strategy provides for the growth of the size of its business, by increasing the sales in the airports where it already operates and by obtaining new agreements. The average useful life of the portfolio of agreements currently under management is high and no material renewals are scheduled for the coming years (see Chapter 6, Paragraph 6.2.2). To obtain new concessions, the WDF Group competes with other travel retails operators, either globally, regionally or locally.

There is no certainty that the WDF Group will be able to obtain new concessions or, in the medium term, will be able to renew the existing concessions at economic terms similar to the current ones. In the event the new agreements obtained by the WDF Group provided for worse terms than those currently applied, such as to increase the concession charges, there could be a negative effect on the economic and financial condition of the WDF Group and on its assets.

For further information, see Chapter 6, Paragraph 6.2.3.1.

2.1.8 Risks associated with the financial indebtedness of the WDF Group

<u>Introduction</u>

On 30 May 2013, the Borrowing Companies (*i.e.*, WDFG SAU, WDFG España, WDFG UK Holdings and WDFG UK) executed the Loan Agreement in order to be granted a multi-currency term and revolving facility for a total amount of Euro 1.25 billion. Each of the

Borrowing Companies entered into the Loan Agreement as an original borrower and as a guarantor for each other original borrower. As of the Date of the Document, WDF is not a party to the Loan Agreement nor does it act as guarantor to the Borrowing Companies. The Loan is composed of 4 Tranches (as set out in Chapter 7, Paragraph 7.1.3). Each of Tranches 1, 2 and 3 of the Loan (totally amounting to Euro 900 million) are due to be fully repaid by 30 May 2018. Tranche 4 is due to be repaid in full by 1 December 2014. The term of Tranche 4 may be extended, upon WDFG SAU request and provided that no so called "event of default" (as described below) is pending, for maximum three periods of six months each.

As of 30 June 2013 the net financial indebtedness of the WDF Group was equal to Euro 935.8 million. As of the same date Euro 974.5 million had been drawn from the Loan, equal to 78% of the overall amount granted. The Loan has been used to fully reimburse and cancel the financing granted by the banks and Autogrill to the WDFG SAU Group (See Chapter 7, Paragraph 7.1.3) and for the cash payment of the Distribution.

As of 31 July 2013 (the most recent date with respect to the Date of the Document for which financial figures are available), the Loan, following partial reimbursement of the same which was made possible by virtue of the cash generated in the reference period by the ordinary activity, is drawn-down for approximately Euro 959 million.

Prepayment obligations

The Loan Agreement identifies certain "events of default" (events that constitute a breach of the contract), customary for an agreement of this nature. If one of these events occurred and the lenders exercised their right, the Borrowing Companies would be obliged to promptly reimburse the drawn-down amounts of Loan, and the Loan Agreement would be terminated. For a description of the "events of default" see Chapter 7, Paragraph 7.1.3 below.

Said "events of default" include, among others, failure by WDFG SAU Group to comply with certain financial covenants (*i.e.* to keep certain financial ratios within predetermined thresholds). The Issuer carefully assessed the ability of the WDFG SAU Group to meet the financial covenants under the Loan Agreement (See Chapter 7, Paragraph 7.1.3.) even in case of events adversely affecting the WDFG SAU Group's economic results and cash generation(3). Although the sustainability assessment has shown that there are adequate security margins, it cannot be ruled out, however, that, if more serious adverse events occurred as compared to the ones already considered, the financial covenants might not be complied with.

In addition to the failure to meet the financial covenants, the Loan Agreement provides for further "events of default" or circumstances that may trigger the prepayment of the Loan (or part of it) (See Chapter 7, Paragraph 7.1.3), including, by way of example, a change of control (as defined in the Loan Agreement) on WDFG SAU.

(3) Such statement concerning the ability of the Borrowing Companies to comply with the above financial covenants is made taking into account the business perimeter inclusive of the US Retail Division.

If the WDFG SAU Group was not able to raise alternative financial resources, a possible obligation to early repay the drawn-down part of the Loan may adversely affect its economic and financial condition, its assets and ultimately, its business continuity.

Currency exchange rates fluctuations

The WDF Group's financial indebtedness is expressed in Euro and in GBP. As of 30 June 2013 the WDF Group's aggregate financial indebtedness in GBP represented 31.1% of the overall financial indebtedness equal to, as of that date, Euro 967.8 million. The amount of the Loan drawndown in GBP is determined also taking into account the EBITDA and the cash generation the WDF Group in said currency, with the effect of mitigating (through a type of natural hedging) the risk associated with the fluctuation of the currecy exchange rate, in terms of the ability both to repay the debt and to comply with the financial convenants. A possible strengthening of said currency with respect to Euro may cause a subsequent increase in the corresponding amount in Euro of the WDF Group's consolidated debt.

For further information, see Chapter 12, Paragraph 12.2.

2.1.9 Risks associated with the fluctuations in interest rate

The WDF Group has entered into some credit facilities with interest rates based in a market variable reference (Euribor or Libor) plus a spread. Fluctuations of the relevant reference interest rate may increase interests paid. The WDF Group resorts to hedging financial instruments to tackle the risk associated with the fluctuation of interest rates applied to its loans. As of 31 July 2013 (the most recent date with respect to the Date of the Document for which financial figures are available), being the Loan drawndown for Euro 959 million, the portion covered was 24% of the total; therefore, as of the same date, Euro 730 million of the WDF Group's debt was subject to variable interest rates. A significant increase in the interest rates may determine an increase of the WDF Group's financial charges and, thus, adversely affect its economic-financial condition and assets.

For further information, see Attachment 2 to the Document, Note 38.

2.1.10 Risks associated with the WDFG UK "defined benefit plan"

The WDF Group has in place a post-employment benefit plan of the "defined benefit" type, which is reserved to some of WDFG UK employees and former employees.

The plan is financed by contributions paid by both the employees and the employers, but only the employer bears the risk that the value of the assets of the plan is insufficient to pay the amounts due under the plan.

The financial capacity of the plan is assessed on a triannual basis according to a specific evaluation modality known as “funding valuation”. According to the latest funding valuation, which was carried out in December 2011, the plan’s deficit amounted to GBP 25 million. WDFG UK, sponsor of the plan, agreed on a deficit reduction plan to be completed within 2018. The future funding valuation of the plan may show a higher deficit and the WDF Group may be forced to carry out further contributions.

Furthermore, it cannot be ruled out that, due to contribution notices or financial support directives issued by the competent authorities in the United Kingdom, the WDF Group may be required to perform payments or provide further financial support to the plan.

For further information, see Annex 2 to the Document, Note 22.

2.1.11 Risks associated with the performance of Related Parties transactions

The WDF Group has entertained, and in some cases currently entertains, ongoing commercial and financial relationships with Related Parties. These relationships mainly concern services provided and loans granted by Autogrill to the WDF Group, services supplied under agreement executed between HMS, WDFG US and WDFG NA in the framework of the acquisition of the US Retail Division (for which WDFG US and WDFG NA undertook to pay to HMS, in the event that HMS provided to them all the services under the agreement, a maximum annual base fee of USD 8.6 million) and, as regards intra-group transactions, the services supplied and financing made available to the WDF Group companies in a centralized manner.

It is to be noted that the loans granted by Autogrill to the WDF Group were fully repaid on 5 June 2013.

Related Parties’ transactions have been carried out at arms’ length. However, there is no guarantee that, had the transactions been carried out with third parties, the same terms and conditions would have applied.

For further information, see Chapter 10.

2.1.12 Risks associated with transfer pricing policies applied by the WDF Group

Within the WDF Group there are recurrent exchanges of goods and services between companies that are tax resident in different Countries. In 2012 following the integration of the businesses of Aldeasa, Alpha and WDF Europe (see Chapter 6, Paragraph 6.1), the WDF Group changed its organizational business model in particular by centralizing the performace of certain activities in WDFG España and in WDFG UK that, by reason thereof, as of the Date of the Document, provide services and transfer goods to the other companies of the group.

As a consequence of the above reorganization, the WDF Group has changed its policies to determine the transfer prices for the above exchanges. The criteria established by these new procedures were submitted to the relevant authorities in Spain and the United Kingdom for their approval. Pending approval by the relevant authorities, the WDF Group has begun to apply the new procedures to the above services and to other intra-group transactions.

Should this new policies not be approved by the competent authorities, given that they have already been implemented, the taxable income of these companies could be re-assessed in the framework of a tax audit. Thus, there is the risk that the payment obligations – including penalties and interests – arising from these re-assessments may adversely affect the economic-financial condition and assets of the WDF Group.

For further information, see Chapter 10, Paragraph 10.2.

2.1.13 Risks associated with legal proceedings and tax inspections

As of the Date of the Document, the WDF Group is undergoing the inspections and the legal and tax proceedings described in Chapter 11 below, in addition to some less significant proceedings.

With regard to these proceedings and inspections, in compliance with the IFRS accounting principles, the WDF Group earmarks a provision only when it deems likely that these proceedings or tax audits may result in a charge that can be reliably estimated.

In particular, in relation to the inspections and proceedings described in Chapter 11, as of 30 June 2013 the WDF Group had been requested to pay an aggregate amount of Euro 55.3 million (including penalties and interests accrued as of that date) and had provisioned, as of the same date, the overall amount of Euro 11.7 million.

Nevertheless, legal and tax proceedings usually involve complex legal issues and are subject to substantial uncertainties as to their possible outcomes, and consequently it cannot be ruled out that the claims and appeals made by WDF Group may be dismissed and the charges arising from these proceedings and/or investigations may be higher than the provisions, thus adversely affecting the WDF Group's economic-financial condition and assets.

For further information, see Chapter 11 below.

2.1.14 Risks associated with WDF's corporate governance and with the delay in implementing some provisions of the By-laws

WDF adopted a new By-laws that will come into force upon the date of consummation of the Demerger. The By-laws provide that the members of the Board of Directors and the Board of Statutory Auditors shall be appointed through a list voting system.

On 18 July 2013, following the ordinary shareholders' meeting, WDF increased the number of directors from three to nine, starting from 16 September 2013 and appointed six new directors, who will take office on that date and will remain into office until the shareholders' meeting that will meet to approve the financial statements for the financial year ending on 31 December 2015. As a consequence, the provisions of the By-laws providing that – pursuant to Section 147-ter, paragraph 3, TUF – one director shall be selected from the minorities' slate having obtained the highest number of votes casted (and not connected in any way, even indirectly, with the shareholders that submitted or voted the slate ranking first in terms of votes obtained) shall apply only starting from the date of the above mentioned shareholders' meeting.

The Board of Statutory Auditors in office as of the Date of the Document was appointed on 27 March 2013 and shall remain in office until the date of the company's shareholders' meeting resolving upon the approval of the financial statements for the financial year ending on 31 December 2015. As a consequence, the provisions of the By-laws providing that - pursuant to Section 148, paragraph 2, TUF - one standing auditor shall be selected from the minorities' slate having obtained the highest number of votes casted (and not connected in any way, even indirectly, with the shareholders that submitted or voted the slate ranking first in terms of votes obtained) shall apply starting from the date of the above mentioned shareholders' meeting. The auditor appointed by minority shareholders shall be appointed as Chairperson of the Board of Statutory Auditors pursuant to Section 148, paragraph 2-bis, TUF.

For further information, see Chapter 9, Paragraph 9.3.

2.1.15 Risks associated with WDF's dividends distribution policies

WDF will operate as the holding company of the WDF Group and will control all the companies belonging to the WDF Group indirectly through WDFG SAU, whose entire share capital will be held, as of the effective date of the Demerger, by WDF. As such, the WDF's ability to distribute dividends to its shareholders will depend on the amount of dividends distributed by WDFG SAU to WDF.

There is no guarantee that WDFG SAU, even with the presence of profits, will distribute dividends to WDF in the future. In particular, it should be highlighted that the decision by the then sole-shareholder of WDFG SAU on 30 April 2013 to make the Distribution (for an amount of Euro 220 million) is related to the performance of the Demerger and shall not be interpreted as a sign of WDFG SAU's - and thus WDF's - ability to distribute dividends to its shareholders in the future. The payment of said Distribution originates mainly from profits made by the WDFG SAU Group in the financial years when it was controlled by Autogrill and not distributed in the relevant financial year.

It has to be noted that the Loan Agreement provides for restrictions on the ability of WDFG SAU to make any distribution (either through dividend payments or otherwise) in any financial year on a sliding scale based on the Leverage Ratio (calculated pursuant to the Loan

Agreement) of WDFG SAU and its subsidiaries as at each relevant determination date as provided in the Loan Agreement. More specifically, the Loan Agreement prevents from making distributions if the Leverage Ratio of the WDFG SAU Group is equal to or higher than 4.00, while it allows distributions without limitations if the Leverage Ratio is below 3.25. If the Leverage Ratio is comprised between 3.25 and 4.00, the Loan Agreement allows for distributions according to certain percentages of the profits made in the relevant financial year (so called "*Pay-out Percentages*"). A chart showing the Pay-out Percentages provided for under the loan agreement is included in Chapter 7, Paragraph 7.1.3. With reference to financial year 2013, the Loan Agreement allows for distributions up to a maximum of Euro 40 million, irrespective of the levels of the Leverage Ratio as of 31 December 2013.

2.1.16 Risks associated with the structure of the WDF Group's working capital

In accordance with Regulation 809/2004/CE and with the working capital definition (the difference between current assets and current liabilities) as "the issuer's ability to access cash and other available liquid resources to meet its liabilities as they fall due", contained in the Recommendations ESMA/2011/81, as of the Date of the Document, the WDF Group does not have sufficient working capital to meet its current liquidity needs, meaning those requirements relating to the twelve months following the Date of the Document.

The WDF Group naturally has a negative working capital, as confirmed by the trend of the same in the period from 2010 to 30 June 2013. This peculiarity mainly arises from the following structural characteristics of business of the WDF Group: (i) a low value of trade receivables compared to the volume of sales, since much of the sales turn quickly into cash, as usual for the businesses of retail sale to the final consumer; and (ii) an amount of inventories structurally reduced compared to the turnover. For these reasons, the amount of current liabilities, and trade payables in particular, usually exceeds current assets.

WDF estimates that, as of the Date of the Document, the WDF Group, including the US Retail Division, has a working capital deficit of Euro 96.8 million.

Referring to the twelve months following the Date of the Document, WDF estimates to generate a positive net cash flow of approximately Euro 50 million. Therefore, as of the Date of the Document the net working capital requirements of the WDF Group for the next twelve months, according to the definition contained in the Recommendations ESMA, amount to Euro 46.8 million.

WDF has unused committed bank facilities for approximately Euro 230 million as of the Date of the Document. Therefore, the working capital requirements of the WDF Group as of the Date the Document and at the end of the twelve months following that date are covered by the unused committed bank facilities, without making it necessary to resort to any other form of financing.

However, it can not be excluded that a potential decrease of the working capital deficit and, in an extreme case, its zeroing could require a higher use of the committed bank facilities, reducing the financial flexibility of the WDF Group, and thus adversely affecting its ability to pursue its growth strategy.

In addition, although it would not prejudice the compliance with the financial covenants of the Loan, the consequent increase of the indebtedness would lead to higher costs in terms of financial expenses, thus adversely affecting the WDF Group's economic-financial condition and assets.

For further information, refer to Chapter 13, Paragraph 13.1.

2.2 RISKS ASSOCIATED WITH THE DEMERGER

2.2.1 Risks associated with joint and several liability arising out of the Demerger

Pursuant to Article 2506-*quater*, third paragraph of the Civil Code, from the effective date of the Demerger, Autogrill and the Beneficiary Company will remain jointly and severally liable – within the limit of the actual net worth, respectively, left or assigned – for the debts of Autogrill existing at the effective date of the Demerger which have not been paid by Autogrill upon completion of the Demerger. However, pursuant to Article 173, paragraph 13, of Tuir and Article 15, paragraph 2, of Legislative Decree no. 472 dated 18 December 1997, with regard only to tax payables and notwithstanding the provisions of the Civil Code, WDF may be held responsible jointly and severally with Autogrill beyond the limits of the net worth transferred.

2.2.2 Risks associated with the WDF's shareholding structure

By virtue of the Demerger, Schematrentaquattro S.r.l. ("**Schema34**"), a wholly-owned subsidiary of Edizione S.r.l., will hold a stake in WDF amounting to 59.283% of its share capital.

Therefore, Schema34 will have sufficient voting rights to cause the approval by the WDF's ordinary shareholders' meetings of any resolutions falling within its competence (such as, for example, the distribution of dividends) and to appoint the majority of members of the Board of Directors and the Board of Statutory Auditors. Moreover, Schema34 will also be able to block any resolutions falling within the competence of the WDF's extraordinary shareholders' meeting (such as, variations in the share capital and amendments to the by-laws) and, in the absence of an extensive participation of WDF's shareholders to such extraordinary shareholders' meetings, will in fact have sufficient voting rights to cause the approval of any such resolutions.

For further information, see Chapter 9, Paragraph 9.1.

2.2.3 Risks associated with the **pro forma** *financial information*

This Document contains consolidated *pro forma* financial information as of 31 December 2012 and 30 June 2013, prepared to provide investors, in accordance with the applicable reporting European Union Regulations, with information on the impact of the Demerger and the Other Transactions (as defined in Chapter 7, Paragraph 7.2 below) on the main economic and financial figures of the WDF Group as if the Demerger and the Other Transactions had occurred during the periods to which that *pro forma* information relates.

Given that these figures are based on assumptions, it should be noted that if the Demerger and the Other Transactions had taken place on the dates on which the *pro forma* figures are based, rather than the actual effective dates, the historic figures may have differed from the *pro forma* figures provided.

In addition, the consolidated *pro forma* financial information is not forward-looking and should not be considered a forecast of future earnings for the WDF Group as it has been prepared for the sole purpose of providing an illustrative representation of the identifiable and objectively measurable effects of the Demerger and the Other Transactions on the main economic and financial figures of the WDF Group.

Finally, given that the *pro forma* data and the historic data have different purposes and that different methodologies have been used to calculate the impacts on the statements of financial position, income and cash flows, the *pro forma* statements of financial position and the *pro forma* income and cash flows statements should be read and analysed separately from the historic data without attempting to reconcile them.

For further information, please see Chapter 7, Paragraph 7.2.

2.3 RISKS ASSOCIATED WITH THE SECTOR IN WHICH THE ISSUER AND ITS GROUP OPERATE

2.3.1 Risks associated with the WDF Group's operation in emerging markets

The WDF Group is present in some emerging markets which in 2012, generated 14.3% of the consolidated revenue. The WDF Group's strategy envisages expanding in further emerging markets, which typically present higher risks as compared to the OECD area markets.

Among the most significant risks of operating in these Countries are those arising from the interruption of operation due to political or social instability, in addition to the establishment/enforcement of foreign exchange restrictions which, if they were to occur, could in fact restrict the ability of the WDF Group to repatriate the profits.

If these risks occur, they may adversely affect the implementation of the WDF Group's strategy in these markets.

For further information, see Chapter 6, Paragraphs 6.2.3.9 and 6.3.1.

2.3.2 Risks associated with events that may affect passenger traffic and their spending attitudes

The WDF Group's activity largely relies on the sales to passengers in transit through the airports in which the WDF Group is present. The WDF Group performance, therefore, is influenced by the evolution in the travellers' spending attitudes and shows a significant correlation with the variation in the number of passengers.

The travellers' spending attitudes and passenger traffic are both highly sensitive to the general economic trends and, in particular, the trends in consumers' confidence, the availability and costs of consumer credit, inflation or deflation, unemployment levels, interest and exchange rates. The latter factor, in particular, is capable of influencing the price/value perception of the goods sold by the potential customers and therefore their spending attitude, whenever the currency used in the customers' Country of origin is different from that of the Country of destination or of the point of sale. The WDF Group constantly monitors the price perceived by the customer as a result of currency exchange rate fluctuations, in order to preserve the appeal of the goods on sale for passengers coming from Countries using different currencies. It cannot be excluded, however, that variations in currency exchange rates may occur of such significance as to affect the ability of the WDF Group to effectively adjust the price of products. The fluctuations in currency exchange rates may also affect passenger traffic, reducing the attractiveness of tourist destinations in the Countries where the WDF Group operates and, consequently, affect the number of potential customers.

Furthermore, passenger traffic is also sensitive to events beyond the WDF Group's control, including for example: political instability, acts or threats of terrorism, hostilities or wars, increased security control time, fuel price escalations, emerging alternatives to air travel (such as high speed rail), strikes, disruption or suspension of services provided by airlines, bankruptcy of airlines or airports or financial distress, changes in the laws and regulations governing or otherwise affecting the airline industry, epidemics or pandemics, natural disasters, aircraft related accidents. Moreover, the passengers' spending attitudes may be affected by the changes in the laws and regulations governing the airport procedures, with specific regard to security procedures, including for example the regulations on the sale of liquids or on the modes of delivery of the purchased goods.

Any event that may adversely impact air travellers' spending attitudes, their dwelling time at the airport and passenger traffic (such as those mentioned above) may negatively affect the WDF Group's sales, thus may adversely affect the WDF Group's financial-economic condition and assets.

It should be noted that the WDF Group's sales are subject to seasonal fluctuation and are usually higher during the summer months, when passenger traffic increases. Therefore, if one of the above events were to occur during the summer months, the impact on the WDF Group's sales – and as a result the adverse effect on the WDF Group's economic-financial condition and assets – may be magnified.

For further information please see Chapter 6, Paragraphs 6.2.3.5 and 6.2.3.6.

2.3.3 Risks associated with the changes to the regulations governing the duty-free sale of products

The ability to operate under the duty-free regime is a competitive advantage for the WDF Group vis-a-vis those operators who cannot take advantage of this regime.

Nevertheless, the governmental authorities of the Countries where the WDF Group operates may amend or suppress the implementation of the duty-free regime for some categories of products, or modify the taxation regime applied to the products sold in traditional shops outside the airports, thus eliminating part of the WDF Group's competitive advantage.

Furthermore, to operate duty-free shops in airports, certain authorisations, licenses and certifications (which vary from Country to Country) must be obtained from the respective custom and tax authorities. If the requirements for granting, maintaining or renewing the aforementioned certifications, licenses and authorisations are modified, and the WDF Group is not able to adapt to the new requirements, the WDF Group may lose the authorisation to operate under the duty-free regime, in general, in any of the markets where it operates or with respect to certain categories of products.

In this respect, the WDF Group is currently negotiating with the Jordan authorities the possibility to keep operating as a "free zone company" and, as a result, enjoying the tax benefits and exemptions associated with this title. The operations of the WDF Group in Jordan are carried out in the Queen Alia (Amman), Marka and Aqaba Airports and generated in 2012 revenues corresponding to 3.3% of the overall revenues of the WDF Group. In the event that it was not able to continue operating as a "free zone company", the WDF Group would lose the tax benefits and exemptions enjoyed in that Country with a retroactive effect as from May 2012, and the WDF Group company operating in Jordan would be subject to regular taxation on corporate income applicable in such Country (which at the Date of the Document is equal to 14%) and to a 16% tax on the concession charges paid to the licensors and on the sales made in shops at arrivals.

If the above mentioned risks occurred, the WDF Group's financial-economic condition and assets may be adversely affected.

For further information, see Chapter 6, Paragraphs 6.2.3.1. and 6.2.3.8.

2.3.4 Risks related to changes in rules applicable to the sector in which the WDF Group operates

The business of the WDF Group is subject to legal and regulatory requirements, such as airport security rules, regulations on merchandise stocking, operating practices and customers and workers safety.

The adoption of new legal or regulatory provisions introducing procedures, restrictions or controls that may influence the customers' attitude to buy or imposing on the WDF Group the enactment of measures entailing additional costs or expenses to be borne by the same, its financial-economic condition and assets may be adversely affected.

For further information, see Chapter 6, Paragraph 6.2.3.1 and Chapter 12, Paragraph 12.1 below.

2.3.5 Risks associated with restrictions to the sale of tobacco

The sale of tobacco represented 12.3% of the WDF Group's revenues in financial year 2012.

Sale of tobacco is heavily regulated and, as a general matter, the applicable regulations of the Countries where the WDF Group operates, or its concession agreements, impose some advertising and/or sale restrictions of tobacco products. Moreover, an increasing number of national and local governments have prohibited, or are proposing to prohibit, smoking in public places.

If the WDF Group were no longer able to sell tobacco products under the duty-free regime in general or in some of the markets where it is present, or if the tightening of the ban on smoking caused a reduction in the sales of these products, the WDF Group's economic-financial conditions and assets would be adversely affected.

For further information on the volumes of revenues from "tobacco" products, see Chapter 6, Paragraph 6.2.3.5 below.

2.3.6 Risks associated with the loss of reputation by the Group towards licensors, clients and customs and fiscal authorities

Reputation towards both clients and licensors has great importance for the WDF Group. Reputation of the WDF Group towards the licensors and also the clients represents one of the key elements based on which licensors grant or renew concession agreements (see also Chapter 6, Paragraph 6.2.2 below).

During the years, the WDF Group obtained and maintained a good reputation towards both the licensors and the clients. An implicit confirmation of the good reputation of the WDF

Group is represented by its ability, during the years, to renew its expiring concession agreements and to obtain new ones.

The reputation of the WDF Group towards clients could be negatively affected by the reduction of the perceived quality of the services rendered, with a consequent loss of appeal and clients; the reputation of the WDF Group towards licensors could be negatively affected by the inability of the same to fulfill its contractual obligations. In addition the reputation of the WDF Group could also be affected by third parties' conduct; for instance, in those Countries where it operates through management agreements with local partners, by such partners' conduct.

In relation to the above risks, the WDF Group monitors constantly the quality of the services rendered to clients (in terms of perceived satisfaction and product safety) and to licensors (in terms of compliance with the quantitative and qualitative parameters set forth in the agreements).

In such a context, the inability of the WDF Group to maintain its good reputation towards clients and licensors could negatively affect its economic-financial condition and assets.

In addition, it is critical for the Group to maintain the reputation obtained towards customs and fiscal authorities considering that events negatively affecting such reputation could adversely affect the granting of the customs and fiscal authorisations and certificates required in order to perform its business or the maintenance of the authorisations and certificates already granted, and thus negatively affect group's business and its economic and financial situation.

For further information, see Chapter 6, Paragraphs 6.2.3.1 and 6.2.3.8 below.

2.4 RISKS ASSOCIATED WITH THE ISSUER'S FINANCIAL INSTRUMENTS

2.4.1 Risks associated with assigned financial instruments

Following the completion of the Demerger and the listing of the Shares, their holders will be entitled to liquidate their investment by selling them on the MTA. However, it cannot be ensured that a sufficiently liquid market for the Shares will be formed or maintained. Therefore, there is a liquidity risk, typical of the securities markets, where trading orders for sale inquiries fail to find adequate and timely counterparts, and the Share prices may be subject to fluctuations even of a significant range.

As of the Date of the Document, Autogrill's shares are traded on the FTSE MIB index, the main reference for the Italian stock market consisting of the 40 companies with the highest liquidity and capitalization in comparison to the entire list. There is no guarantee that, following the effective date of the Demerger, the Shares will be listed in that index or that, although included in that index, they will continue to be included following the quarterly reviews (in March, June, September and December of each year) of the composition of the index conducted by Borsa Italiana. If the Shares are not inserted in that index, the liquidity and/or performance of the Shares may be adversely affected.

2.4.2 Risks associated with possible conflicts of interests with the Sponsor

Banca IMI, a company belonging to the banking group headed by Intesa San Paolo S.p.A ("**Intesa Sanpaolo**"), has a conflict of interests for the following reasons:

(i) Banca IMI is Autogrill's financial adviser for the Demerger and the sponsor for the listing of the Shares on the MTA. As a result, Banca IMI will be paid fees for the roles it will play and the services it will provide in connection these transactions;

(ii) Intesa Sanpaolo, also through its subsidiaries, has granted significant loans to the Autogrill Group and the WDF Group. As of 30 June 2013, the overall outstanding debt of the Autogrill Group and the WDF Group under these (short, medium and long term) loans was approximately Euro 240 million, of which Euro 135 million drawn-down by the Autogrill Group and Euro 105 million by the WDF Group, representing, respectively, 13.3% and 10.8% of the gross financial indebtedness of the two groups. As of the same date, the portion of the (short, medium and long term) loans granted by the companies belonging to the Intesa Sanpaolo group to the Autogrill Group and the WDF Group not already drawn-down amounts to approximately overall Euro 336 million, of which Euro 283 made available to the Autogrill Group and Euro 53 million made available to the WDF Group. Banca IMI has also acted in the capacity of Mandated Lead Arranger, Bookrunner and is acting as the agent bank to the Loan the financing banks, including Intesa Sanpaolo granted to the Borrowing Companies. Furthermore, as a creditor of the Autogrill Group and of the WDF Group, Intesa Sanpaolo has also waived the remedies provided for in certain loan agreements to which Autogrill and other companies belonging to its group are parties, thus allowing the finalisation of the Demerger;

(iii) certain companies of the Intesa Sanpaolo group, including Banca IMI, in their normal operation, consistently provide lending, advisory, investment banking and business finance services to Autogrill and the WDF Group;

(iv) certain companies of the Intesa Sanpaolo group, including Banca IMI, provide activities (including the market making activity on regulated markets and/or MTF) and investment services regarding the financial instruments issued by Autogrill and/or companies in the WDF Group, or other instruments connected with the aforesaid financial instruments.

3. THE DEMERGER

3.1 Introduction

The Demerger, approved by the Shareholders' Meetings of Autogrill and WDF on 6 June 2013, will be implemented through the assignment by Autogrill to WDF of the part of the assets of Autogrill related to the business indirectly carried out in the Travel Retail & Duty Free sector and more specifically of the entire interest held by Autogrill in the Spanish company WDFG SAU.

As a result of the Demerger, Autogrill's Shareholders will be assigned, without consideration, a number of Beneficiary Company's shares equal to those of the Assigning Company held by each of them.

WDF applied for the admission to listing of its shares on the MTA and on 23 September 2013 Borsa Italiana admitted WDF's shares to the listing on the MTA.

Following the Demerger, the Autogrill's shares will continue to be listed on the MTA.

Pending the Demerger process:

(i) The Borrowing Companies, which as a result of the Demerger will refer to the Beneficiary Company, entered into the Loan Agreement;
(ii) the Intercompany Loan was paid off;
(iii) HMS and Host International Inc. (companies that shall remain within the Group of the Assigning Company even after the Demerger) transferred to the Group referring to the Beneficiary Company the most part of the concessions included in the U.S. Retail Division;
(iv) WDFG SAU paid on 5 June 2013 the Distribution to the Assigning Company.

3.2 Description of the companies involved in the Demerger

3.2.1 The Assigning Company

Autogrill S.p.A., with registered office in Novara, Via L. Giulietti n. 9, and secondary office in Rozzano (MI), Centro Direzionale Milanofiori – Strada 5, Palazzo Z, Tax code and Company registration to the Register of Companies of Novara no. 03091940266, registered under no. 188902 with the Economic and Administrative Register of Novara's Chamber of Commerce.

At the date of this Report, the share capital fully subscribed and paid up amounts to Euro 132,288,000.00 represented by no. 254,400,000 shares with no par value.

Autogrill's shares are traded on the MTA.

3.2.2 The Beneficiary Company

World Duty Free S.p.A., with registered office in Novara, Tax code and Company Register number 02362490035, registered under no. 231704 with the Economic and Administrative Register of Novara's Chamber of Commerce.

At the Date of the Document, the share capital fully subscribed and paid up amounts to Euro 120,000.00 represented by no. 120,000 shares having no par value.

WDF was incorporated on 27 March 2013 (and registered with the Novara's Register of Companies on 3 April 2013) specifically for the Demerger's implementation and its share capital, at the Date of the Document, is entirely owned by Autogrill. Since its incorporation, WDF has only conducted operations in preparation for the Demerger.

3.3 Reasons and objectives of the Demerger

3.3.1 The Autogrill Group today

Autogrill is the parent company of the Autogrill Group.

At present, the Autogrill Group mainly operates under concession, in two distinct business segments: *(a)* the Food & Beverage, and *(b)* the Travel Retail & Duty Free.

Autogrill, a world leader in the catering industry dedicated to the "*people on the move*", entered in the Travel Retail & Duty Free sector in 2005, with the acquisition of 50% of the Spanish company Aldeasa, leader in airport retail activities in Spain operating in Latin America and the Middle East. The group has since then completed its expansion in the Travel Retail & Duty Free sector with the acquisition in 2007 of Alpha and, the following year, of the remaining stake in Aldeasa and the entire shareholding in WDF Europe.

The following years were dedicated to the process of integration of the acquired companies, turning them into a single coordinated set of Travel Retail & Duty Free activities, all under the control of the leader company WDFG SAU.

Today, the group, which is headed by WDFG SAU, is one of the top global businesses in the airport travel retail sector [(4)].

(4) Source: Verdict Retail (*part of Informa Business Information*). The information is referred to financial year 2011.

3.3.2 Differences between the Food & Beverage e Travel Retail & Duty Free Sectors

(A) Introduction

The two sectors of activity in which the Autogrill Group operates – Food & Beverage and Travel Retail & Duty Free – have substantially different features from each other, both in terms of market and competitive context of reference, as well as in terms of management patterns and development strategies. These features are reflected in the different historical and projected results of the two sectors and in the development strategies that they will enact in the coming years.

(B) Difference in terms of market and competitive context of reference

Food & Beverage

In the Food & Beverage sector, the Autogrill Group is the first operator in the world in the business based on concessions. The main channels of business are airports, where the Autogrill Group is more exposed to the flow of global trade, and motorways, where instead the dynamics of individual geographies prevail.

With few exceptions, competition is carried out on a local scale and one of the main critical success factors is the ability to diversify the commercial offer on a geographical basis.

The ability to develop and offer a wide range of products, that combines local identities and national or international brands is a key competitive advantage that helps renew the concession contracts in the portfolio and also to be awarded new ones.

The results achieved by the Autogrill Group, from this point of view, are extremely positive and are reflected in a contract portfolio characterised, as of 31 December 2012, by an average duration of more than 7 years.

It can be assumed that the competitive dynamics and context in the Food & Beverage sector will not change in the short term, but this substantial stability is not in itself a guarantee of business growth in the coming years: not only due to a structural weakness of the motorways in Europe, but also the persistence of inflationary phenomena at the level of the main factors of production.

Travel Retail & Duty Free

The Travel Retail & Duty Free sector is characterised by a highly competitive tension, facilitated by lower investments required to support growth and a less important geographical differentiation of the offer as compared to the Food & Beverage sector.

As is typical for the retail business sector, size is a critical success factor, which allows generating significant operating efficiencies. Other success factors are the ability to identify and satisfy the needs and tastes of travellers through the creation of an attractive commercial "environment" and by implementing targeted promotional activities.

While not detaining absolute global leadership as in the Food & Beverage sector, the Autogrill Group boasts an excellent competitive position in the Travel Retail & Duty Free sector, thanks to its size, making it one of the world's leading operators, and to a portfolio of contracts among the longest in the industry (on average over 8 years [(5)]).

(C) Differences in management dynamics and development strategies

Food & Beverage

In the Food & Beverage sector, the strategy of Autogrill Group will aim at rationalising the business model and the geographical and channel repositioning.

The pursuit of this strategy has, as its main objective, to increase the presence of Autogrill group in the less capital-intensive channels, such as airports and railway stations, and in locations with higher growth prospects, reducing the burden of motorway operations in Europe, which are characterised by a higher incidence in fixed costs and higher capital-intensity and have thus been penalised in the recent past by the negative economic scenario. This process will be complemented by the improvement of the commercial offer to follow and anticipate the changing needs of customers, with the goal of increasing the penetration of traffic and recover margins.

The process of reviewing the organisation will also continue, in order to align the central structures and the network to the current market dynamics and operational requirements.

The available resources will be allocated to development activities in the less capital-intensive channels, such as airports and railway stations, and in locations with higher growth prospects. This development will be pursued through selective participation in tenders, agreements with local operators and possible acquisitions of small to medium-sized companies.

Travel Retail & Duty Free

As regards the Travel Retail & Duty Free sector, the goal will be growth, which can be pursued through a portfolio of contracts without significant deadlines in the short to medium term and through the excellence of resources for business development, which has been proven during the many international competitions won and the recent renewal of concessions with the Spanish airports.

(5) The figure on the average remaining duration of the WDF Group’s concessions’ portfolio is calculated by the management as of December 2012 (including the US Retail Division) on the basis of figures available as of that date on the assumption that the term of the UK Framework Agreement will be extended for further 3 years (as provided for under the agreement) and will last therefore until 2023.

Along with the opportunities to win new international contracts, the renewed contracts in Spain will contribute to the growth of Group sales in the sector, thanks to the combination of the long duration of concessions and the significant increase in sales areas.

Opportunities for external growth could complement company growth, accelerating the achievement of strategic objectives.

(D) Differences in terms of achieved and future results

In the last three years, the two business units have achieved different results, in line with the evolution of the different channels in which they operate.

Food & Beverage

In the Food & Beverage sector, the Autogrill Group has recorded excellent sales performance in airports, which is the first channel for the Group. The Group's presence in this channel is mainly concentrated in North America, where sales have grown significantly and more than the growth in traffic. In terms of profitability, sales growth has not fully offset the inflationary phenomena that have affected the two main items of cost: labour and cost of sales.

Autogrill's results have been less successful in the motorway channel – where the restaurant business the Group carries out in Europe is concentrated – negatively affected, particularly in Italy, by the staggering economic situation. The evolution of traffic has been seriously affected by the economic recession, which in turn has had a negative impact on the traveller's propensity to spend. In this context, the high impact of fixed costs that characterises the motorway channel explains the more than proportional decline in profitability compared to the decline in sales.

The Autogrill Group has launched a major overhaul of its business model in the Food & Beverage sector, by introducing measures which aim at reducing the consequences of declining sales in Europe and strengthening margins and cash flow generation.

Travel Retail & Duty Free

The Travel Retail & Duty Free sector, which operates almost exclusively in airports, has fully benefited from the increased dynamism of this channel, where traffic has recorded positive growth rates, thanks to the development of the economies of emerging markets and the growth in commercial trade.

Even though its business is mainly concentrated in Europe, the Autogrill Group, benefits from the presence of hubs representing the crossroads of world traffic and, thanks to the implementation of targeted commercial policies, has successfully been able to intercept the flow of international travellers characterised by a higher propensity to spend. This allowed Autogrill not only to achieve constantly improving results in terms of sales and profitability, but also growth rates significantly higher than the trends of traffic.

The performance of the Travel Retail & Duty Free sector is also characterised by a significant cash generation, also deriving from the low capital intensity structurally necessary for the operation and development of business.

(E) Conclusions

The Demerger aims at separating the activities carried out by the Autogrill Group in the two sectors of Travel Retail & Duty Free and Food & Beverage.

This transaction reflects the belief that the creation of two distinct groups, autonomous and independent, would allow each of them to better pursue its strategies and improve its performance by leveraging their respective strengths.

Apart from the different strategic objectives, currently the Food & Beverage and Travel Retail & Duty Free sectors are managed independently and no significant synergies connect one to the other.

In addition, the separation of the two sectors, obtained through the proposed Demerger, may enable a greater understanding of the financial markets and, consequently, an independent assessment of the different strategies, as well as facilitating mergers of industries in their respective markets.

3.4 Main legal aspects of the Demerger

From a legal perspective, the division of the Travel Retail & Duty Free and Food & Beverage sectors will be implemented through the partial and proportional demerger of Autogrill for the benefit of the wholly-owned subsidiary WDF, by assignment from Autogrill to WDF of the entire stake in WDFG SAU, through which Autogrill is indirectly active in the Travel Retail & Duty Free sector.

The shareholders of the Assigning Company will be allotted shares of the Beneficiary Company in proportion to their shareholding in Autogrill. More specifically, in consideration for the assets to be transferred under the Demerger, the Autogrill's shareholders will be granted, without payment of any consideration, newly issued WDF's shares in the ratio of 1 (one) to 1 (one).

The Demerger will be implemented in compliance with Sections 2506 and subsequent of the Civil Code, according to the terms and conditions contained in the Demerger Project approved by the Shareholders' Meeting of Autogrill and WDF on 6 June 2013.

Pursuant to the combined provisions of Sections 2506-*ter* and 2501-*quater* of the Civil Code, the balance sheet of the Beneficiary Company as of 15 April 2013, was prepared and approved by the Board of Directors of WDF on 3 May 2013.

In accordance with the right granted under Section 2501-*quater* of the Civil Code, the Assigning Company did not prepare a specific balance sheet, but used the draft financial statements for the financial year 2012, approved on 7 March 2013 by the Board of Directors and by the ordinary Shareholders' Meeting of the Assigning Company on 6 June 2013.

The above documentation is made available to the shareholders and the public in accordance with the terms provided for by the law.

As the transaction is a proportional Demerger in favour of a company whose capital, at the date of the Demerger Project, was wholly owned by the Assigning Company – and will remain so until the Demerger's effective date – it will not result in any change in the value of the aggregate shareholdings owned by the Shareholders of the Assigning Company and therefore no expert's report as per Sections 2501 and 2506-*ter*, third paragraph, of the Civil Code was prepared.

3.5 Assets and liabilities to be transferred to the Beneficiary Company and financial effects of the Demerger

3.5.1 Assets and liabilities to be transferred

The activity in the Travel Retail & Duty Free sector is, to date, indirectly carried out by Autogrill through the WDFG SAU Group.

Therefore, the Demerger – and consequent separation of the two business sectors Travel Retail & Duty Free, on the one hand, and Food & Beverage, on the other hand – will be implemented through the assignment of the entire shareholding held by Autogrill in WDFG SAU to the Beneficiary Company.

The Assigning Company will assign to the Beneficiary Company its shareholding in WDFG SAU, based on the net book value as presented in its financial statements, amounting to Euro 428,878,184.00 as of 31 December 2012.

No other asset or liability of the Assigning Company, excluding what is expressly stated herein, will be assigned by Autogrill to WDF. Therefore, the net asset value to be assigned is equal to Euro 428,878,184.00.

3.5.2 Impacts of the Demerger

(A) Impact of the Demerger on the equity of Autogrill

As a result of the Demerger, the Assigning Company's equity will be reduced by the amount of Euro 428,878,184.00. This reduction shall be allocated to the various items of the Assigning Company's equity on the basis of the ratio between the net assets of the Assigning Company and those of the Beneficiary Company resulting from the Demerger, taking as reference the data at 31 December 2012 of the Assigning Company and also taking into account: *(i)* material events subsequent to 31 December 2012, whose effects will occur on the aforementioned net assets before the Demerger's effective date; and *(ii)* the necessary rounding required to define the par (unexpressed) value of the Assigning Company's and the Beneficiary Company's shares.

More precisely, the reduction in Autogrill's equity of Euro 428,878,184.00 will be distributed as follows:

(i) Euro 63,600,000.00 deducted from share capital;

(ii) Euro 365,278,184.00 deducted from reserves, i.e.:
  - (a) Euro 12,720,000.00 deducted from legal reserve (which will therefore amount to Euro 13,737,600.00); and
  - (b) Euro 352,558,184.00 deducted from the item "other reserves and retained earnings" (the amount of which will therefore be Euro 207,394,776.00).

The aforementioned reduction of the share capital of Autogrill will not cause the cancellation of any shares.

(B) Impact of the Demerger on the equity of Beneficiary Company

As a result of the Demerger, the Beneficiary Company's equity value shall increase by Euro 428,878,184.00 (amount equal to the book value at 31 December 2012 of the shareholding in WDFG SAU which Autogrill shall transfer to WDF) by charging:

(i) Euro 63,600,000.00 to share capital, consequently increasing the latter from Euro 120,000.00 to Euro 63,720,000.00; and

(ii) Euro 365,278,184.00 to reserves for an aggregate amount of:
  - (a) Euro 12,720,000.00 to legal reserve; and
  - (b) Euro 352,558,184.00 to the item "other reserves and retained earnings".

The aforesaid increase in share capital shall be achieved through the issue of no. 254,400,000 new shares. Therefore, by virtue of the Demerger, the share capital of the Beneficiary Company shall result in a total of no. 254,520,000 Shares having no par value.

(C) Highlights

The following table summarises the equity effects described above.

The first column shows the equity of the Assigning Company prior to the Demerger at 31 December 2012, the second column shows the effects of the Demerger on the equity of the Beneficiary Company and the third column shows the equity of the Assigning Company resulting from the Demerger. Furthermore, the effects on the equity of the Companies are also considered, resulting from the significant events that, although subsequent to 31 December 2012, as of the date of the Demerger Project were expected to occur before the effective date of the Demerger.

In particular, the following table reflects the impact of the resolution passed by the Shareholders' Meeting of WDFG SAU on 30 April 2013 that authorized the payment of the Distribution in favour of its sole shareholder Autogrill. The Board of Directors of WDFG SAU, which has been delegated to implement this resolution, paid the entire amount to Autogrill before on 5 June 2013.

No consideration was given neither to the effects that could arise from non-significant and minor events, nor to the effects related to the result that the Assigning Company will accrue from 1 January 2013 to the effective date of the Demerger.

The representation given in the table below takes into account the fact that the Shareholders' Meeting of the Assigning Company called to approve the financial statement relating to the financial year ended on 31 December 2012 resolved not to distribute any dividends, in line with what proposed by said Company's Board of Directors which met on 7 March 2013.

	Autogrill S.p.A before the Demerger	Impact on equity of World Duty Free S.p.A as a result of the Demerger	Autogrill S.p.A after the Demerger
Share Capital	132,288,000	63,600,000 (*)	68,688,000
Legal reserve	26,457,600	12,720,000	13,737,600
Reserve for hedging derivatives	(10,034,545)	-	(10,034,545)
Reserve for treasury shares held	(7,724,711)	-	(7,724,711)
Other reserves and retained earnings	559,952,960	352,558,184	207,394,776
Loss of the year 2012	(14,577,721)	-	(14,577,721)
Net equity at 31 December 2012	**686,361,583**	**428,878,184**	**257,483,399**
Relevant effects which will occur after 31 December 2012 and before the date of the Demerger			
Distribution from WDFG SAU to the Assigning Company (**)	220,000,000	-	220,000,000
Changes in accounting standards from 1 January 2013 (***)	(6,509,485)	-	(6,509,485)
Shareholders' equity inclusive of the effects considered relevant after 31 December 2012 and before the date of the Demerger.	**899,852,098**	**428,878,184**	**470,973,914**

(*) The share capital of WDF as a result of the Demerger will be equal to Euro 63,720,000.00 in view of the fact that WDF has a share capital of Euro 120,000.00 prior to the Demerger.

(**) On 5 June 2013, WDFG SAU paid to Autogrill the Distribution, for an amount fo Euro 220 million. The table therefore reflects the effects of this distribution, which, in view of the fiscal situation of Autogrill, will not determine any tax effect for the Assigning Company.

(***) From 1 January 2013 it shall be mandatory to apply the revised IAS 19, which provides that changes resulting from actuarial differences calculated in relation to the programs of employee benefits shall be fully accounted for in other components of comprehensive income. The amount shown in the table represents the effect on the equity of Autogrill resulting from such application.

3.5.3 Effective values of the net assets transferred to the Beneficiary Company and of the net assets remaining with the Beneficiary Company

Pursuant to Section 2506-ter, second paragraph, of the Civil Code the Board hereby declares that:

(i) the effective value of the net equity assigned to the Beneficiary Company as a result of the Demerger shall not be less than its book value (which at 31 December 2012 amounted to Euro 428,878,184.00);

(ii) the effective value of the net equity which will remain in the Assigning Company following the Demerger shall not be less than its book value (which at 31 December 2012 amounted to Euro 257,483,399.00).

3.6 Further effects of the Demerger

As a result of the transfer of the shareholding of Autogrill in WDFG SAU, an independent group headed by the Beneficiary Company (whose shareholders, at the effective date of the Demerger, will coincide with the shareholders of the Autogrill on the same date) will be created. In particular, the Beneficiary Company will indirectly own all the shareholdings, directly and indirectly, owned by WDFG SAU in companies also operating in the Travel Retail & Duty Free sector, that are:

(i) the shareholding – equal to 99.93% of the share capital – in WDFG España, which in turn owns:
  (a) a shareholding of 19.9% of the share capital of WDFG UK Holdings, as well as;
  (b) the shareholdings in the companies indicated in the document attached to the Demerger Project as Annex C, also operating in the Travel Retail & Duty Free sector;

(ii) the shareholding - equal to 80.1% of the share capital – in the company WDFG UK Holding, which, in turn, directly or indirectly owns, shareholdings in the companies indicated in the document attached to the Demerger Project as Annex C (also active in the business Travel Retail & Duty Free), including WDFG UK.

3.7 Allotment of the Beneficiary Company's shares and assignment mode

As mentioned, it is expected that as a result of the Demerger, shares in the Beneficiary Company will be assigned to all shareholders of the Assigning Company on the basis of a criterion of proportional allocation. In particular, the Autogrill's shareholders will be given a share of WDF for each share held in the Assigning Company.

There will be no monetary adjustment.

The Beneficiary Company's shares will be allocated to those entitled on the Demerger's effective date, in dematerialised form and through Authorised Intermediaries, with the times and modes that will be disclosed through the publication of a notice on the website of the Assigning Company and at least on one nationwide newspaper.

As a result of the no. 1,004,934 treasury shares currently held by Autogrill, the latter (as well as maintaining the aforesaid treasury shares) will be awarded an equal number of shares in the Beneficiary Company, which must be added to the no. 120,000 shares of the Beneficiary Company currently held by Autogrill. As a result of the Demerger, therefore, Autogrill will hold a total of 1,124,934 shares in the Beneficiary Company, representing approximately 0.442% of the share capital of the latter.

On 23 September 2013 Borsa Italiana admitted WDF's shares to the listing on the MTA. The date of commencement of trading of such Shares will be determined by Borsa Italiana through a specific notice and shall coincide with the effective date of the Demerger which will fall on a day of open market.

3.8 Assessment on the existence of the right of withdrawal

Admission to listing of the Shares on the MTA and the commencement of the trading will take place in times and modes to be established, so that the commencement of trading shall take place, at the latest, on the first day of trading of the Assigning Company's shares after the effective date of the Demerger. In this way, the shareholders of Autogrill will always be guaranteed the liquidity of their investment.

Consequently, the prerequisites for exercising the right of withdrawal provided for by Section 2437-quinquies of the Civil Code by Autogrill's shareholders do not apply.

Neither do apply the prerequisites for exercising the right of withdrawal pursuant to Section 2437 of the Civil Code. In particular, with reference to the first paragraph, letter a) of Section 2437 of the Civil Code, it is stated that, following the Demerger, the corporate purpose of the Assigning Company will remain unchanged and that the By-laws already contain a business purpose which is essentially identical to that of the Assigning Company.

3.9 Description of the rights attached to shares to be assigned to the shareholders of the Assigning Company

The shareholders of the Assigning Company will be allotted shares in the Beneficiary Company to the extent and in accordance with the award criteria illustrated above.

No other shares in the Beneficiary Company will be issued, other than ordinary shares. These shares will have the same characteristics as the shares in the Assigning Company held by each shareholder.

The Beneficiary Company's shares allotted to the Shareholders of the Assigning Company will participate in the profits of the Beneficiary Company as of the date of validity of the Demerger.

3.10 Effective date of the Demerger and date starting from which operations will be recorded in the financial statements of the beneficiary company

The Demerger will be effective toward third parties, pursuant to Section 2506-*quater* of the Civil Code, as of the date indicated in the deed of Demerger, in any case subsequent to the last date of registration of the same with the competent offices of the Company Register, it being in any event understood that the execution of the Demerger deed shall be conditional upon disbursement of the Loan, prior to the date of the execution.

The execution of the deed of Demerger is furthermore made conditional upon receipt, prior to the date of execution, of the Waivers or, as an alternative to obtaining the Waivers to the signing, always by that date, of the contracts aiming at refinancing ongoing outstanding exposures under the loan agreements to which the Waivers relate.

As of the Date of the Document both the conditions precedent to the Demerger occurred.

The tax and accounting effects of the Demerger will commence from the date of validity of the Demerger.

3.11 Tax effects of the transaction

For the purposes of direct taxes and pursuant to Section 173, first paragraph, of the Tuir, the Demerger is tax neutral and therefore does not give rise either to the realization or distribution of capital gains or losses on the assets of the Assigning Company subject to the assignment.

The assets of the Assigning Company which shall be awarded to the Beneficiary Company will retain taxable values ascribable to the Assigning Company.

The tax subjective positions of the Assigning Company and related commitments will be awarded to the Beneficiary Company and to the Assigning Company in proportion to their respective shares in equity to be transferred or retained, unless it is specifically related to subjective positions directly connected to or as a group to the elements of the assets which split and that, as such, will follow these elements to their respective owners.

The Demerger shall not interrupt the tax group regime between the Assigning Company and the indirect parent company Edizione Srl and the Beneficiary Company will be subject to the same tax regime; therefore, tax losses generated by the Assigning Company will remain at the disposal of group taxation, without being applicable provisions of Section 172, seventh paragraph, of the Tuir.

As regards the effects of the Demerger for the Assigning Company's shareholders, the Demerger is tax neutral and does not constitute either a gain, a distribution of capital gains or losses, or the receipt of revenue; for what concerns the tax cost of the shares in the Assigning Company, according to the current position expressed by the Tax Authorities, said cost is divided between the shares of the Assigning Company and those of the Beneficiary Company in proportion to their retained or transferred equity share.

However, with reference to the shareholders of the Assigning Company who are not resident in Italy, it is recommended to verify the case in relation to the tax regime in force in the respective countries of residence.

For whatsoever not expressly stated, the provisions of Section 173 of the Tuir shall apply.

For the purpose of indirect taxation, the Demerger is out of VAT scope pursuant to Section 2, the third paragraph, letter f) of the Presidential Decree dated 26 October 1972, no. 633, and is subject to registration tax at a fixed rate pursuant to Section 4, letter b) of the Schedule of Tariffs attached to Presidential Decree no. 131/1986. Where applicable, mortgage and cadastral taxes are always due in a fixed amount.

4. SELECTED FINANCIAL INFORMATION RELATED TO THE WDF GROUP

Introduction

WDF was incorporated specifically for the implementation of the partial and proportional demerger project of Autogrill in favor of WDF, as approved by the shareholders of WDF and Autogrill on June 6, 2013. The Demerger will be implemented through the assignment by Autogrill to WDF of the part of the assets of Autogrill related to the business indirectly carried out in the Travel Retail & Duty Free sector and more specifically the entire interest held by Autogrill in the Spanish company WDFG SAU.

From its incorporation until the end of 2010, the WDFG SAU Group included companies operating in the Food & Beverage sector and in the Flight sector (aircraft on board catering services), as well as companies operating in the Travel Retail & Duty Free industry. In 2010 the Autogrill Group completed a reorganization process, aimed at the corporate separation of these three business sectors. For this reason, in 2010 the group then headed by WDFG SAU sold the companies operating in the Flight and in the Food & Beverage sector.

In consideration of the fact that WDF was incorporated in 2013 and given the events described above that occurred in December 2010, the Company falls under the so-called category of "issuers with a complex financial history", in accordance with the provisions of Article 4-bis of 809/2004/CE Regulation. In order to present the financial performance and position of the Issuer business post-Demerger, the combined financial statements for the period 2010-2012 and for the first half of 2013 have been prepared, exclusively for the purpose of their inclusion in the Document. Financial and economic information included in the Combined Financial Statements for the years ended December 31, 2012, 2011 and 2010 and in the Combined Condensed Interim Financial Statements for the six months ended June 30, 2013 represent the contribution of the Travel Retail & Duty Free to the financial and economic information included in the consolidated financial statements of Autogrill for the periods considered. This information is substantially in line with the segment reporting related to the Travel Retail & Duty Free sector, included in the notes to the consolidated financial statements of Autogrill, except for some minor reclassifications and adjustments made to better reflect the peculiarities of the abovementioned sector.

The income statement, statement of financial position and statement of cash flows data included in the Combined Financial Statements and in the Combined Condensed Financial Statements were taken from Autogrill's consolidated financial statements. Moreover, the contribution to Autogrill's consolidated financial statements of the companies headed by WDFG SAU does not include:

(i) the consolidation entries of the abovementioned companies into the Autogrill Group;

(ii) the contributions to the statement of financial position, income statement and statement of cash flows balances attributable to the Food & Beverage and Flight operations divested in 2010, as well as the effects of those divestments.

Finally, please note that the Combined Financial Statements and the Combined Condensed Interim Financial Statements do not include the figures relating to the US Retail Division (See Chapter 12, Paragraph 12.3.1).

In the present Document are also shown the *pro forma* consolidated financial information of the WDF Group for the six months ended June 30, 2013 and for the year ended December 31, 2012 in order to represent the operations summarized below:

(i) Demerger;

(ii) advance payment to AENA related to concession fees (see Chapter 12 Paragraph 12.1.4);

(iii) payment of dividend to Autogrill by WDFG SAU (see Chapter, 10 Paragraph10.3);

(iv) acquisition of the US Retail Division (see Chapter 12, Paragraph 12.3.1);

(v) extinguishment of the existing outstanding loans of WDF Group and the drawdown of the Loan (see Chapter 12 Paragraph 12.2).

The following tables show the selected financial information of the WDF Group for the six months ended June 30, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010. The selected financial information for the periods indicated above has been derived from the following documents:

(i) Combined Condensed Interim Financial Statements of the WDF Group for the six months ended June 30, 2013 subject to a review by the Independent Auditors (see Annex 1 to the Document);

(ii) Combined Financial Statements of the WDF Group for the years ended December 31, 2012, 2011 and 2010 audited by the Independent Auditors (see Annex 2 to the Document);

(iii) *pro forma* consolidated financial information of the WDF Group for the six months ended June 30, 2013 subject to an examination by the Independent Auditors regarding the reasonableness of the assumptions adopted, the appropriateness of the methodology applied, the accuracy of the evaluation criteria and of the accounting principles used (see Chapter 7, Paragraph 7.2);

(iv) *pro forma* consolidated financial information of the WDF Group for the year ended December 31, 2012 subject to an examination by the Independent Auditors regarding the reasonableness of the assumptions adopted, the appropriateness of the methodology applied, the accuracy of the evaluation criteria and of the accounting principles used (see Chapter 7, Paragraph 7.2).

Further details regarding the combined financial statements and the *pro forma* information, including the methodology and criteria used for their preparation, are reported in Annexes 1 and 2 to the Document and Chapter 7, Paragraph 7.2 respectively.

Please note that the statement of financial position information as of December 31, 2012 included for comparative purposes in the Combined Condensed Interim Financial Statements for the six months ended June 30, 2013 differ from the statement of financial position information as of December 31, 2012 included in the Combined Financial Statements for the years ended December 31, 2012, 2011 and 2010. The differences derive from the mandatory application from January 1, 2013 of the IAS 19 *revised*, which resulted in the restatement of the statement of financial position as of December 31, 2012 as follows: reduction in equity for Euro 12,883 thousand, increase in the employee-related pension fund for Euro 16,730 thousand, reduction of deferred tax liabilities for Euro 1,633 thousand and increase in deferred tax assets for Euro 2,214 thousand (for further details on the application of IAS 19 *revised*, please refer to Annex 1 to the Document). The statement of financial position information as of December 31, 2012 included in this Chapter have been derived from the Combined Financial Statements for the years ended December 31, 2012, 2011 and 2010, and therefore do not include the effects of the mandatory application of IAS 19 *revised*.

4.1 Combined financial and economic information

The following table sets forth selected information related to the WDF Group's combined income statements for the six months ended June 30, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage percentuale dei ricavi	For the six months ended June 30,				For the year ended December 31,					
	2013	% of revenue	2012	% of revenue	2012	% of revenue	2011	% of revenue	2010	% of revenue
Revenue	922,874	100.0%	905,135	100.0%	2,001,973	100.0%	1,820,603	100.0%	1,675,276	100.0%
Other operating income	11,865	1.3%	14,716	1.6%	26,607	1.3%	25,522	1.4%	31,374	1.9%
Total revenue and other operating income	**934,739**	**101.3%**	**919,851**	**101.6%**	**2,028,580**	**101.3%**	**1,846,125**	**101.4%**	**1,706,650**	**101.9%**
Raw materials, supplies and goods	(374,600)	(40.6%)	(370,723)	(41.0%)	(819,988)	(41.0%)	(764,958)	(42.0%)	(733,615)	(43.8%)
Personnel expense	(99,680)	(10.8%)	(96,592)	(10.7%)	(205,891)	(10.3%)	(192,466)	(10.6%)	(180,550)	(10.8%)
Leases, rentals, concessions and royalties	(292,012)	(31.6%)	(280,473)	(31.0%)	(615,470)	(30.7%)	(551,227)	(30.3%)	(505,548)	(30.2%)
Other operating expense	(58,638)	(6.4%)	(58,786)	(6.5%)	(124,894)	(6.2%)	(109,165)	(6.0%)	(93,355)	(5.6%)
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	(44,191)	(4.8%)	(56,596)	(6.3%)	(112,667)	(5.6%)	(121,314)	(6.7%)	(115,366)	(6.9%)
Operating profit	**65,618**	**7.1%**	**56,681**	**6.3%**	**149,670**	**7.5%**	**106,995**	**5.9%**	**78,216**	**4.7%**
Net financial expense	(13,566)	(1.5%)	(11,217)	(1.2%)	(18,473)	(0.9%)	(28,211)	(1.5%)	(44,048)	(2.6%)
Impairment and revaluation of financial assets	(224)	0.0%	718	0.1%	1,844	0.1%	1,396	0.1%	1,271	0.1%
Pre-tax profit	**51,828**	**5.6%**	**46,182**	**5.1%**	**133,041**	**6.6%**	**80,180**	**4.4%**	**35,439**	**2.1%**
Income tax	(9,273)	(1.0%)	(3,330)	(0.4%)	(30,029)	(1.5%)	(16,289)	(0.9%)	(1,703)	(0.1%)
Profit for the period	**42,555**	**4.6%**	**42,852**	**4.7%**	**103,012**	**5.1%**	**63,891**	**3.5%**	**33,736**	**2.0%**
Profit for the period attributable to:										
- owners of the parent	41,427	4.5%	41,732	4.6%	100,727	5.0%	61,358	3.4%	32,194	1.9%
- non-controlling interests	1,128	0.1%	1,120	0.1%	2,285	0.1%	2,533	0.1%	1,542	0.1%
Earnings per share (in Euro cents):										
- basic	16.28		16.40		39.59		24.12		12.65	
- diluted	16.28		16.40		39.59		24.12		12.65	
EBITDA (*)	109,809	11.9%	113,277	12.5%	262,337	13.1%	228,309	12.5%	193,582	11.6%
EBITDAR (*)	401,821	43.5%	393,750	43.5%	877,807	43.8%	779,536	42.8%	699,130	41.7%

(*) For the calculation of EBITDA and EBITDAR please refer to the following Paragraph 4.1.2.

The following table sets forth selected information related to the WDF Group's statements of financial position as of June 30, 2013 and as of December 31, 2012, 2011 e 2010:

In thousands of Euro and percentage of total assets	**As of June 30,**		**As of December 31,**					
	2013	**%**	**2012**	**%**	**2011**	**%**	**2010**	**%**
Total current assets	273,299	14.7%	221,758	13.9%	250,830	14.8%	230,557	13.1%
Total non-current assets	1,585,963	85.3%	1,377,385	86.1%	1,446,704	85.2%	1,523,934	86.9%
TOTAL ASSETS	**1,859,262**	**100.0%**	**1,599,143**	**100.0%**	**1,697,534**	**100.0%**	**1,754,491**	**100.0%**
Total current liabilities	386,688	20.8%	375,883	23.5%	311,703	18.4%	388,188	22.1%
Total non-current liabilities	1,069,478	57.5%	612,179	38.3%	807,436	47.6%	867,870	49.5%
TOTAL LIABILITIES	**1,456,166**	**78.3%**	**988,062**	**61.8%**	**1,119,139**	**65.9%**	**1,256,058**	**71.6%**
EQUITY	**403,096**	**21.7%**	**611,081**	**38.2%**	**578,395**	**34.1%**	**498,433**	**28.4%**
Equity attributable to:								
- owners of the parent	399,484	21.5%	608,424	38.0%	576,760	34.0%	496,385	28.3%
- non-controlling interests	3,612	0.2%	2,657	0.2%	1,635	0.1%	2,048	0.1%
TOTAL LIABILITIES AND EQUITY	**1,859,262**	**100.0%**	**1,599,143**	**100.0%**	**1,697,534**	**100.0%**	**1,754,491**	**100.0%**

The following table sets forth the WDF Group's combined sources and related uses as of June 30, 2013 and as of December 31, 2012, 2011 and 2010:

In thousands of Euro	As of June 30, 2013	As of December 31,		
		2012	2011	2010
Goodwill	584,659	605,117	598,020	582,132
Other intangible assets	575,884	622,874	690,138	762,679
Property, plant and equipment	74,251	80,354	89,349	107,225
Investment property	6,744	6,932	7,307	7,682
Investments	8,463	9,136	7,990	7,182
Other financial assets	31,589	3,975	1,678	1,125
Non-current assets	**1,281,590**	**1,328,388**	**1,394,482**	**1,468,025**
Inventories	141,932	142,462	143,844	121,123
Trade receivables	28,595	26,912	27,053	32,938
Tax assets	7,128	7,798	4,336	3,340
Other receivables - current	63,567	25,630	29,533	17,309
Trade payables	(276,350)	(203,843)	(216,543)	(200,620)
Tax liabilities	(19,494)	(18,694)	(14,878)	(14,985)
Other payables - current	(71,170)	(69,819)	(73,948)	(86,150)
Provisions for risks and charges - current	(11,715)	(12,403)	-	(360)
Net working capital	**(137,507)**	**(101,957)**	**(100,603)**	**(127,405)**
Deferred tax assets	29,318	27,877	39,869	43,463
Other receivables	275,055	14,017	11,967	12,446
Defined benefit plan - assets	-	7,103	386	-
Other payables	(2,903)	(2,000)	(3,000)	(7,896)
Deferred tax liabilities	(81,274)	(92,557)	(118,768)	(136,722)
Defined benefit plan - liabilities	(18,749)	(1,469)	(771)	(15,880)
Provisions for risks and charges	(6,656)	(6,854)	(10,016)	(12,813)
Other non-current non-financial assets and liabilities	**194,791**	**(53,883)**	**(80,333)**	**(117,402)**
Net invested capital	**1,338,874**	**1,172,548**	**1,213,546**	**1,223,218**
Equity	403,096	611,081	578,395	498,433
Net financial indebtedness (*)	935,778	561,467	635,151	724,785
Total sources of financing	**1,338,874**	**1,172,548**	**1,213,546**	**1,223,218**

(*) For the calculation of net financial indebtedness please refer to the following Paragraph 4.1.2.

The following table sets forth selected information related to the WDF Group's combined cash flows for the six months ended June 30, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro	For the six months ended June 30,		For the year ended December 31,		
	2013	2012	2012	2011	2010
Net cash flows from / (used in) operating activities (*)	(138,195)	115,041	189,492	116,929	140,356
Net cash flows from / (used in) investing activities	(34,840)	(12,631)	(29,879)	(23,700)	(23,078)
Net cash flows from / (used in) financing activities	184,814	(121,399)	(186,555)	(108,210)	(418,327)
Net increase / (decrease) in cash and cash equivalents	**11,779**	**(18,989)**	**(26,942)**	**(14,981)**	**(301,049)**
Opening net cash and cash equivalents	18,684	45,357	45,357	55,663	96,867
Carve out (**)	-	-	-	4,004	258,534
Effect of exchange rate fluctuation on net cash and cash equivalents	58	405	269	671	1,311
Closing net cash and cash equivalents	**30,521**	**26,773**	**18,684**	**45,357**	**55,663**

(*) The change in net cash flows from/(used in) operating activities for the six months ended June 30, 2013 compared to the six months ended June 30, 2012 is related to the advance payment of part of the concession fees to AENA (see Chapter 12, Paragraph 12.1.4), for an amount of Euro 278,933 thousand.

(**) In 2011 and in 2010, the "carve out" items represent the cash movements of the activities of the WDF Group that have not been included within the perimeter of the Combined Consolidated Financial Statements. For further details, please refer to Annexes 1 and 2 to the Document.

The following table sets forth the WDF Group's intangible assets detail as of June 30, 2013 and as of December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of total assets	As of June 30,		As of December 31,					
Intangible assets	2013	%	2012	%	2011	%	2010	%
Goodwill	584,659	31.4%	605,117	37.8%	598,020	35.2%	582,132	33.2%
Concessions	479,815	25.8%	518,862	32.4%	583,653	34.4%	651,775	37.1%
Licenses and trademarks	90,871	4.9%	98,694	6.2%	102,770	6.1%	105,897	6.0%
Intangible assets - other	5,198	0.3%	5,318	0.3%	3,715	0.2%	5,007	0.3%
Total intangible assets	**1,160,543**	**62.4%**	**1,227,991**	**76.8%**	**1,288,158**	**75.9%**	**1,344,811**	**76.6%**
Total assets	**1,859,262**	**100.0%**	**1,599,143**	**100.0%**	**1,697,534**	**100.0%**	**1,754,491**	**100.0%**

Concessions, licenses and trademarks mainly derive from the purchase price allocation process related to the acquisition of WDFG UK Holding (formerly World Duty Free Europe Ltd.) and WDFG España (formerly Aldeasa).

4.1.1 *Revenue analysis by geographical area and by product and EBITDA analysis by geographical area*

The following table sets forth a breakdown of revenues by geographic area for the six months ended June 30, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				For the year ended December 31,					
Revenue by geographical area	**2013**	**% of revenue**	**2012**	**% of revenue**	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**
United Kingdom	432,532	46.9%	424,536	46.9%	961,744	48.0%	859,670	47.2%	784,670	46.8%
Rest of Europe	273,872	29.7%	262,486	29.0%	596,946	29.8%	571,911	31.4%	534,632	31.9%
Americas	137,617	14.9%	138,677	15.3%	280,648	14.0%	240,572	13.2%	197,938	11.8%
Asia and Middle East	78,853	8.5%	79,436	8.8%	162,635	8.1%	148,450	8.2%	158,036	9.4%
Total	**922,874**	**100.0%**	**905,135**	**100.0%**	**2,001,973**	**100.0%**	**1,820,603**	**100.0%**	**1,675,276**	**100.0%**

The following table sets forth a breakdown of revenues by product category for the six months ended June 30, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				For the year ended December 31,					
Revenue by product category	**2013**	**% of revenue**	**2012**	**% of revenue**	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**
Beauty	398,161	43.1%	384,242	42.5%	866,200	43.3%	783,584	43.0%	700,911	41.8%
Drinks	165,859	18.0%	159,625	17.6%	348,323	17.4%	318,124	17.5%	296,453	17.7%
Tobacco	113,267	12.3%	115,628	12.8%	246,253	12.3%	235,741	12.9%	237,430	14.2%
Food	105,169	11.4%	97,297	10.7%	218,969	10.9%	194,887	10.7%	175,328	10.5%
Souvenir	24,786	2.7%	27,228	3.0%	60,566	3.0%	56,223	3.1%	59,553	3.6%
Luxury, Fashion, Accessories & Other	90,775	9.8%	99,013	10.9%	211,105	10.5%	185,860	10.2%	155,749	9.3%
Total airport revenue	**898,017**	**97.3%**	**883,033**	**97.6%**	**1,951,416**	**97.5%**	**1,774,419**	**97.5%**	**1,625,424**	**97.0%**
Total non-airport revenue	**24,857**	**2.7%**	**22,102**	**2.4%**	**50,557**	**2.5%**	**46,184**	**2.5%**	**49,852**	**3.0%**
Total	**922,874**	**100.0%**	**905,135**	**100.0%**	**2,001,973**	**100.0%**	**1,820,603**	**100.0%**	**1,675,276**	**100.0%**

The following table sets forth a breakdown of EBITDA by geographic area for the six months ended June 30, 2013 and 2012 and for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue on each geographical area	For the six months ended June 30,				For the year ended December 31,					
EBITDA by geographical area	**2013**	**% of revenue**	**2012**	**% of revenue**	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**
United Kingdom	62,109	14.4%	55,460	13.1%	126,179	13.1%	110,776	12.9%	91,132	11.6%
Rest of Europe	23,749	8.7%	22,485	8.6%	76,731	12.9%	62,440	10.9%	56,219	10.5%
Americas	13,392	9.7%	19,749	14.2%	31,992	11.4%	32,431	13.5%	21,318	10.8%
Asia and Middle East	10,559	13.4%	15,583	19.6%	27,435	16.9%	22,662	15.3%	24,913	15.8%
Total	**109,809**	**11.9%**	**113,277**	**12.5%**	**262,337**	**13.1%**	**228,309**	**12.5%**	**193,582**	**11.6%**

4.1.2 *Alternative financial performance indicators*

The present chapter includes financial and operating indicators used by management to monitor the economic, financial and operating performance of the WDF Group. Such indicators include net financial indebtedness, EBITDA, EBITDA Margin, EBITDAR, Cash EBITDA, Cash EBITDA Margin, net financial indebtedness / EBITDA, net financial indebtedness / Cash EBITDA, EBITDA / net financial expense, EBITDA Cash Conversion, net working capital and net invested capital. It should be noted that such measures are not recognized as measures of financial performance or liquidity under IFRS. Since all companies do not calculate these measures in an identical manner, the criteria applied by the WDF Group may not be consistent with similar measures used by other companies and therefore not comparable.

The WDF Group believes that the financial information set out below represents another important parameter for the evaluation of its performance, as they allow monitoring in greater detail the economic and financial performance of the Group.

It should be noted that such indicators differ from the ones calculated in order to monitor the compliance with the financial covenants since the Loan and *Multicurrency Revolving Facility* agreements provide with specific definitions of net financial indebtedness, net financial expense, EBITDA and Cash EBITDA.

	As of and for the six months ended June 30,		As of and for the year ended December 31,		
Economic and financial indicators	**2013**	**2012**	**2012**	**2011**	**2010**
Net financial indebtedness (1)	(935,778)	n.a.	(561,467)	(635,151)	(724,785)
EBITDA (2)	109,809	113,277	262,337	228,309	193,582
EBITDA Margin (3)	11.9%	12.5%	13.1%	12.5%	11.6%
EBITDAR (4)	401,821	393,750	877,807	779,536	699,130
Cash EBITDA (5)	113,726	113,277	262,337	228,309	193,582
Cash EBITDA Margin (6)	12.3%	12.5%	13.1%	12.5%	11.6%
Net financial indebtedness / EBITDA (*)	3.61	n.a.	2.14	2.78	3.74
Net financial indebtedness / Cash EBITDA (*)	3.56	n.a.	2.14	2.78	3.74
EBITDA / Net financial expense	8.09	10.10	14.20	8.09	4.39
EBITDA Cash Conversion (7)	(1.58)	0.90	0.61	0.41	0.61
Net working capital (8)	(137,507)	n.a.	(101,957)	(100,603)	(127,405)
Net invested capital (9)	1,338,874	n.a.	1,172,548	1,213,546	1,223,218
Capital expenditures	9,740	6,676	28,443	19,856	27,970

(*) In order to make the value of the indicator for the six months period ended June 30, 2013 comparable to those for the years ended December 31, the indicator for the six months ended June 30, 2013 is determined based on EBITDA and Cash EBITDA values related to the twelve months period from July 1, 2012 to June 30, 2013.

(1) The following table sets forth a breakdown of net financial indebtedness of the WDF Group as of June 30, 2013 and as of December 31, 2012, 2011 and 2010, calculated in accordance with the CONSOB Regulation of July 28, 2006 and the ESMA/2011/81 Recommendations:

In thousands of Euro	As of June 30, 2013	As of December 31,		
Net financial indebtedness		**2012**	**2011**	**2010**
A. Cash	2,729	1,607	1,888	1,401
B. Cash equivalents	27,792	17,077	43,469	54,262
C. Trading securities	-	-	-	-
D. Liquidity (A)+(B)+(C)	**30,521**	**18,684**	**45,357**	**55,663**
E. Current financial receivables	1,556	272	707	184
F. Current bank debt	(1,216)	(7,318)	(1,041)	(4,007)
G. Current portion of non current debt	-	(56,521)	-	-
H. Other current financial debt	(6,743)	(7,285)	(5,293)	(82,066)
I. Current financial debt (F)+(G)+(H)	**(7,959)**	**(71,124)**	**(6,334)**	**(86,073)**
J. Net current financial indebtedness (I)+(E)+(D)	**24,118**	**(52,168)**	**39,730**	**(30,226)**
K. Non current bank loans	(959,896)	(439,299)	(489,754)	-
L. Bonds issued	-	-	-	-
M. Other non current loans	-	(70,000)	(185,127)	(694,559)
N. Non current financial indebtedness (K)+(L)+(M)	**(959,896)**	**(509,299)**	**(674,881)**	**(694,559)**
O. Net financial indebtedness (J)+(N)	**(935,778)**	**(561,467)**	**(635,151)**	**(724,785)**

(2) EBITDA is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30,		For the year ended December 31,		
EBITDA	**2013**	**2012**	**2012**	**2011**	**2010**
Profit for the period	**42,555**	**42,852**	**103,012**	**63,891**	**33,736**
Income tax	9,273	3,330	30,029	16,289	1,703
Impairment and revaluation of financial assets	224	(718)	(1,844)	(1,396)	(1,271)
Net financial expense	13,566	11,217	18,473	28,211	44,048
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	44,191	56,596	112,667	121,314	115,366
Total	**109,809**	**113,277**	**262,337**	**228,309**	**193,582**

(3) EBITDA *Margin* is calculated as the ratio of EBITDA to revenues.

(4) EBITDAR is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30,		For the year ended December 31,		
EBITDAR	**2013**	**2012**	**2012**	**2011**	**2010**
EBITDA	**109,809**	**113,277**	**262,337**	**228,309**	**193,582**
Leases, rentals, concessions and royalties	292,012	280,473	615,470	551,227	505,548
Total	**401,821**	**393,750**	**877,807**	**779,536**	**699,130**

(5) *Cash* EBITDA is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30,		For the year ended December 31,		
Cash EBITDA	**2013**	**2012**	**2012**	**2011**	**2010**
EBITDA	**109,809**	**113,277**	**262,337**	**228,309**	**193,582**
Recovery of annual concession fees paid in advance to AENA	3,917	- (*)	- (*)	- (*)	- (*)
Total (**)	**113,726**	**113,277**	**262,337**	**228,309**	**193,582**

(*) It should be noted that for the six months ended June 30, 2012 and for the years ended December 31, 2012, 2011 and 2010, the item "Recovery of annual concession fees paid in advance to Aena" is equal to 0 since the related AENA Agreements were signed on February 14, 2013.

(**) It should be noted that the difference between EBITDA and Cash EBITDA is entirely attributable to the EBITDA of the Rest of Europe.

(6) Cash EBITDA Margin is calculated by the WDF Group as the ratio of Cash EBITDA to revenues.

(7) EBITDA Cash Conversion is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30,		For the year ended December 31,		
EBITDA Cash Conversion	**2013**	**2012**	**2012**	**2011**	**2010**
Net cash flows from / (used in) operating activities (*)	(138,195)	115,041	189,492	116,929	140,356
Net cash flows from / (used in) investing activities	(34,840)	(12,631)	(29,879)	(23,700)	(23,078)
Free operating cash flow (A)	**(173,035)**	**102,410**	**159,613**	**93,229**	**117,278**
EBITDA (B)	109,809	113,277	262,337	228,309	193,582
EBITDA Cash Conversion (A)/(B)	**(1.58)**	**0.90**	**0.61**	**0.41**	**0.61**

(*) The change in net cash flows from/(used in) operating activities for the six months ended June 30, 2013 compared to the six months ended June 30, 2012 is related to the advance payment of part of the concession fees to AENA (see Chapter 12, Paragraph 12.1.4), for an amount of Euro 278,933 thousand.

(8) Net working capital is calculated by the WDF Group as follows:

In thousands of Euro	As of June 30, 2013	As of December 31,		
Net working capital		**2012**	**2011**	**2010**
Inventories	141,932	142,462	143,844	121,123
Trade receivables	28,595	26,912	27,053	32,938
Tax assets	7,128	7,798	4,336	3,340
Other receivables - current	63,567	25,630	29,533	17,309
Trade payables	(276,350)	(203,843)	(216,543)	(200,620)
Tax liabilities	(19,494)	(18,694)	(14,878)	(14,985)
Other payables - current	(71,170)	(69,819)	(73,948)	(86,150)
Provisions for risks and charges - current	(11,715)	(12,403)	-	(360)
Total	**(137,507)**	**(101,957)**	**(100,603)**	**(127,405)**

(9) Net invested capital is calculated by the WDF Group as follows:

In thousands of Euro	As of June 30, 2013	As of December 31,		
Net invested capital		**2012**	**2011**	**2010**
Equity (A)	403,096	611,081	578,395	498,433
Net financial indebtedness (B)	935,778	561,467	635,151	724,785
Net invested capital (A)+(B)	**1,338,874**	**1,172,548**	**1,213,546**	**1,223,218**

4.2 Pro forma financial information

The following table sets forth selected information related to the WDF Group's *pro forma* income statements for the six months ended June 30, 2013 and for the year ended December 31, 2012 (see Chapter 7, Paragraph 7.2), compared to the combined income statements for the same periods:

In thousands of Euro	**For the six months ended June 30, 2013**		**For the year ended December 31, 2012**	
	Pro-forma	**Combined**	**Pro-forma**	**Combined**
Revenue	1,007,890	922,874	2,191,576	2,001,973
Other operating income	11,569	11,865	25,416	26,607
Total revenue and other operating income	**1,019,459**	**934,739**	**2,216,992**	**2,028,580**
Raw materials, supplies and goods	(407,337)	(374,600)	(891,284)	(819,988)
Personnel expense	(120,275)	(99,680)	(249,167)	(205,891)
Leases, rentals, concessions and royalties	(309,979)	(292,012)	(656,099)	(615,470)
Other operating expense	(71,915)	(58,638)	(146,617)	(124,894)
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	(48,150)	(44,191)	(123,564)	(112,667)
Operating profit	**61,803**	**65,618**	**150,261**	**149,670**
Net financial expense	(21,039)	(13,566)	(52,600)	(18,473)
Impairment and revaluation of financial assets	(224)	(224)	1,844	1,844
Pre-tax profit	**40,540**	**51,828**	**99,505**	**133,041**
Income tax	(5,317)	(9,273)	(19,227)	(30,029)
Profit for the period	**35,223**	**42,555**	**80,278**	**103,012**
Profit for the period attributable to:				
- owners of the parent	33,181	41,427	75,969	100,727
- non-controlling interests	2,042	1,128	4,309	2,285
Earnings per share (in Euro cents):				
- basic	13.00	16.28	29.85	39.59
- diluted	13.00	16.28	29.85	39.59
EBITDA (*)	109,953	109,809	273,825	262,337
EBITDAR (*)	419,932	401,821	929,924	877,807

For the calculation of EBITDA and EBITDAR please refer to the following Paragraph 4.2.2.

The following table sets forth selected information related to the WDF Group's *pro forma* statements of financial position as of June 30, 2013 and as of December 31, 2012 compared to the combined statements of financial position at the same dates:

In thousands of Euro	As of June 30, 2013		As of December 31, 2012	
	Pro-forma	**Combined**	**Pro-forma**	**Combined**
Total current assets	304,340	273,299	263,734	221,758
Total non-current assets	1,656,758	1,585,963	1,745,095	1,377,385
TOTAL ASSETS	**1,961,098**	**1,859,262**	**2,008,829**	**1,599,143**
Total current liabilities	404,275	386,688	337,781	375,883
Total non-current liabilities	1,160,486	1,069,478	1,290,888	612,179
TOTAL LIABILITIES	**1,564,761**	**1,456,166**	**1,628,669**	**988,062**
EQUITY	**396,337**	**403,096**	**380,160**	**611,081**
Equity attributable to:				
- owners of the parent	388,902	399,484	374,168	608,424
- non-controlling interests	7,435	3,612	5,992	2,657
TOTAL LIABILITIES AND EQUITY	**1,961,098**	**1,859,262**	**2,008,829**	**1,599,143**

The following table sets forth the WDF Group's pro-forma sources and related uses as of June 30, 2013 and as of December 31, 2012, 2011 and 2010, compared to the combined sources and related uses at the same dates:

In thousands of Euro	As of June 30, 2013		As of December 31, 2012	
	Pro-forma	**Combined**	**Pro-forma**	**Combined**
Goodwill	623,115	584,659	643,316	605,117
Other intangible assets	576,037	575,884	623,101	622,874
Property, plant and equipment and investment property	112,799	80,995	120,634	87,286
Investments	8,463	8,463	9,136	9,136
Other financial assets	31,665	31,589	31,369	3,975
Non-current assets	**1,352,079**	**1,281,590**	**1,427,556**	**1,328,388**
Inventories	159,976	141,932	160,274	142,462
Trade receivables	28,691	28,595	27,015	26,912
Tax assets	7,128	7,128	7,798	7,798
Other receivables - current	73,507	63,567	46,857	25,630
Trade payables	(292,641)	(276,350)	(222,841)	(203,843)
Tax liabilities	(17,961)	(19,494)	(15,385)	(18,694)
Other payables - current	(73,999)	(71,170)	(72,549)	(69,819)
Provisions for risks and charges - current	(11,715)	(11,715)	(12,403)	(12,403)
Net working capital	**(127,014)**	**(137,507)**	**(81,234)**	**(101,957)**
Deferred tax assets	29,318	29,318	27,877	27,877
Other receivables	275,361	275,055	282,559	14,017
Defined benefit plan - assets	-	-	7,103	7,103
Other payables	(3,516)	(2,903)	(2,606)	(2,000)
Deferred tax liabilities	(81,274)	(81,274)	(92,557)	(92,557)
Defined benefit plan - liabilities	(18,749)	(18,749)	(1,469)	(1,469)
Provisions for risk and charges	(6,656)	(6,656)	(6,854)	(6,854)
Other non-current non-financial assets and liabilities	**194,484**	**194,791**	**214,053**	**(53,883)**
Net invested capital	**1,419,549**	**1,338,874**	**1,560,375**	**1,172,548**
Equity	396,337	403,096	380,160	611,081
Net financial indebtedness (*)	1,023,212	935,778	1,180,215	561,467
Total sources of financing	**1,419,549**	**1,338,874**	**1,560,375**	**1,172,548**

(*) For the calculation of net financial indebtedness please refer to the following Paragraph 4.2.2.

The following table sets forth selected information related to the WDF Group's pro forma cash flows for the six months ended June 30, 2013 and for the year ended December 31, 2012 compared to the combined cash flows for the same periods:

In thousands of Euro	For the six months ended June 30, 2013		For the year ended December 31, 2012	
	Pro-forma	**Combined**	**Pro-forma**	**Combined**
Net cash flows from / (used in) operating activities	139,174	(138,195)	175,585	189,492
Net cash flows from / (used in) investing activities	(11,405)	(34,840)	(43,266)	(29,879)
Net cash flows from / (used in) financing activities	474,433	184,814	(1,481)	(186,555)
Net increase / (decrease) in cash and cash	**602,202**	**11,779**	**130,838**	**(26,942)**
Opening net cash and cash equivalents	18,836	18,684	46,439	45,357
Effect of exchange rate fluctuation on net cash and cash equivalents	59	58	248	269
Closing net cash and cash equivalents	**621,097**	**30,521**	**177,525**	**18,684**

The following table sets forth the WDF Group's *pro forma* intangible assets detail as of June 30, 2013 and as of December 31, 2012 compared to the combined intangible assets at the same dates:

In thousands of Euro and percentage of total assets	As of June 30, 2013				As of December 31, 2012			
Intangible assets	**Pro-forma**	**%**	**Combined**	**%**	**Pro-forma**	**%**	**Combined**	**%**
Goodwill	623,115	31.8%	584,659	31.4%	643,316	32.0%	605,117	37.8%
Concessions	479,815	24.5%	479,815	25.8%	518,862	25.8%	518,862	32.4%
Licenses and trademarks	90,871	4.6%	90,871	4.9%	98,694	4.9%	98,694	6.2%
Intangible assets - other	5,351	0.3%	5,198	0.3%	5,545	0.3%	5,318	0.3%
Total intangible assets	**1,199,152**	**61.1%**	**1,160,543**	**62.4%**	**1,266,417**	**63.0%**	**1,227,991**	**76.8%**
Total assets	**1,961,098**	**100.0%**	**1,859,262**	**100.0%**	**2,008,829**	**100.0%**	**1,599,143**	**100.0%**

Concessions, licenses and trademarks mainly derive from the purchase price allocation process related to the acquisition of WDFG Holding (formerly World Duty Free Europe Ltd.) and WDFG España (formerly Aldeasa).

4.2.1 Revenue analysis by geographical area and by product and EBITDA analysis by geographical area

The following table sets forth a breakdown of *pro forma* revenues by geographic area for the six months ended June 30, 2013 and for the year ended December 31, 2012 compared to the combined revenues for the same periods:

In thousands of Euro and percentage of revenue	For the six months ended June 30, 2013				For the year ended December 31, 2012			
Revenue by geographical area	**Pro-forma**	**% of revenue**	**Combined**	**% of revenue**	**Pro-forma**	**% of revenue**	**Combined**	**% of revenue**
United Kingdom	432,532	42.9%	432,532	46.9%	961,744	43.9%	961,744	48.0%
Rest of Europe	273,848	27.2%	273,872	29.7%	596,946	27.2%	596,946	29.8%
Americas	222,657	22.1%	137,617	14.9%	470,251	21.5%	280,648	14.0%
Asia and Middle East	78,853	7.8%	78,853	8.5%	162,635	7.4%	162,635	8.1%
Total	**1,007,890**	**100.0%**	**922,874**	**100.0%**	**2,191,576**	**100.0%**	**2,001,973**	**100.0%**

The following table sets forth a breakdown of *pro forma* revenues by product category for the six months ended June 30, 2013 and for the year ended December 31, 2012 compared to the combined revenues for the same periods:

In thousands of Euro and percentage of revenue	For the six months ended June 30, 2013				For the year ended December 31, 2012			
Revenue by product category	**Pro-forma**	**% of revenue**	**Combined**	**% of revenue**	**Pro-forma**	**% of revenue**	**Combined**	**% of revenue**
Beauty	398,161	39.5%	398,161	43.1%	866,200	39.5%	866,200	43.3%
Drinks	165,859	16.5%	165,859	18.0%	348,323	15.9%	348,323	17.4%
Tobacco	113,267	11.2%	113,267	12.3%	246,253	11.2%	246,253	12.3%
Food	105,169	10.4%	105,169	11.4%	218,969	10.0%	218,969	10.9%
Souvenir	24,786	2.5%	24,786	2.7%	60,566	2.8%	60,566	3.0%
Luxury, Fashion, Accessories & Other	90,751	9.0%	90,775	9.8%	211,105	9.6%	211,105	10.5%
Convenience	85,040	8.4%	-	0.0%	189,603	8.7%	-	0.0%
Total airport revenue	**983,033**	**97.5%**	**898,017**	**97.3%**	**2,141,019**	**97.7%**	**1,951,416**	**97.5%**
Total non-airport revenue	**24,857**	**2.5%**	**24,857**	**2.7%**	**50,557**	**2.3%**	**50,557**	**2.5%**
Total	**1,007,890**	**100.0%**	**922,874**	**100.0%**	**2,191,576**	**100.0%**	**2,001,973**	**100.0%**

The following table sets forth a breakdown of pro forma EBITDA by geographic area for the six months ended June 30, 2013 and for the year ended December 31, 2012 compared to the combined EBITDA for the same periods:

In thousands of Euro and percentage of revenue on each geographical area	For the six months ended June 30, 2013				For the year ended December 31, 2012			
EBITDA by geographical area	**Pro-forma**	**% of revenue**	**Combined**	**% of revenue**	**Pro-forma**	**% of revenue**	**Combined**	**% of revenue**
United Kingdom	61,757	14.3%	62,109	14.4%	125,610	13.1%	126,179	13.1%
Rest of Europe	23,449	8.6%	23,749	8.7%	77,443	13.0%	76,731	12.9%
Americas	14,188	6.4%	13,392	9.7%	43,337	9.2%	31,992	11.4%
Asia and Middle East	10,559	13.4%	10,559	13.4%	27,435	16.9%	27,435	16.9%
Total	**109,953**	**10.9%**	**109,809**	**11.9%**	**273,825**	**12.5%**	**262,337**	**13.1%**

4.2.2 *Alternative financial performance indicators*

The following table sets forth the main financial and operating indicators of the WDF Group, the calculation of which is based on WDF Group's economic and financial pro forma information as of and for the six months ended June 30, 2013 and as of and for the year ended December 31, 2012 compared to the combined data at the same dates and for the same periods:

	As of and for the six months ended June 30, 2013		As of and for the year ended December 31, 2012	
Economic and financial indicators	**Pro-forma (*)**	**Combined**	**Pro-forma (*)**	**Combined**
Net financial indebtedness (1)	(1,023,212)	(935,778)	(1,180,215)	(561,467)
EBITDA (2)	109,953	109,809	273,825	262,337
EBITDA Margin (3)	10.9%	11.9%	12.5%	13.1%
EBITDAR (4)	419,932	401,821	929,924	877,807
Cash EBITDA (5)	113,870	113,726	273,825	262,337
Cash EBITDA Margin (6)	11.3%	12.3%	12.5%	13.1%
Net financial indebtedness / EBITDA	na	na	4.31	2.14
Net financial indebtedness / Cash EBITDA	na	na	4.31	2.14
EBITDA / Net financial expense	5.23	8.09	5.21	14.20
EBITDA Cash Conversion (7)	1.16	(1.58)	0.48	0.61

(*) It should be noted that the pro forma financial data presented in the table above are calculated according to the preparation method adopted for the pro forma data as described in Chapter 7, Section 7.2. In particular, net financial indebtedness, EBITDA, EBITDAR, Cash EBITDA, net financial expense and the related ratios cannot be considered the financial data of the WDF Group in the future as they do not include all the phenomena that will actually occur (for example, revenues from AENA Agreements, actual usage of available lines of credit, etc.).

(1) The following table sets forth a breakdown of net financial indebtedness of the WDF Group as of June 30, 2013 and as of December 31, 2012, 2011 and 2010, calculated in accordance with the CONSOB Regulation of July 28, 2006 and the ESMA/2011/81 Recommendations:

In thousands of Euro	As of June 30, 2013		As of December 31, 2012	
Net financial indebtedness	**Pro-forma**	**Combined**	**Pro-forma**	**Combined**
A. Cash	2,958	2,729	1,759	1,607
B. Cash equivalents	27,792	27,792	17,207	17,077
C. Trading securities	-	-	-	-
D. Liquidity (A)+(B)+(C)	**30,750**	**30,521**	**18,966**	**18,684**
E. Current financial receivables	**4,288**	**1,556**	**2,824**	**272**
F. Current bank debt	(1,216)	(1,216)	(7,318)	(7,318)
G. Current portion of non current debt	-	-	-	(56,521)
H. Other current financial debt	(6,743)	(6,743)	(7,285)	(7,285)
I. Current financial debt (F)+(G)+(H)	**(7,959)**	**(7,959)**	**(14,603)**	**(71,124)**
J. Net current financial indebtedness (I)+(E)+(D)	**27,079**	**24,118**	**7,187**	**(52,168)**
K. Non current bank loans	(1,050,291)	(959,896)	(1,187,402)	(439,299)
L. Bonds issued	-	-	-	-
M. Other non current loans	-	-	-	(70,000)
N. Non current financial indebtedness (K)+(L)+(M)	**(1,050,291)**	**(959,896)**	**(1,187,402)**	**(509,299)**
O. Net financial indebtedness (J)+(N)	**(1,023,212)**	**(935,778)**	**(1,180,215)**	**(561,467)**

(2) EBITDA is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30, 2013		For the year ended December 31, 2012	
EBITDA	**Pro-forma**	**Combined**	**Pro-forma**	**Combined**
Profit for the period	**35,223**	**42,555**	**80,278**	**103,012**
Income tax	5,317	9,273	19,227	30,029
Impairment and revaluation of financial assets	224	224	(1,844)	(1,844)
Net financial expense	21,039	13,566	52,600	18,473
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	48,150	44,191	123,564	112,667
Total	**109,953**	**109,809**	**273,825**	**262,337**

(3) EBITDA *Margin* is calculated by the WDF Group as the ratio of EBITDA to revenues.

(4) EBITDAR is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30, 2013		For the year ended December 31, 2012	
EBITDAR	**Pro-forma**	**Combined**	**Pro-forma**	**Combined**
EBITDA	**109,953**	**109,809**	**273,825**	**262,337**
Leases, rentals, concessions and royalties	309,979	292,012	656,099	615,470
Total	**419,932**	**401,821**	**929,924**	**877,807**

(5) Cash EBITDA is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30, 2013		For the year ended December 31, 2012	
Cash EBITDA	**Pro-forma**	**Combined**	**Pro-forma**	**Combined**
EBITDA	**109,953**	**109,809**	**273,825**	**262,337**
Recovery of annual concession fees paid in advance to AENA	3,917	3,917	- (*)	- (*)
Total (**)	**113,870**	**113,726**	**273,825**	**262,337**

(*) It should be noted that for the year ended December 31, 2012 the item "Recovery of annual concession fees paid in advance to Aena" is equal to 0 since the related AENA Agreements were signed on February 14, 2013.

(**) It should be noted that the difference between EBITDA and Cash EBITDA is entirely attributable to the EBITDA of the Rest of Europe.

(6) Cash EBITDA Margin is calculated by the WDF Group as the ratio of Cash EBITDA to revenues.

(7) EBITDA Cash Conversion is calculated by the WDF Group as follows:

In thousands of Euro	For the six months ended June 30, 2013		For the year ended December 31, 2012	
EBITDA Cash Conversion	**Pro-forma**	**Combined**	**Pro-forma**	**Combined**
Net cash flows from / (used in) operating activities	139,174	(138,195)	175,585	189,492
Net cash flows from / (used in) investing activities	(11,405)	(34,840)	(43,266)	(29,879)
Free operating cash flow (A)	**127,769**	**(173,035)**	**132,319**	**159,613**
EBITDA (B)	109,953	109,809	273,825	262,337
EBITDA Cash Conversion (A)/(B)	**1.16**	**(1.58)**	**0.48**	**0.61**

5. INFORMATION ON THE ASSIGNING COMPANY

5.1 Shareholders of Autogrill and effects of the Demerger on the shareholders

Pursuant to Article 93 of the TUF, Autogrill is indirectly controlled by Edizione S.r.l. through Schematrentaquattro S.r.l., which directly owns shares of Autogrill corresponding to 59.283% of its share capital.

The shareholders that, pursuant to the recordings in the shareholders' ledger, as supplemented by the filings made pursuant to Article 120 of the TUF and by the information available to the Assigning Company, hold shares representing more than 2% of the voting share capital of the Assigning Company are indicated below.

Shareholder of Autogrill	No. of shares	% of the share capital
Schematrentaquattro S.r.l.	150,815,000	59.283

Source: Consob's website, issuers' shareholding.

At the Date of the Document, Autogrill holds as treasury shares no. 1,004,934 ordinary shares, equal to 0.395% of its share capital. The other companies of the Autogrill Group do not hold shares in Autogrill.

On the basis of the recordings in the shareholders' ledger, at the Date of the Document the number of shareholders of Autogrill is approximately 25.600.

Being the Demerger a partial and proportional demerger, as a result thereof there will be no changes to the share ownership of the Assigning Company.

5.2 Changes to the by-laws of the Assigning Company

The shareholders meeting of Autogrill of June 6, 2013 resolved to approve the following changes to the by-laws, which became necessary as a result of the Demerger:

(i) changes to Article 5 (*Share capital*), as necessary to reflect the reduction of the share capital of the Assigning Company upon perfection of the Demerger;

(ii) changes to Article 5 (*Share capital*) deriving from the elimination of the individual par value of the shares of the Assigning Company.

Below is a comparison of the version of the by-laws of Autogrill currently in force with the one that will be in force upon perfection of the Demerger.

By-laws in force	**By-laws in force after the Demerger**
Article 5	Article 5
Capital stock	**Capital stock**
The nominal value of Company's share capital amounts to Euro 132,288,000 (one hundred and thirty-two million two hundred and eighty-eight thousand) represented by 254,400,000 (two hundred and fifty-four million four hundred thousand) shares having a nominal value of Euro 0.52 (zero point fifty-two) each. The capital stock may be increased by resolution of the Shareholders' Meeting also through contribution of assets in kind or amounts receivable.	The nominal value of Company's share capital amounts to Euro 68.688.000 (sixty eight million six hundreds and eighty eight) ~~132,288,000 (one hundred and thirty-two million two hundred and eighty-eight thousand)~~ represented by 254,400,000 (two hundred and fifty-four million four hundred thousand) shares having ~~a nominal~~ no par value ~~of Euro 0.52 (zero point fifty-two) each~~. The capital stock may be increased by resolution of the Shareholders' Meeting also through contribution of assets in kind or amounts receivable.
The Shareholders' Meeting may empower the Board of Directors to raise capital stock through one or more operations up to a specified amount and over a maximum period of 5 (five) years as from the date of the resolution, and also to issue on one or more occasions convertible and/or non-convertible bonds up to a specified amount and over a maximum period of 5 (five) years as from the date of the resolution.	The Shareholders' Meeting may empower the Board of Directors to raise capital stock through one or more operations up to a specified amount and over a maximum period of 5 (five) years as from the date of the resolution, and also to issue on one or more occasions convertible and/or non-convertible bonds up to a specified amount and over a maximum period of 5 (five) years as from the date of the resolution.
Profits and/or profits reserves may be allocated within the bounds of the law to employees of the Company or its subsidiaries by means of rights issues in accordance with art. 2349, clause 1, Civil Code.	Profits and/or profits reserves may be allocated within the bounds of the law to employees of the Company or its subsidiaries by means of rights issues in accordance with art. 2349, clause 1, Civil Code.
On 20th April 2010, an Extraordinary Meeting of the Shareholders voted a paid divisible capital increase, pursuant to art. 2439, clause 2, Italian Civil Code, and with the exclusion of pre-emption rights under the combined provisions of art. 2441, clauses 5 and 8, Civil Code, and art. 134, clause 2, legislative decree 58, 24.2.1998, of a maximum of Euro 1,040,000.00 (one million forty thousand euros, zero cents) (plus premium) to be carried out no later than 30th May 2015, by the issue, in one or several tranches, of up to 2,000,000 (two million) ordinary Autogrill shares having no par value, cum dividend, reserved exclusively and irrevocably for the 2010 Stock Option Plan, all of which under the terms and conditions indicated in the Shareholders' resolution.	On 20th April 2010, an Extraordinary Meeting of the Shareholders voted a paid divisible capital increase, pursuant to art. 2439, clause 2, Italian Civil Code, and with the exclusion of pre-emption rights under the combined provisions of art. 2441, clauses 5 and 8, Civil Code, and art. 134, clause 2, legislative decree 58, 24.2.1998, of a maximum of Euro 1,040,000.00 (one million forty thousand euros, zero cents) (plus premium) to be carried out no later than 30th May 2015, by the issue, in one or several tranches, of up to 2,000,000 (two million) ordinary Autogrill shares having no par value, cum dividend, reserved exclusively and irrevocably for the 2010 Stock Option Plan, all of which under the terms and conditions indicated in the Shareholders' resolution.
On 21st April 2011, the Shareholders' Meeting resolved to empower the Board of Directors, pursuant to art. 2443, Civil Code, and art. 5, by-laws, to raise the capital stock through one or more operations over a maximum period of 5 (five) years as from the date of the resolution by up to Euro 1,820,000, by the issue of up to 3,500,000 ordinary shares having no par value, cum dividend, to be budgeted at Euro 0.52 for each share, to allocate free of charge to the beneficiaries of the New Autogrill Leadership Team Long Term Incentive Plan (L-LTIP) approved by the Shareholders' Meeting on the same date, under the terms and conditions and in the manner provided for in the plan itself; said capital increases must be made by appropriating, in accordance with art. 2349, clause 1, Civil Code, profits and/or profits reserves as stated from time to time in the most recently approved financial statements.	On 21st April 2011, the Shareholders' Meeting resolved to empower the Board of Directors, pursuant to art. 2443, Civil Code, and art. 5, by-laws, to raise the capital stock through one or more operations over a maximum period of 5 (five) years as from the date of the resolution by up to Euro 1,820,000, by the issue of up to 3,500,000 ordinary shares having no par value, cum dividend, to be budgeted at Euro 0.52 for each share, to allocate free of charge to the beneficiaries of the New Autogrill Leadership Team Long Term Incentive Plan (L-LTIP) approved by the Shareholders' Meeting on the same date, under the terms and conditions and in the manner provided for in the plan itself; said capital increases must be made by appropriating, in accordance with art. 2349, clause 1, Civil Code, profits and/or profits reserves as stated from time to time in the most recently approved financial statements.

The by-laws of the Assigning Company is attached to the Demerger Project as Schedule A.

5.3 Effects of the Demerger on shareholders' agreements

At the Date of the Document, to the knowledge of the Assigning Company, there are no shareholders' agreement pursuant to Article 122 of the TUF regarding Autogrill shares.

5.4 Incentive plans

Autogrill has in place two securities based incentive plans, in the form of a stock option plan and a stock grant plan, aimed at strengthen loyalty and incentivize the management of the companies of the Group, by aligning their interests to the interests of the shareholders. The securities underlying such plans are ordinary shares of Autogrill.

In particular, the incentive plans based on securities are: *(i)* a Stock Option Plan, which grants to the beneficiaries the right to receive Autogrill shares upon payment of a pre-determined price (strike price); *(ii)* a Stock Grant Plan, which grants to the beneficiaries the right to receive a free grant of ordinary shares of Autogrill. In both cases, the exercise of the rights deriving from such plans is contingent on the achievement of certain targets.

The Board of Directors, in the meeting of May 3, 2013, in light of the proposed Demerger, confirmed the securities based incentive plans of Autogrill Group and adopted, subject to the effectiveness of the Demerger and in accordance with its powers, certain adjustments aimed at allowing the incentive plans to remain coherent with the goals for which they were adopted.

In particular, the Board of Directors resolved to adjust the type of securities underlying the stock options and the stock grants in accordance with the allotment ratios provided by the plans.

As far as the Stock Option Plan is concerned, the shareholders' meeting of June 6, 2013 resolved to extend the exercise period of the subscription rights – to the extent vested – until April 30, 2018, as well as to amend such plan by granting to the beneficiaries the right to exercise the stock options – also severally and not jointly – to subscribe for, at the same strike price, one ordinary share of Autogrill and one ordinary share of WDF for each vested stock option right. Furthermore, the targets on which the vesting of the rights is based will be measured on the basis of the sum of the performance of Autogrill's share and WDF's shares (including the amount of dividends distributed to the respective shareholders) at the end of each vesting period. The strike price, already determined on the basis of Article 9, Paragraph 4, of the Tuir, will be split among such shares proportionally, according to the average value of the official market price of the shares of Autogrill and WDF within the first 30 days from the date of initial listing of the WDF shares.

With reference to the Stock Grant Plan, the Board of Directors has resolved to make use of the provision of the regulations of the said Plan allowing the replacement, in whole or in part, of the shares in Autogrill eligible for free allotment with cash and/or other financial instruments. Therefore, the participants of the Stock Grant Plan, upon achievement of the pre-determined performance targets (possibly revised, as required by regulation to reflect the change in the scope of the group), will receive, without payment of any consideration, for each vested stock grant right one ordinary share in Autogrill and one ordinary share in WDF and/or the corresponding monetary value.

Changes to the Stock Option Plan and to the Stock Grant Plan will result in a recalculation of the value of the plans themselves, in accordance with the accounting principles and the effect which at present cannot be quantified.

6. INFORMATION ON THE ISSUER AND ON THE WDF GROUP

6.1 Significant facts in the development of the Issuer's business

WDF has been recently set up with the specific purpose to carry out the Demerger.

The Demerger aims to sever the activities conducted by Autogrill Group in the Travel Retail & Duty Free sector from those conducted in the Food & Beverage sector. This transaction is the result of the view that the establishment of two separate autonomous and independent groups will enable each of them to pursue its strategies more effectively and improve its performance, by leveraging on its respective strengths. Furthermore, the separation of the two sectors, achieved through the Demerger, may allow the financial markets to better understand and, consequently, independently assess, the different strategies, as well as facilitate any industrial alliances in the two markets.

The WDFG SAU Group that, as a result of the Demerger, will belong to the Issuer is the result of the progressive acquisition and incorporation of companies operating in the travel retail sector (mainly Aldeasa, Alpha, and WDF Europe). Furthermore, on 6 September 2013, the transfer of the US Retail Division from HMS and its subsidiaries to WDFG US (an indirect subsidiary of WDF) was perfected.

Below, are the WDFG SAU Group's most important milestones:

2005 WDFG SAU (called Autogrill España, S.A.U. at the time) together with Altadis, S.A. acquired, through Retail Airport Finance, S.L. (a company owned by Autogrill España, S.A.U. and Altadis, S.A.), almost the entire share capital of Aldeasa, a Spanish company set up by the State in 1974 and subsequently privatised.

At the time of the acquisition, Aldeasa was licensed with several concessions in the most important Spanish airports (such as Madrid, Barcelona and Palma de Mallorca) and, following the progressive international expansion of its activity, Aldeasa also entered the Latin American and Middle East markets.

2007 In 2007, through several transactions, Autogrill acquired 100% of Alpha's share capital, one of the main UK operators in the Food & Beverage and Travel Retail & Duty Free sectors, operating by means of two divisions providing, respectively, *travel* retail services in 47 airports and 13 countries and in-flight catering services for more than 100 airlines in 12 different countries.

2008 On April 14, 2008 WDFG SAU acquired the equity interest of Altadis S.A. in Aldeasa through Retail Airport Finance, S.L., and thus became the majority shareholder, owning 99.89% of the share capital. Subsequently Aldeasa and Retail Airport Finance, S.L., were merged.

On May 21, 2008 WDFG SAU acquired 100% of WDF Europe's shares, the largest Travel Retail & Duty Free operator in the UK (operating in 7 large UK airports, including London Heathrow, through the management of 58 stores).

2010 On December 31, 2010, following the sale of the Alpha's in-flight catering activities, the WDFG SAU Group focused on the travel retail sector, mainly in the airport segment, by means of two sub-groups, one referring to Aldeasa and active mainly in Spain and Latin America, and the other referring to WDF Europe, active mainly in the United Kingdom.

2011 The activities of Aldeasa, Alpha and WDF Europe were integrated through the centralisation of the management and the adoption of a single integrated management model. A new business model was thus created which enables all the WDFG SAU Group activities to be run as one.

2012 Aldeasa changed its name into WDFG España and WDF Europe changed its name into WDFG UK Holdings.

The WDFG SAU Group was granted a concession to manage stores in the Düsseldorf (Germany) airport as well as the renewal of the concessions in Spain.

2013 As mentioned, on September 6, WDFG US acquired the US Retail Division from HMS and its subsidiaries. By virtue of this acquisition, the WDF Group is able to expand its presence in 29 US airports (including San Francisco, Chicago, Washington, Miami and Dallas) through the management of 248 stores (6).

6.2 Overview of the activities

6.2.1 Introduction – Acquisition of the US Retail Division

The description of the WDF Group's activities in this Chapter 6, Paragraph 6.2 includes, when necessary, the activities the WDF Group carries out through the newly-acquired US Retail Division. Therefore, where indicated, the data and values on the WDF Group activities also include data and values on the US Retail Division. Figures included in the following charts, below the pro forma column, include the figures of the US Retail Division.

6.2.2 Main activities – General presentation of the WDF Group – Strengths

(A) Main activities – General presentation of the WDF Group

The WDF Group is one of the leading operators worldwide in the airport travel retail sector (and the most important travel retail operator in Europe (7)) with activities in 20 Countries. The WDF Group provides a large range of products, mainly comprised in the following categories: "Beauty", "Drinks", "Tobacco" and "Food" (see Chapter 6, Paragraph 6.2.3.5).

(6) Such figures include the entire US Retail Division.
(7) Source: Verdict Retail (part of Informa Business Information).

The WDF Group runs duty-free and duty-paid stores mainly located in airports, generally under concession agreements. The specificity of the activity the WDF Group carries out influences its strategies, which focus on the renewal of concession agreements, on the management of the relationship with the licensors, on compliance with tax and custom regulations, and significantly affects some stages of this activity, such as the designing of the stores and the choice of the products offered. Furthermore, the WDF Group carries out its business relying on a consolidated collaboration with its brand partners and on an integrated logistics network. Finally, as an ancillary activity, the WDF Group also provides commercial and operation services in certain cultural institution in Panama and Spain and wholesale and logistic services to specific clients.

The following table illustrates WDF Group's revenues in financial years 2010, 2011 and 2012 and in the first semester of 2013, broken down between revenues generated in the airport channel and revenues generated in the other channels in which the WDF Group operates. Pro forma data concerning the revenues generated in the 2012 fiscal year are also included.

In Euro thousand and percentage of revenues	As of June 30				For the fiscal year ended on December 31							
Revenues	**Pro forma 2013 (1)**	**%**	**2013**	**%**	**Pro forma 2012 (1)**	**%**	**2012**	**%**	**2011**	**%**	**2010**	**%**
Revenues airport channel(2)	983,033	97.5%	898,017	97.3%	2,141,019	97.7%	1,951,416	97.5%	1,774,419	97.5%	1,625,424	97.0%
Revenues other channels(3)	24,857	2.5%	24,857	2.7%	50,557	2.3%	50,557	2.5%	46,184	2.5%	49,852	3.0%
Totale Revenues	**1,007,890**	**100.0%**	**922,874**	**100.0%**	**2,191,576**	**100.0%**	**2,001,973**	**100.0%**	**1,820,603**	**100.0%**	**1,675,276**	**100.0%**

(1) Includes revenues of the US Retail Division.

(2) Data do not include revenues from India and Saudi Arabia, which arise from joint venture and operating agreements entered into with local partners and, consequently, are not qualified as revenues. Revenues of the US Retail Division are included only in Pro forma 2012 and Pro forma 2013 columns.

(3) Includes revenues originating from sale of products in cultural institutions in Panama and Spain and those originating from wholesale activity

As shown by the preceding table, in financial year 2012, the WDF Group's pro forma revenues generated in the airport channel represented 97.7% of the total revenues.

As of June 30, 2013, the WDF Group operates 561 stores, 519 (8) of which are located in 101 airport around the world (specifically, the WDF Group is present in some of the 30 airports with the highest international passenger traffic (9) and in some selected non-airport locations (10) and 42 stores located in cultural institutions (of which 39 in Spain and 3 in Panama). Among the stores the WDF Group operates, 6 stores in Saudi Arabia and India, are indirectly run through local partners with whom the WDF Group subscribed, respectively, joint venture and operating agreements.

(8) Includes the stores comprised within the US Retail Division.

(9) Source: Airport Council International, April 24, 2013.

(10) The Group operates stores in the Port of Cozumel (Mexico), in the Eurotunnel and the Castle of Windsor (United Kingdom), and at the Empire State Building and two stores at the Houston Space Center (USA), which for the purposes of this Document will be considered as included in the "airport channel".

WDF Group's geographical presence may be divided in 4 areas:

(i) United Kingdom;

(ii) Rest of Europe (mainly Spain, but also Germany and Italy);

(iii) The Americas (Brazil, Canada, Chile, Curaçao, Jamaica, Mexico, Panama, Peru and United States of America); and

(iv) Asia and Middle East (Jordan, Kuwait, India (11), Saudi Arabia (12) , Sri Lanka, Capo Verde and Turkey).

The following Table shows the revenues of the WDF Group in financial years 2010, 2011 and 2012 and in the first semester 2013, divided by geographical area. The Table also shows the pro forma data related to revenues made in financial year 2012 and in the first semester 2013.

In Euro thousand and percentage variation	As of June 30		For the fiscal year ended on December 31					
	Pro forma 2013	2013	Pro forma 2012	2012	Var, %	2011	Var, %	2010
United Kingdom	432,532	432,532	961,744	961,744	11.9%	859,670	9.6%	784,670
Rest of Europe	273,848	273,872	596,946	596,946	4.4%	571,912	7.0%	534,633
Americas	222,657	137,617	470,251	280,648	16.7%	240,572	21.5%	197,938
Asia and Middle East	78,853	78,853	162,635	162,635	9.6%	148,450	-6.1%	158,036
Total	**1,007,890**	**922,874**	**2,191,576**	**2,001,973**	**10.0%**	**1,820,604**	**8.7%**	**1,675,277**

As shown by the preceding Table, the WDF Group focuses its business in United Kingdom and Rest of Europe (areas in which, in 2012, it generated 71% of the pro forma revenues), particularly as a result of its presence at the London Heathrow and Madrid Barajas hubs, in addition to London Gatwick and Barcelona El Prat airports. Due to the features of the airport travel retail sector and thanks to its presence in some of the most important European hubs (representing key transit centres of the international passengers traffic), in the stores operated in the above hubs, the WDF Group can also reach travellers coming from other geographical areas. The revenues the WDF Group generated at London Heathrow airport, for example, originate for more than 70% (13), from purchases made by passengers with non-EU destinations.

In addition to the aforementioned activities, the WDF Group also provides logistic and wholesale services, as well as commercial and management services to the Spanish and Panamanian cultural institutions, where it operates some stores.

(11) Stores in this country are run on the basis of a joint venture agreement with a local partner.

(12) Stores in this country are run on the basis of an operating agreement with a local partner.

(13) Source: Processing of the management based data available to the WDF Group's for the 2012 financial year.

In its stores, the WDF Group sells a large variety of products – including those of renowned international brands – classified in 7 main categories: “Beauty”, “Drinks”, “Tobacco”, “Food”, “Luxury, Fashion, Accessories & Others”, “Souvenirs” and, following the transfer of the US Retail Division to the WDF Group, also “Convenience” (see Chapter 6, Paragraph 6.2.3.5).

The following Table illustrates the development of the revenues in the airport channel broken down by category of product.

In Euro thousand and percentage of revenues	**For the semester ended on June 30**				**For the fiscal year ended on December 31**							
Revenues by category	**2013 Pro forma**	**% of revenues**	**2013**	**% of revenues**	**2012 Pro forma**	**% of revenues**	**2012**	**% of revenues**	**2011**	**% of revenues**	**2010**	**% of revenues**
Beauty	398,161	40.5%	398,161	44.3%	866,200	40.5%	866,200	44.4%	783,584	44.2%	700,911	43.1%
Drinks	165,859	16.9%	165,859	18.5%	348,323	16.3%	348,323	17.8%	318,124	17.9%	296,453	18.2%
Tobacco	113,267	11.5%	113,267	12.6%	246,253	11.5%	246,253	12.6%	235,741	13.3%	237,430	14.6%
Food	105,169	10.7%	105,169	11.7%	218,969	10.2%	218,969	11.2%	194,887	11.0%	175,328	10.8%
Luxury. Fashion. Accessories & Other	90,751	9.2%	90,775	10.1%	211,105	9.9%	211,105	10.8%	185,860	10.5%	155,749	9.6%
Convenience	85,040	8.7%	0	0.0%	189,603	n/a		0.0%				
Souvenir	24,786	2.5%	24,786	2.8%	60,566	2.8%	60,566	3.1%	56,223	3.2%	59,553	3.7%
Total	**983,033**	**100.0%**	**898,017**	**100.0%**	**2,141,019**	**20.7%**	**1,951,416**	**100.0%**	**1,774,419**	**100.0%**	**1,625,424**	**100.0%**

(B) Strenghts

(b.1) Portfolio duration

The WDF Group has a stable long-term concession portfolio, with material concession agreements entered into by members of the WDF Group having an average duration of over 8 years (14) left to run.

The concession agreements generating the highest revenues for the WDF Group are those for the UK’s most significant airports, most of which will expire in 2020 and may be extended (upon satisfaction of certain conditions) until 2023, and for the airports in Spain, which will expire in 2020. In particular, these agreements ensure WDF Group’s long-lasting presence in two airports of strategic importance, such as London Heathrow, being the airport with the greatest number of international passengers in the world, and Madrid, main transit airport for the routes between Europe and Latin America.

Likewise, the travel retail concession agreement for Vancouver airport, which shows a significant flow of passengers from China to North America, will expire in 2023.

(14) The figure on the average remaining duration of the WDF Group’s concessions’ portfolio is calculated by the management as of December 2012 (including the US Retail Division) on the basis of figures available as of that date on the assumption that the term of the UK Framework Agreement will be extended for further 3 years (as provided for under the agreement) and will last therefore until 2023.

(b.2) Reputation with the lincensors

The enlargement of the concessions agreements portfolio is one of the main objectives of WDF Group's strategy. In the context of the procedures through which concession agreements are granted, the reputation of the travel retail operator represents one of the key factors in order to obtain the granting or renewal of the concessions. An implicit recognition of the WDF Group's reputation is its ability to renew its expiring concession agreements and to obtain new concessions: in the 2009-2012 period, the WDF Group achieved a 96% renewal rate on its expiring concessions(15).

(b.3) Reputation with the brand partners

Equally important to the reputation with the licensors is the reputation with the brand partners. This reputation is the result of a relationship built and consolidated through the years and allows the WDF Group to offer a highly competitive wide variety of products and to jointly design commercial strategies, based on an effective sharing of their respective competences. Such profitable cooperation is demonstrated by the fact that quite often the WDF Group's brand partners preview their products in the WDF Group's stores.

(b.4) Wide portfolio of clients

The WDF Group reaches a wide portfolio of international customers, made of millions of passengers that every year transit through the airports where the WDF Group operates its stores. The WDF Group's customers are typically passengers headed to international destinations, cosmopolitans and characterised by a higher spending attitude and/or spending capacity than the client of the traditional retail channel. This special feature of the clientele, paired with the typical features of the environment in which the airport travel retailer operates, contributed to the significant improvement of the sector in the most recent years. Being aware of the diversification of its portfolio of customers, the WDF Group developed specific competences in order to adapt the stores and its products offer to the passengers' destination and origin, also making available to clients personnel with appropriate linguistic competences.

(b.5) Growth of the airport travel retail sector

The WDF Group operates in the airport travel retail sector, a large market (with total revenues in 2012 amounting to USD 33 billion (16) characterized by a constant growth

(15) Calculation made by the management on data collected by the WDF Group.

(16) Source: Verdict Retail (part of Informa Business Information).

(Compounded Annual Growth Rate or CAGR of 12.5% from 2009 to 2012 [17]), which has shown increases in all the main geographical areas of the world irrespective of the context of the corresponding domestic economies. More specifically, Europe, where the WDF Group is significantly present, represents the second largest market in size, after Pacific Asia, thanks to the constant growth of the number of passengers from BRICS Countries and from other emerging markets. It is expected that the travel retail European market will continue growing at higher rates than that of its Gross Domestic Product [18].

(b.6) Competitive position in the airport travel retail

The WDF Group is the leading operator in the airport travel retail in Europe [19] and the second worldwide [20], being present in 20 countries and in all continents. In addition to significant economies of scale on the purchase cost of goods, on central costs and on investments, its dimension ensures WDF Group's wider and more diversified access to the various types of passengers passing through the 101 airport in which the WDF Group operates.

(b.7) Experience in integrating the acquisitions

The WDF Group was established as the result of the acquisition and progressive integration of various groups operating in the travel retail sector. In the past years, WDF Group's management has successfully integrated the acquired companies, setting up a group with a single business model, without losing the distinctive competences of each of its components: more specifically, the current WDF Group relies both on the commercial and sale competences that characterized WDF Europe, and on the development competences, also in new geographies, which characterized Aldeasa and Alpha.

(b.8) Integrated logistics system

The WDF Group relies on a client-focused integrated supply and procurement system, aimed at maximizing the availability of shelf products while ensuring the efficient management of the warehouse. Furthermore, the system is devised in a way that makes it highly scalable, in order to promptly adapt to the growth of the activities, in terms of volumes and geographies, thus supporting WDF Group's growth strategy.

(17) 2009A-2012A CAGR (Compound Annual Growth Rate) based on Verdict Retail (part of Informa Business Information).
(18) Outlook of the management based on Verdict Retail data (part of Informa Business Information) and 2013-2014 FMI estimates.
(19) According to Verdict Retail (part of Informa Business Information).
(20) Source: Verdict Retail (part of Informa Business Information). The figures refer to financial year 2011.

6.2.3 Description of WDF Group's activities and operations

6.2.3.1 Concessions and the duty-free and duty-paid regimes

(A) The concessions

(a.1) Concessions agreements entered into by companies of the WDF Group

The airport stores are typically operated pursuant to concession agreements entered into by the airport companies (as licensors) and the travel retail operators (as licensees). Since the WDF Group's main activity is the management of airport stores, concession agreements represent WDF Group's key asset.

Usually, the concessions are granted through a tender (open or closed, in this latter case by invitation) or following private negotiations. Typically, the licensor establishes the number and type of concessions to grant, together with the applicable terms and conditions (which sometimes can be negotiated).

The specific needs of the licensor play an important part in the choice of the licensee. In this respect, it is possible to distinguish between:

(i) licensors favouring travel retail operators – with international experience and visibility – having the necessary know-how to design and autonomously run the assigned areas;

(ii) licensors which are more involved in the management and organization of commercial areas, that tend to favour the maximization of revenues and, thus, to choose the licensee based on its economic and financial offer.

From a general perspective, concessions may be awarded for generalist travel retail stores and/or themed stores and may grant the right to operate either in a specific area of the airport or in the whole airport.

Concession agreements are typically for an initial fixed term period and enjoy a standardized structure; however, terms and conditions may vary not only as a consequence of the aforementioned negotiations, but also according to the licensor's specific needs and the procedures in place in a specific airport.

The typical provisions in a concession agreement include, without limitation:

(i) Charges – The charges payable may be fixed or variable, typically on the basis of the volume of revenues generated in a specific airport, and possibly as a function of the type of product marketed and/or of the applicable tax regime. Concession agreements may sometimes require the licensee to pay guaranteed minimum annual charges, determined, for example, on the basis of: *(i)* the number of passenger passing through the airport; *(ii)* the size of the commercial area; or *(iii)* past and/or expected revenues of the concession. The guaranteed minimum annual charges may oblige the licensee to pay the charges to the licensor irrespective of the revenues actually generated. In practice, whenever the profitability of a concession has decreased (sometimes even becoming negative) as a consequence of the duty to pay guaranteed minimum annual charges, the licensor have generally been willing to re-negotiate the economic terms of the concession.

(ii) Licensor's rights – Generally, under concession agreements, the licensor has the right to unilaterally determine: *(i)* the relocation of the stores within the airport areas; *(ii)* the extension of the concession's length; or *(iii)* the adoption of additional measures that may affect the performance of the stores, such as, for example, a change in the flow of passengers within the airport. It is worth noting that these clauses do not allow licensors to unilaterally increase the charges to be paid under the relevant concession agreement. Such initiatives by the licensors are not frequent and are usually adopted to accommodate the interests and needs of the airport. The licensee is not always given the right to be compensated for the damages potentially suffered as a result of these changes. Also, usually the relationship between licensor and licensee is based on the principle of cooperation, since it is in the interests of both parties to maximize, respectively, the revenues and the charges. In practice, whenever a modification of the terms of a concession agreement is sought by a licensor due to organizational needs, the WDF Group and the relevant licensor have negotiated and agreed on the modifications to be implemented.

(iii) Commercial and price policies – Concession agreements may, amongst other things, impose limits to the power of the licensee to determine the price policy to be applied or the range of products to be offered for sale.

(iv) Change of control – Concession agreements may include provisions entitling the licensor to terminate the agreement if there is a change of control of the licensee occurring without the prior written consent of the licensors or other parties to the change.

(v) Guarantees – Pursuant to concession agreements, usually the licensee must provide guarantees (by means of bank guarantees, personal guarantees or security deposit) covering the entire length of the concession, to guarantee the licensee's performance of the contractual obligations.

(vi) Additional provisions – Concession agreements may include exclusivity clauses in favour of the licensee, provisions concerning the design of the store and the investments that the licensee will be required to make.

The reason for which the concession agreements provides for the rights and restrictions described in points (ii) and (iii) above is twofold: *(i)* to enable the airport to arrange and update its premises so that it can efficiently meet any change to its operative needs; and *(ii)* to organise the airport's commercial offer.

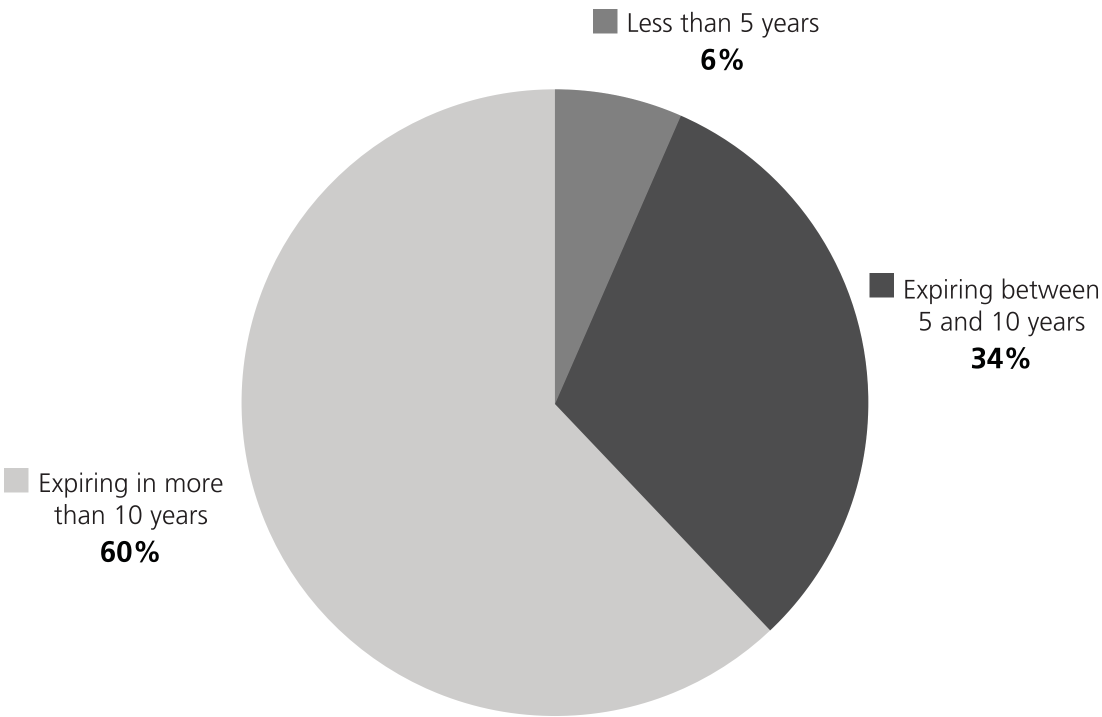
(a.2) The Concessions portfolio

The WDF Group focuses its strategy on the renewal of the existing concessions and on the grant of new concessions.

In the period 2009-2012, the WDF Group achieved a renewal rate of 96% on the expiring concessions [(21)]. More specifically, the WDF Group has renewed some of the concessions in the United Kingdom, (*i.e.* Glasgow, Newcastle, East Midlands and Eurotunnel), in Spain (renewing its concessions until 2020 by virtue of the execution of the AENA Agreements) and in the majority of the Countries in which it operates, such as Peru, Chile, Mexico and Jordan.

Furthermore, since 2007 the WDF Group has been granted new concessions, among which the most significant are those for the airports of Belem (Brazil), Naples and Catania (Italy), Düsseldorf (Germany), Montego Bay (Jamaica), Los Cabos (Mexico) and Vancouver (Canada). Furthermore, upon renewal of the concessions for Spain, the WDF Group was granted the management of the travel retail activity in 5 additional airports in that Country.

The graphic that follows illustrates the distribution of the WDF Group's 2012 pro forma revenues based on the remaining length of the concessions that generated such revenues:



The above graphic illustrates figures calculated by WDF as of December 2012 (including also the US Retail Division) on the basis of figures available as of that date, on the assumption that the term of the UK Framework Agreement will be extended for further 3 years (as provided for under the agreement) and will last therefore until 2023.

(21) Calculation made by the management on data collected by the WDF Group.

The profile of the existing concession portfolio's expiry dates enables the WDF Group to focus its attention on the new opportunities that will arise internationally and, at the same time, to improve the management of the existing activities.

A detailed description of the main terms and conditions of the concession agreements which are of material importance to the WDF Group (in terms of contribution to the revenues of the WDF Group) is included in Chapter 12.

(B) The duty-free and duty-paid regimes

(b.1) The duty-free regime

Generally speaking, goods sold to international travellers under duty-free regimes are exempt from import taxes, customs and other taxes. The duty-free regime may be applied in the stores located in the international departures and arrivals areas.

Duty-free stores in the departures areas are usually located in the international departures' limited-access zones, which can be accessed only after undergoing security controls. These stores are usually the largest ones and their value proposition is influenced by both the location of the airport and the destination of the travellers.

The presence of duty-free stores in the arrival area is authorized only in some non-EU countries. Where authorized, the duty-free arrival stores are located in the limited-access areas of international arrivals and may provide the same range of products of the stores located in the departure's areas with a tailor-made value proposition, because in this type of stores the degree of competition with "Down Town" retailers is higher than in the duty-free departure stores.

(b.2) The duty-paid regime

The duty-paid regime applies to travellers with national destination or with a destination located within a custom union area (such as the EU) or within an area characterized by other regulatory restrictions. All relevant duties, import taxes and other taxes are applied to the goods sold under this regime in the stores of international and national airports.

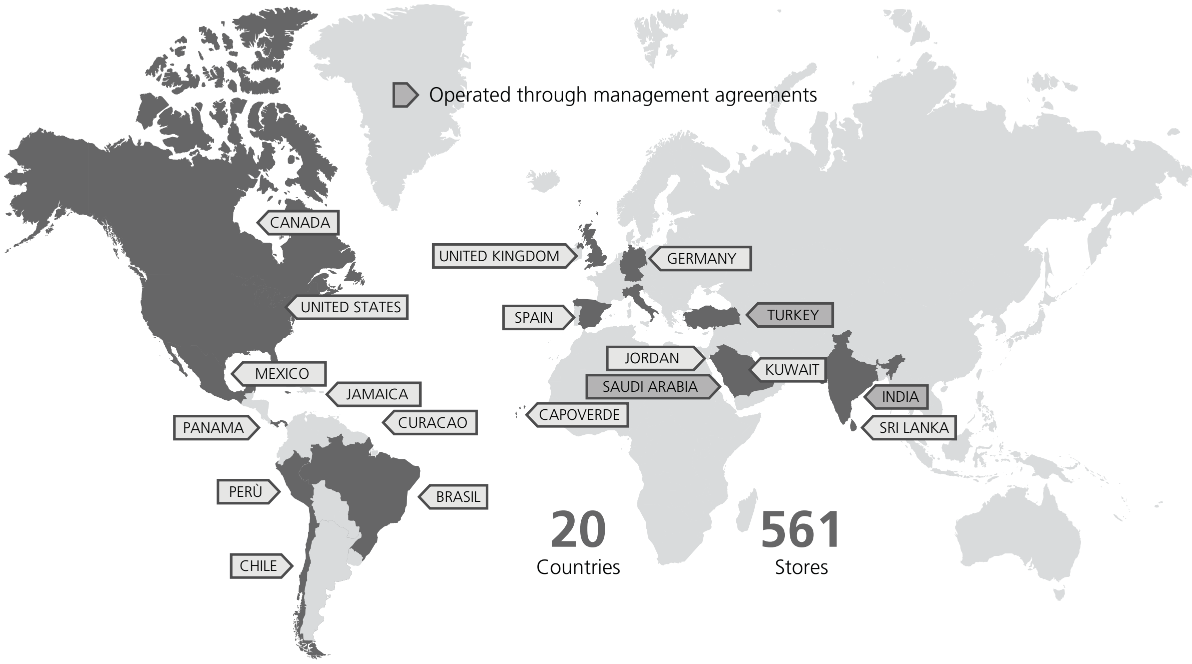
(b.3) Application of the duty-free and duty-paid regimes within the European Union

Directive 91/680/CEE of December 16, 1991 changed the application of the duty-free regime within the European Union, establishing that the sale of goods under a duty-free regime is no longer allowed to travellers whose final destination is within the European Union (with some exceptions, like the Canary Islands).

Consequently, the applicable regime in the European Union mainly depends on the final destination of the passenger: the duty-paid regime applies if the passenger's final destination is domestic or a European Union member state, while the duty-free regime applies if the passenger's final destination is outside of the European Union. This regime is called "dual taxation" regime.

6.2.3.2 Geographical presence

As of June 30, 2013, the WDF Group is present in 20 Countries and operates 561 (22) stores.



The following Table summarises the geographic presence of the WDF Group and its historic development:

In Euro thousand (where applicable) and variation	As of June 30 (1)	For the fiscal year ended on December 31				
	2013	2012	Var. %	2011	Var. %	2010
Number of countries	20	17	-5,6%	18	-5,3%	19
Number of stores	561	301	0,0%	301	-2,0%	307
Number of airports	101	62	-1,6%	63	-3,1%	65

(1) As of June 30, 2013, the figures include the whole US Retail Division.

(22) This figure includes also the US Retail Division.

In financial year 2012, the WDF Group's revenues amounted to approximately 2,002 million Euro, a 10.0% increase from the previous financial year (5.2% increase, excluding the currency exchange effect). In the first semester of 2013, the WDF Group's revenues amounted to 932 million, a 2.0% increase as compared to the same period of the previous year (a 3.8% increase, excluding the currency exchange effect).

The following Table illustrates WDF Group's revenues for the 2010, 2011, 2012 fiscal years and for the first semester of 2013, divided by geographical areas. The pro forma data concerning the revenues generated in 2012 and in the first semester of 2013 are also illustrated.

In EUR thousand and percentage variation	As of June 30		For the fiscal year ended on December 31					
	Pro forma 2013	2013	Pro forma 2012	2012	Var, %	2011	Var, %	2010
United Kingdom	432,532	432,532	961,744	961,744	11.9%	859,670	9.6%	784,670
Rest of Europe	273,848	273,872	596,946	596,946	4.4%	571,912	7.0%	534,633
Americas	222,657	137,617	470,251	280,648	16.7%	240,572	21.5%	197,938
Asia and Middle East	78,853	78,853	162,635	162,635	9.6%	148,450	-6.1%	158,036
Total	**1,007,890**	**922,874**	**2,191,576**	**2,001,973**	**10.0%**	**1,820,604**	**8.7%**	**1,675,276**

(A) United Kingdom

The following Table shows the main data concerning the activities of the WDF Group in the United Kingdom:

In EUR thousand (where applicable) and percentage variation	On June 30	For the fiscal year ended on December 31				
	2013	2012	Var. %	2011	Var. %	2010
Revenues	432,532	961,744	11.9%	859,670	9.6%	784,670
EBITDA	62,109	126,179	13.9%	110,776	21.6%	91,132

As of June 30, 2013, in the United Kingdom, the WDF Group operates 89 stores in 22 airports. The WDF Group also manages 2 stores at the Eurotunnel terminal and at the Castle of Windsor.

In financial year 2012, WDF Group's revenues in the United Kingdom amounted to Euro 961.7 million, and represented 48% of WDF Group's total revenues in the same financial year. The EBITDA generated by the WDF Group in the United Kingdom in the same period amounted to Euro 126.2 million (equal to a margin of 13.1%).

(B) Rest of Europe

The following table shows the main data on the WDF Group's activities in Rest of Europe area:

In Euro thousand (where applicable) and percentage variation	**On June 30**	**For the fiscal year ended on December 31**				
	2013	**2012**	**Var. %**	**2011**	**Var. %**	**2010**
Revenues	273,872	596,946	4.4%	571,912	7.0%	534,632
EBITDA	23,749	76,731	22.9%	62,440	11.1%	56,219

As of June 30, 2013, in Rest of Europe area, the WDF Group operates 108 stores in 29 airports. Furthermore, the WDF Group operates 39 stores in cultural institutions in Spain.

In financial year 2012, the WDF Group's revenues in the Rest of Europe area amounted to Euro 597 million, representing 29.8% of the total revenues generated by the WDF Group in the same period. More specifically, the WDF Group's activities in the Spanish airports produced revenues amounting to Euro 544.4 million (27.2% of the WDF Group's total revenues).

The EBITDA obtained by the WDF Group in this area in the same period amounted to Euro 76.7 million (corresponding to a margin of 12.9%).

In December 2012 WDFG España and Canariensis (both companies controlled by WDFG SAU) renewed the duty-free and duty-paid concessions for the management of the travel-retail activities (23) in Spanish airports until 2020, and entered into the AENA Agreements with AENA on February 14, 2013.

Under the AENA Agreements, WDFG España paid to AENA: *(i)* Euro 279 million (plus VAT of Euro 59 million) as advanced payment of the concession charges to be paid during the agreements; *(ii)* Euro 27 million as a security deposit. The advanced payment of the charges will be progressively recovered by deducting the amount paid from the amount to be paid as charges during the term of these agreements.

The above-mentioned payments to AENA were carried out in part through the use of bank loans and in part through the use of the Intercompany Loan.

The AENA Agreements differ from the concession agreements previously entered into between the WDFG SAU Group and AENA, mainly for the following features:

(i) the number of airports where the travel retail activities are carried out grows from 21 to 26, being the airports in La Coruña, Asturias, FGL Granada-Jaén, Murcia-San Javier and Santander also included;

(23) Activities mainly related to the product categories "Beauty", "Tobacco", "Drinks", "Food" and "Souvenir".

(ii) the commercial area of the stores managed by the WDF Group grows from 33 thousand square meters to 45 thousand square meters;

(iii) the stores are located in areas in the process of being completely renovated, for the purpose, among the others, to improve their commercial appeal.

In that respect the AENA Agreements provide that the WDF Group will make investments on the stores (for an aggregate amount of approximately Euro 98 million thoughout the period 2013-2017) also aimed at improving their layout (also through the creation of walk-throug stores). WDF expects that these investments may help increasing the sales.

As of January 2013, the WDF Group manages on an exclusive basis and under a duty-free regime also the stores in the Düsseldorf airport, which is the third German airport per passenger flow (24) and is located in one of Germany's most populous areas.

(C) Americas

The following table shows the main data on the WDF Group's activities in the Americas. The Table shows the pro forma data concerning revenues and EBITDA generated in 2012 and in the first semester of 2013.

In Euro thousand (where applicable) and percentage variation	On June 30		For the fiscal year ended on December 31					
	2013 Pro forma(1)	2013	2012 Pro forma(1)	2012	Var. %	2011	Var. %	2010
Revenues	222,657	137,617	470,251	280,648	16.7%	240,572	21.5%	197,938
EBITDA	14,188	13,392	43,337	31,992	-1.4%	32,431	52.1%	21,318

(1) Includes sales of the US Retail Division.

As of June 30, 2013, in the Americas, the WDF Group operates 294 stores in 39 airports (25) as well as in Cozumel (Mexico), at the Empire State Building and the Houston Space Centre (USA). Furthermore, the WDF Group runs 3 stores located in cultural institutions in Panama.

In this geographical area, the revenues for financial year 2012 amounted to Euro 280.6 million representing 14% of the total revenues generated by the WDF Group in the same period. The EBITDA generated by the WDF Group in the Americas in the same period amounted to Euro 32 million (corresponding to a 11.4% margin).

(24) Source: Association of German Airports (ADV) – December 2012 ADV-Monatsstatistik.
(25) The figures include the US Retail Division.

(D) Asia and Middle East

The following Table shows the main data on the WDF Group's activities in Asia and Middle East area.

In Euro thousand (where applicable) and percentage variation	**On June 30**	**For the fiscal year ended on December 31**				
	2013	**2012**	**Var. %**	**2011**	**Var. %**	**2010**
Revenues [1]	78,853	162,635	9.6%	148,450	-6.1%	158,036
EBITDA [1]	10,559	27,435	21.1%	22,662	-9.0%	24,913

(1) Does not include revenues from India and Saudi Arabia, which arise from joint venture and operating agreements entered into with local partners and, consequently, are not qualified as revenues.

As of June 30, 2013, in this area, the WDF Group operates 26 stores [26] and 11 airports divided between Asia, Middle East and Africa.

In financial year 2012, WDF Group's revenues in this area amounted to Euro 162.6 million representing 8.1% of the WDF Group's total revenues in the same financial year. In the same period, the EBITDA amounted to Euro 27.4 million (equal to a margin of 16.9%).

6.2.3.3 Sales channels

The following Table illustrates the breakdown by sales channels of WDF Group's revenues for the financial years 2010, 2011 and 2012 and for the first semester of 2013. The pro forma data concerning the revenues generated in 2012 and in the first semester of 2013 are also included.

In Euro thousand and percentage of revenues	**As of June 30**				**For the fiscal year ended on December 31**							
Revenues	**Pro forma 2013[1]**	**%**	**2013**	**%**	**Pro forma 2012[1]**	**%**	**2012**	**%**	**2011**	**%**	**2010**	**%**
Revenues airport channel[2]	983,033	97.5%	898,017	97.3%	2,141,019	97.7%	1,951,416	97.5%	1,774,419	97.5%	1,625,424	97.0%
Revenues other channels[3]	24,857	2.5%	24,857	2.7%	50,557	2.3%	50,557	2.5%	46,184	2.5%	49,852	3.0%
Totale Ricavi	**1,007,890**	**100.0%**	**922,874**	**100.0%**	**2,191,576**	**100.0%**	**2,001,973**	**100.0%**	**1,820,603**	**100.0%**	**1,675,276**	**100.0%**

(1) Includes revenues of the US Retail Division.

(2) Data do not include revenues from India and Saudi Arabia. Revenues of the US Retail Division are included only in Pro forma 2012 and Pro forma 2013 columns.

(3) Includes revenues originating from sale of products in cultural institutions in Panama and Spain and those originating from wholesale activity.

(A) Airports [27]

The airport travel retail sector is WDF Group's main activity and amounts to 97.5% of the revenues generated in financial year 2012.

(26) Including those managed indirectly in India and Saudi Arabia.

(27) The "Airports" sales channel includes WDF Group's stores located in Puerto de Cozumel (Mexico), the Euro tunnel and the Castle of Windsor (United Kingdom) and the stores at the Empire State Building and the Houston Space Centre (USA).

The WDF Group considers that being able to create a relationship with the licensors based on cooperation and trust is extremely important in order to both: increase the likelihood of renewal of the concession agreements and maximise the economic results for both the WDF Group and the licensors. For this reason, the WDF Group's business approach goes beyond the mere contractual relationship between the two parties and often becomes a "partnership" based on the cooperation with the licensor and with the brand partners, in designing and developing airport commercial areas, planning the passengers' flow and identifying a common strategy.

In addition to enhancing the development of the airport's commercial offer, this collaborative relationship also ensures that each store is designed and managed in order to offer a purchase experience tailored to the preferences of passengers in transit.

The WDF Group offers in its stores a wide range of products, often paired with a selection of local products shelved in specific and easily identifiable areas, thus increasing the perception of the so-called "sense of place", *i.e.* the client's perception that a purchase from one of WDF Group's stores is like an extension of the travel experience.

The WDF Group operates different retail concepts and presents a diversified offer, in each of its stores.

(a.1) Generalist travel retail stores

The generalist travel retail stores offer a wide variety of products which are personalised according to the store location, so that the passengers experience an extension of their destination ("sense of place").

These stores offer to travellers the possibility to make purchases in a single store and are designed to satisfy both travellers who favour a wide variety of products and those who seek specific products.

The stores are also designed to maximise the space assigned, the passengers' flow and their comfort. The "walk-through" stores, in particular, satisfy these needs: as they are located on the way leading from the security controls to the waiting areas, they intercept passengers on their way to the gates without hindering their flow. Wherever implemented, the "walk-through" stores have allowed the WDF Group to significantly increase its revenues.

In the allocation of spaces, the WDF Group employs updated marketing techniques. Each store is designed on the basis of the type of passenger that is expected to walk through the airport and divided into clearly-identifiable sections based on the different categories of products or brands. Furthermore, consistent with WDF Group's collaboration strategy, some of the stores include reserved and personalised areas, dedicated to the sale of some brand partners' products.

In its stores, the WDF Group resorts to a standardised and modular furniture, easily adaptable and customisable according to the different features of the airports and stores. This high degree of flexibility is functional when the stores need to be refurnished, and is essential to implement different marketing strategies or to be responsive to a change in the passengers' purchasing habits.

(a.2) Specialised or themed stores

The WDF Group also operates themed stores. These stores specialise in specific categories of products, are specifically designed for the type of product to be sold, and employ qualified personnel. The main thematic stores operated by the WDF Group, include:

(i) the "Cigar House" and "La Cava del Cigarro" stores, offering a wide selection of international tobacco brands and accessories for smokers;

(ii) "Cocoon" stores, specialised in cosmetics and skin care products;

(iii) "Perfume Gallery" stores, specialised in perfumes;

(iv) "Simply Chocolate" stores, offering several commercial and luxury chocolate brands;

(v) "Sunglasses" stores, specialised in sunglasses;

(vi) "Watch & See" stores, dedicated to products belonging to the "Luxury, Fashion, Accessories & Other" category, among which, in particular, wrist watches and other internationally renowned branded accessories;

(vii) "World of Whiskies" stores specialised in the sale of whisky coming from all over the world.

(a.3) Souvenir stores

The WDF Group's souvenir stores offer a wide variety of typical products, including books, ornamental objects, foodstuffs, copies of works of art, t-shirts, gifts, key chains, materials and accessories for writing.

(a.4) Boutiques and luxury stores

These stores, characterised by a sophisticated and luxury environment are designed to provide a wide variety of jewellery, watches, leather goods and clothing.

This type of stores is especially appreciated by clients coming from China, Russia and Brazil, who show a higher propensity to purchasing these goods.

(a.5) Convenience store

These are stores where it is possible to purchase books, magazines, newspapers, beverages, ready-to-eat food and souvenir. These stores became part of WDF Group's offer after the acquisition of the US Retail Division.

(B) Other channels

The WDF Group also carries out its activity outside the airport travel retail channel, supplying the following services:

(i) logistic and wholesale commercial services for various categories of clients, including third party stores (also inside seaports and airports), embassies, diplomatic bodies, operators of commercial spaces on ferries and cruise ships and in-flight services operators; and
(ii) commercial and operation services in certain cultural institution in Panama and Spain.

As mentioned, this distribution channel has a limited relevance and amounts only to 2.5% of WDF Group's revenues for financial year 2012.

6.2.3.4 Brand partners

The WDF Group has consolidated relationships with its brand partners, with whom it collaborates in jointly designing product strategies relying on each other's experience.

Furthermore, the cooperation with brand partners significantly influences the designing and planning of WDF Group's stores, through the creation of brand customised areas, dedicated to the brand partners' products, where these products are sometimes previewed.

The cooperation with brand partners is generally regulated by framework agreements defining, at a global level, the main terms and conditions of such collaboration, such as, for example, the range of products, purchase and sale prices, commercial discounts, the space dedicated to products and promotional plans. These global terms and conditions are then tailored to the different local contexts through specific supplementary agreements. Usually, such agreements last for a period of time ranging between 1 and 2 years, but the length may vary depending on the brand partner.

6.2.3.5 Products

The success of the travel retail activities depends on the ability to select a product offer in line with the clients' needs and expectations, to be offered at a competitive price and in ways capable of attracting potential clients to the stores.

The WDF Group selects the products to be offered in each store depending on the location of the store, and adapts the offer to the flight destinations served in the airport/terminal where the stores are located and to the specific profile of passengers' in transit.

(A) Categories of product

The WDF Group's products can be divided into the following categories:

(i) "Beauty" – The category "Beauty", which includes perfumes and cosmetics (*i.e.* skin-care products, make-ups, toiletries, hair-care products, etc.), is WDF Group's main category of products in terms of revenues. WDF Group's offer includes both traditional and fashionable brands and products.

This category represents a significant driver of growth in terms of passengers' flow and is placed in some of the best spaces in WDF Group's stores.

(ii) "Drinks" – The WDF Group offers a wide variety of whisky, cognac, wines, brandies and liquors, also in limited editions at prices suitable for any traveller. Thanks to the presence of skilled personnel, the WDF Group offers the clients the opportunity to understand the offer of products and to taste some of them.

(iii) "Tobacco" – Cigarettes have always represented a core product sold in the travel retail stores and keep representing an important component of WDF Group's commercial offer, which includes cigars and smokers' items.

(iv) "Food" – The WDF Group offers a wide variety of "gourmet" food and sweets, ranging from internationally-renowned sweet brands to local specialities such as the Spanish "jamón" or Jordanian sweets. This category of products is often purchased in association with other categories.

(v) "Luxury, Fashion, Accessories & Other" – This category includes a wide range of products from leading sport, fashion and luxury companies, including jewellery, sunglasses, clothing, purses, watches and other accessories.

(vi) "Convenience" – Following the recent acquisition of the US Retail Division, the WDF Group introduced this new category that includes newspapers, magazines, books, ready-to-eat food and generic products of the airport travel retail category.

(vii) "Souvenir" – Souvenirs are popular products particularly sought by travellers in the travel retail stores. In addition to traditional souvenirs (such as postcards, magnets, t-shirts, etc.), the WDF Group also makes available local food and beverages.

The following Table illustrates the breakdown by category of product of WDF Group's revenues in the airport channel for financial years 2010 2011, and 2012 and the first semester of 2013. The pro forma data concerning the revenues generate in 2012 and in the first semester of 2013 are also included.

In Euro thousand and percentage of revenues	For the semester ended on June 30				For the fiscal year ended on December 31							
Revenues by category	**2013 Pro forma**	**% of revenues**	**2013**	**% of revenues**	**2012 Pro forma**	**% of revenues**	**2012**	**% of revenues**	**2011**	**% of revenues**	**2010**	**% of revenues**
Beauty	398,161	40.5%	398,161	44.3%	866,200	40.5%	866,200	44.4%	783,584	44.2%	700,911	43.1%
Drinks	165,859	16.9%	165,859	18.5%	348,323	16.3%	348,323	17.8%	318,124	17.9%	296,453	18.2%
Tobacco	113,267	11.5%	113,267	12.6%	246,253	11.5%	246,253	12.6%	235,741	13.3%	237,430	14.6%
Food	105,169	10.7%	105,169	11.7%	218,969	10.2%	218,969	11.2%	194,887	11.0%	175,328	10.8%
Luxury. Fashion. Accessories & Other	90,751	9.2%	90,775	10.1%	211,105	9.9%	211,105	10.8%	185,860	10.5%	155,749	9.6%
Convenience	85,040	8.7%	0	0.0%	189,603	8.9%		0.0%				
Souvenir	24,786	2.5%	24,786	2.8%	60,566	2.8%	60,566	3.1%	56,223	3.2%	59,553	3.7%
Total	**983,033**	**100.0%**	**898,017**	**100.0%**	**2,141,019**	**100.0%**	**1,951,416**	**100.0%**	**1,774,419**	**100.0%**	**1,625,424**	**100.0%**

(B) Supply of products

The products sold in the WDF Group's stores are mainly supplied through an outright purchase system, which is based on specific supply orders (with previously agreed prices) and payments by the WDF Group made upon receipt of the products. In addition, as a secondary and minor procurement system regarding only very specific types of products, the WDF Group employs a consignment system.

(C) Pricing policy

Pricing policy is a key component of WDF Group's strategy and is defined also in co-operation with the brand partner.

In order to ensure a competitive offer as compared to the traditional retail channel, the WDF Group constantly adjusts the prices of its products based on the analysis of variations in the travellers' profiles, the flight destinations served, the costs of supplies and the applicable tax regimes.

(D) Promotion

The brands and products offered and the price policies are supported by a wide variety of promotional activities that the WDF Group carries out in its stores, in specific dedicated areas and locations. Each promotion is created in order to maximise the capture rate.

These initiatives range from general promotional themes in connection with the solar calendar (such as, for example, Christmas and the Chinese New Year) to specific initiatives for each category of products (such as, for example, the "Whisky Festival"), to, finally, promotions of single products.

The WDF Group avails itself of customer engagement concepts which, through a combination of the latest technology, make wide use of music, visual displays and live entertainment to attract travellers' attention to specific products or to the WDF Group's stores.

6.2.3.6 Clients

The WDF Group can reach a wide and varied clientele, comprising millions of passengers who each year, travelling for pleasure or work, transit through the airports where the WDF Group is present. This allows the WDF Group to be less affected by the economic conditions of the countries in which it operates.

The WDF Group is aware of the diversification of its clientele and is able to adjust its stores and its product offer based on the travellers' destination and origin, providing personnel with adequate linguistic skills.

Furthermore, not only are the travellers' purchasing habits influenced by their destination, but also by the moment when the purchase is made (at arrival or departure).

The WDF Group also offers to its clients the following services: *(i)* delivery of the purchased goods upon arrival; *(ii)* product service; and *(iii)* return – via regular mail – of defective or undesired products.

6.2.3.7 Logistic

WDF Group's supply chain and logistic strategy is based on an integrated and scalable approach, designed to increase efficiency and support the growth of the WDF Group.

The supply chain's philosophy focuses on the client and on the maximisation of the availability of shelf products through an effective warehouse management.

WFG Group's logistic network consists of an international distribution centre located in Barcelona, and of two national distribution centres (in London and Madrid) directly managed by the WDF Group. Furthermore, the WDF Group also avails itself of six international collection and sorting platforms run by third parties logistic services providers.

In support of the supply chain, the WDF Group uses forecasting and replenishment software applications in order to align supply and demand at a global level.

The WDF Group's logistic strategy is based on a scalable approach that allows to expand the logistic network and to increase the available warehouse space whenever necessary. Therefore, WDF Group's logistic system is organized to support the group's future growth.

6.2.3.8 Customs

The WDF Group's airport channel activities are highly regulated: the sale of products exempt from tax or custom duties requires authorisations, licenses and certifications to be granted by the custom and tax authorities. In order to obtain these authorisations, licenses and certifications, it is crucial not only to know the different requirements and procedures applicable in each Country, but it is also necessary to enjoy a good reputation with the corresponding authorities.

In this regard, it is worth highlighting that WDFG España and Canariensis were awarded in Spain the status of Authorised Economic Operator ("*Operador Económico Autorizado*"), which proves WDF Group's good reputation gained with the Spanish Custom Authorities and facilitates the procedures that these companies are required to fulfill when carrying out their activities in Spain or any other Countries of the European Union.

6.2.3.9 WDF Group's strategies

The WDF Group's strategy aims to strengthen the WDF Group's position in the airport travel retail sector, by pursuing 3 main objectives:

(a) improving performances of existing concessions;

(b) enhancing the performance in the geographical areas where the WDF Group is already present and entry into new markets; and

(c) taking on an active role in the potential consolidation of the sector, also through synergies with other operators.

(A) Improving performances of existing concessions

The WDF Group deems that further improvements in the performance of its concessions portfolio may be achieved through four key actions:

(i) adjusting the commercial offer to the passengers' evolving needs by constantly refining the range of products offered and their corresponding marketing;

(ii) strengthening the commercial capacity, through the increased use of top-performing sale models (*e.g.* "walk-through" stores), increasing accuracy in designing the sale spaces and the efficient management of the supply chain;

(iii) further strengthening the collaboration with licensors and brand partners;

(iv) broadening the luxury goods commercial offer, which represents the fastest-growing category within the airport travel retail sector.

(B) Enhancing the performance in the geographical areas where the WDF Group is already present and entry into new markets

The WDF Group deems that a portfolio of concessions with more than 8 years [28] still to run in average represents a basis for consolidating its presence in the regions where it operates and for entering into new Countries characterised by high rates of growth in passengers' traffic.

The WDF Group estimates that by 2016 certain concessions, currently managed by other operators or concerning new commercial spaces, will be tendered, for a total value in terms of expected revenues within the term of such concessions, of roughly USD 8 billion, of which around USD 4.5 billion in Countries where the WDF Group already operates [29].

The WDF Group is currently engaged in four development initiatives:

(i) consolidating and widening its presence in European hubs;

(ii) integration of the recently acquired US Retail Division, in order to strengthen its presence in North America, the first market in the world for air traffic volumes;

(iii) further expansion in Latin America and Middle East, which shows significant opportunities for development. In Brazil tenders for existing concessions as well as privatisation procedures and the enlargement of some airports are ongoing, while in the Middle East airport infrastructures and the activities of the airlines therein located are undergoing an expansion;

(iv) growth in the Asia Pacific area, a region where the WDF Group is currently underrepresented and where it is foreseen that the most valuable concessions will be tendered.

(C) Taking on an active role in the potential sector consolidation, also though synergies with other operators

Although the global travel retail sector continues to be highly fragmented, with 5 operators holding approximately 36% of the total market [30], the WDF Group deems that in the next years, thanks to a series of agreements, acquisitions and integrations, global leaders of the sector may be able to emerge. Several elements may prompt a consolidation of the sector, including:

(i) relevant potential synergies originating from economies of scale on the cost of the purchase of goods, on central costs and on investments;

(28) The figure on the average remaining duration of the WDF Group's concessions' portfolio is calculated by the management as of December 2012 (including the US Retail Division) on the basis of figures available as of that date on the assumption that the term of the UK Framework Agreement will be extended for further 3 years (as provided for under the agreement) and will last therefore until 2023.

(29) Calculation made by the management on 2011 travel retail market figures.

(30) Source: Verdict Retail (part of Informa Business Information). The figure refers to financial year 2011.

(ii) higher chances of being awarded new concessions for larger size global operators, owning both the necessary competences in the sector and adequate financial capacity;

(iii) the need to enlarge geographical presence, mainly in Countries characterized by higher growth rates.

Within this scenario, the WDF Group is ready to assess potential opportunities that may allow the WDF Group to strengthen its global presence.

6.3 Main markets

6.3.1 Sector

(A) The travel retail market

The travel retail market has been defined as the sale of goods or the provision of services mainly to travellers in different sale channels connected to transportation, including airports, sea ports, railway stations, border areas, airplanes, ferries ad cruise boats.

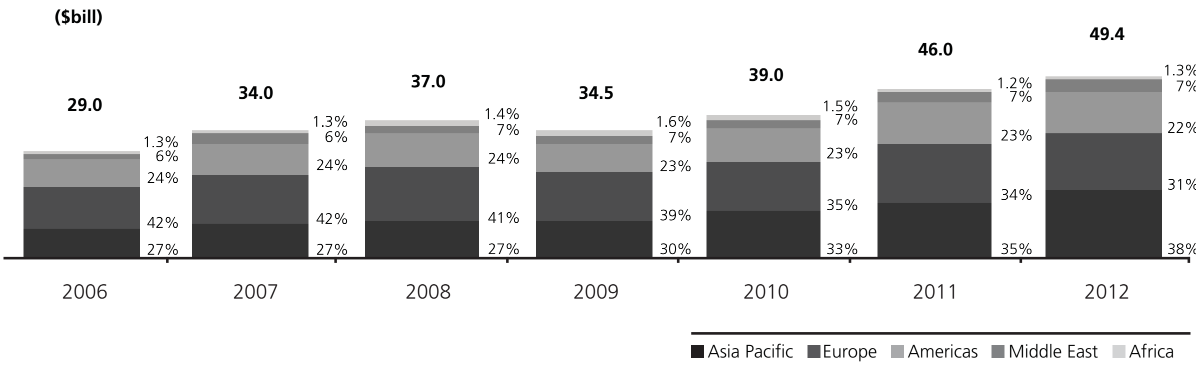
The concept of "travel retail" is relatively new. Until the suppression of the duty-free sales regime within the European Union in 1991, this specific channel of sales was simply called "duty-free" and was mainly reserved to products such as tobacco and alcohol. Conversely, today, travel retail operators have significantly broadened their range of activity beyond the original categories, and included in the offer also other goods, such as luxury goods, beauty products and food.

(a.1) Global dimensions of the travel retail market (31)

With a total size of around USD 49.4 billion in 2012, travel retail is one of the highest growing sectors worldwide. The size of such market varies considerably from one geographic region to the other.

(31) Source: Generation AB. The figures are rounded to the closest decimal.

Global size of the travel retail market and graphic distribution



The WDF Group operates mainly in the airport channel, which generated more than 97% of its consolidated revenues in 2012.

(B) Airport retail

(b.1) Size and geographic distribution of the airport travel retail

In 2012, the airport travel retail sector registered total sales for about USD 33 billion (32), with a growth of 9.8% compared to the previous year. The following Table indicates the trend of sales over time in this channel in the main geographical areas.

(Billion of USD)	For the financial year ended on December 31				CAGR
Region	**2009**	**2010**	**2011**	**2012 Estimate**	**2009-12 Estimate**
Europe	8.8	9.3	10.5	10.6	6.3%
Asia Pacific	6.8	8.3	10.2	12.2	21.4%
Middle East and Africa	2.0	2.3	2.5	2.8	11.2%
Americas	5.2	5.7	6.5	7.0	10.5%
Total	**22.9**	**25.6**	**29.6**	**32.6**	**12.5%**

In 2012, the European market of travel retail amounted to USD 10.6 billion (around 32.5% of the total market), with a 1.1% increase compared to 2011 (33). The partially lower sales to the European passengers have been more than offset by the growth in international tourism (especially coming from emerging markets), the increasing development of low cost airlines and the economic growth in Easter Europe (for example, in Turkey and Russia).

(32) Source: Verdict Retail (part of Informa Business Information).
(33) Source: Verdict Retail (part of Informa Business Information).

In the same period, airport travel retail sales in the Asia Pacific region amounted to USD 12.2 billion (approximately 37.5% of the total worldwide market). The growth in revenues is mainly due to the increase in airline traffic and the economic growth of the region.

The American airport travel retail market (North America and Latin America) recorded a value of more than USD 7 billion in 2012 (21.5% of the sales in the global market), with a 7.7% growth compared to 2011. In addition to a significant growth in passengers in Latin America, the increase in revenues in the region is the result of the improvement in the facilities and in the commercial offer, of a period of higher political stability in some Countries, of the increased strength of the local currencies over the US Dollar and of a higher attention the airport managements paid to retail as a source of revenues from non-airport activities.

In 2012, the airport travel retail in the Middle East and in Africa amounted to USD 2.8 billion (8.5% of the total sales in the global market), with a growth of 10.6% compared to 2011. The increase was mainly due to the expansion of airport facilities and the establishment of new international routes.

(b.2) General features of the airport travel retail business

The airport travel retail business includes all sales activities conducted in the airports (both at the arrival and at departure) that may be placed either:

(i) *airside:* the area of the airport that is accessible only by authorised personnel and by passengers with a boarding pass after going through customs, immigration and security; or

(ii) *landside:* area of the airport that can be accessed by the public.

More specifically, the airport retail business is different from the traditional retail under several profiles:

(i) the travel retail customer's purchasing behaviour is generally different from the traditional retail customer because travelling (and not shopping) is his/her main purpose. Purchases are often made on impulse, also due to the generally limited time of stay in an airport;

(ii) unlike the unlimited access to customers enjoyed by traditional retailers, the airport retailer enjoys an opportunity of contact with the customer limited to the time spent by the customer in the airport. This, however, allows the airport travel retailer to gather a much higher knowledge than a traditional retailer of the target customer's features (destination, and therefore, indirectly nationality and purchase preferences);

(iii) shopping at the airport has become part of the travel experience and targets a cosmopolitan, non-regular clientele, with a high socio-economic profile and with high propensity to buy;

(iv) airport stores adjust their opening hours to the time of the flights and their commercial offer and the language competences of their personnel to the nationality of the passengers' flows;

(v) tightening of the security checks after the events of September 11, 2001, prompted passengers to arrive at the airport well in advance of the scheduled departure time for their flight, allowing them to enjoy more time for shopping.

(b.3) The future of the airport travel retail

The airport travel retail market is one of the fastest growing retail channels in the world (34).

Sales volumes made in such market shows a strong correlation with the volume of passengers' traffic and, consequently, the travel retail market is highly sensitive to the geopolitical and economic developments as well as to the long-term demographic changes.

Furthermore, growth can be enhanced by broadening the areas dedicated to the travel retail market within the already existing facilities and building new facilities.

Countries in regions like Asia Pacific, Latin America, and Middle East are expected to drive the growth of the sector as their economies and, consequently, their aviation activities will continue to develop. It is expected that the travel retail market will keep growing also in Europe and North America at higher rates than the expected Gross Domestic Product growth, significantly contributing to the development of the entire sector, also thanks to an expected increase in the number of ingoing passengers from BRICS Countries and from other emerging markets.

The following Table illustrates the size of the airport travel retail broken down by region and its expected development.

Expected development of the airport travel retail market divided per geographic regions

(Billions of USD)	For the financial year ended on 31 December					CAGR
Region	**2012 estimate**	**2013 estimate**	**2014 estimate**	**2015 estimate**	**2016 estimate**	**2012-16**
Europe	10.6	10.9	11.3	11.8	12.4	3.9%
Asia Pacific	12.2	14.6	17.1	20.0	23.2	17.4%
Middle East and Africa	2.8	3.0	3.3	3.7	4.1	10.2%
Americas	7.0	7.6	8.3	9.1	10.1	9.5%
Total	**32.6**	**36.1**	**40.0**	**44.5**	**49.7**	**11.1%**

Source: Verdict Retail (part of Informa Business Information). Figures are rounded to the closest decimal.

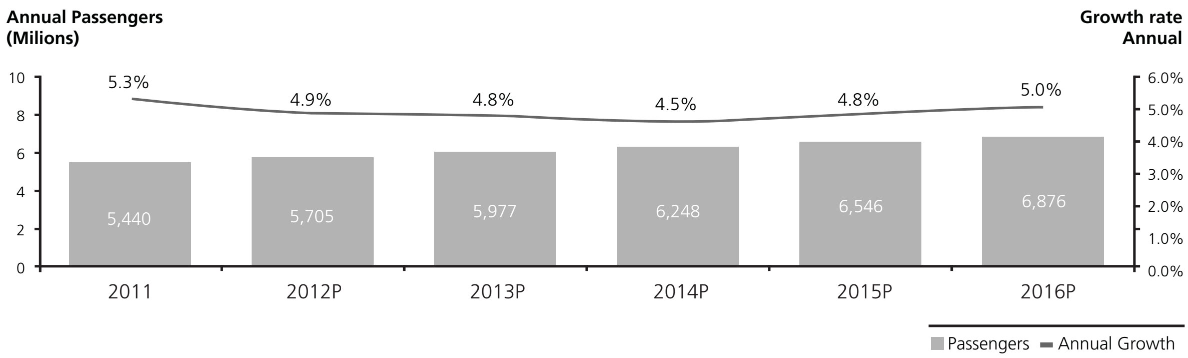
(34) Source: Verdict Retail (part of Informa Business Information).

In the next five years, an intense growth is expected in the Asia Pacific area, where most of the new tenders for concessions will be taking place. A solid growth is also expected in the Americas (with Latin American being heavily dependent on Brazil) and in the Middle East (where the expected growth is focused on a few important hubs). While growing less than other regions, Europe is nonetheles expected in 2016 to maintain its position as the second geographic region in size (35).

(*b.4*) *Trends influencing the airport travel retail*

I. *Increase in the number of passengers*

The following graph illustrates the expected annual trend of airport passengers' volumes up to 2016:



(%)	**2012 estimate**	**2013 estimate**	**2014 estimate**	**2015 estimate**	**2016 estimate**
Asia Pacific	8.8	8.6	8.0	8.2	8.4
Europe	2.7	2.5	2.5	2.6	2.7
Americas	2.9	2.7	2.6	2.7	3.0
Middle East and Africa	7.8	8.2	6.9	7.3	7.8
Total	**4.9**	**4.8**	**4.5**	**4.8**	**5.0**

Source: Verdict Retail (part of Informa Business Information). Figures are rounded at the closest decimal.

In the medium-long term a 4.8% annual increase in the passengers' traffic is expected up to 2016, driven mainly by the growth in international traffic.

II. *Enlarged and more sophisticated stores*

In recent years, the increase in the passengers' volumes required larger airport structures to be built. Airport managers have increasingly focused on the commercial potential of their facilities, also as a mean to finance the development of the same facilities.

(35) Source: Verdict Retail (part of Informa Business Information).

This resulted in a more sophisticated approach to the airport travel retail and in the identification of new commercial offer models, based mainly on the general increase of the commercial spaces dedicated to travel retail, and in the re-definition of their layout, *e.g.* through the creation of "walk-through" stores.

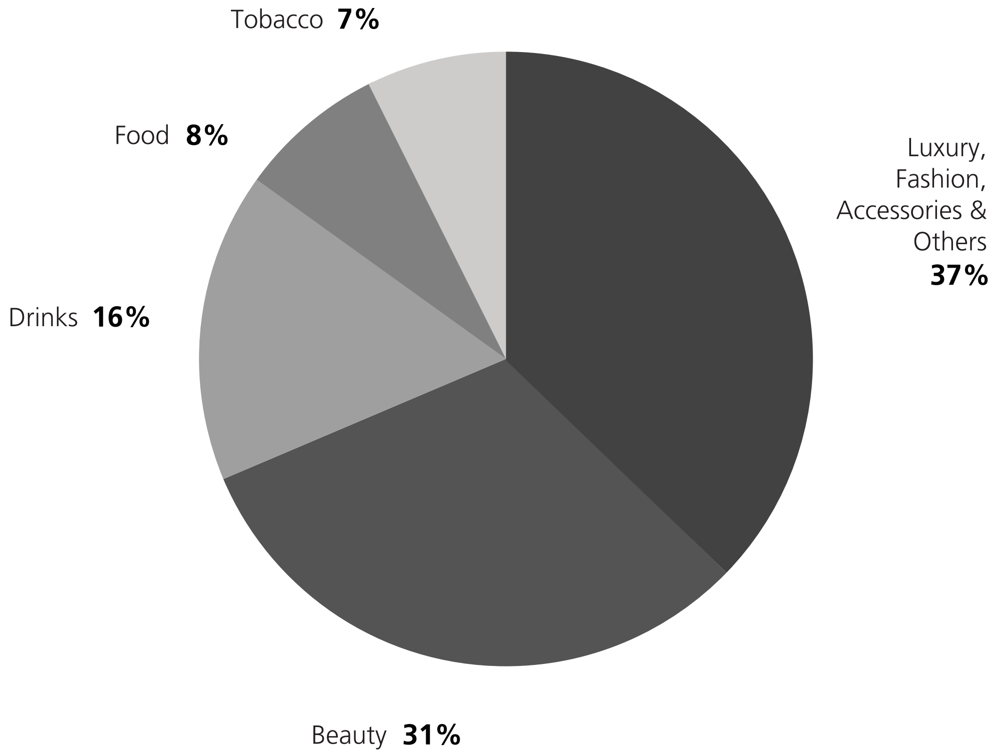
III. *Changes in the product mix*

Traditionally, sales in the airport travel retail market, focused on products subject to high taxation, such as liquors and tobacco. More recently, the most dynamic categories have been those of "Beauty" and "Food".

The following graph shows the sales composition (in percentage) by product category against the airport travel retail total sales in 2012:

Composition of travel retail market product – historic development

2012



Source: Generation AB. Figures are rounded to the closest decimal.

The following Table illustrates the evolution in the sales by category of product in the period 2006-1012:

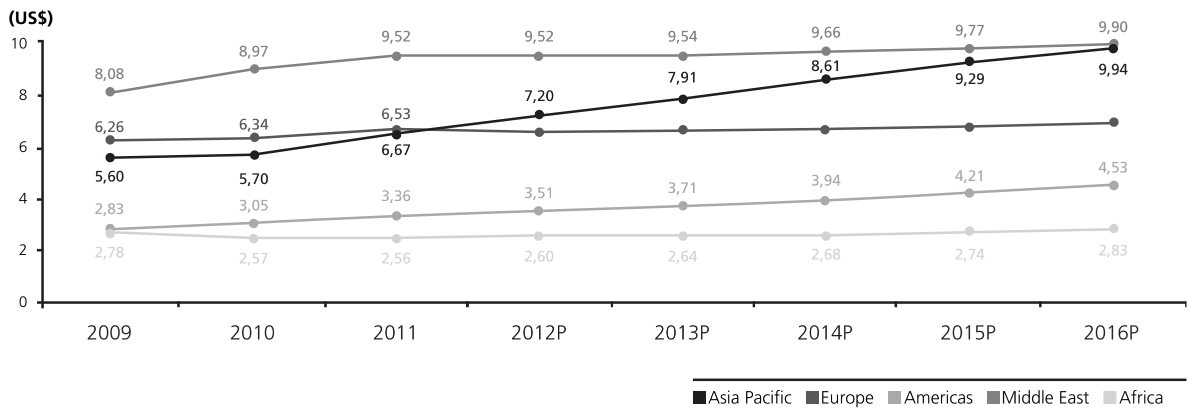
(Billion of USD)	For the financial year ended on 31 December							CAGR
Product	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2006-12**
Luxury, Fashion, Accessories & Other	10.4	12.1	12.7	12.1	14.0	16.7	18.3	10.0%
Beauty	8.6	10.2	11.4	10.6	12.0	14.3	15.4	10.2%
Drinks	5.0	5.8	6.3	5.9	6.5	7.7	8.1	8.4%
Food	2.5	3.0	3.5	3.2	3.6	4.0	4.1	9.0%
Tobacco	2.6	2.9	3.1	2.7	2.9	3.3	3.5	4.9%
World total for Travel Retail	**29.0**	**34.0**	**37.0**	**34.5**	**39.0**	**46.0**	**49.4**	**9.3%**

Source: Generation AB. Figures are rounded to the closest decimal.

IV. Increase in the expense per passenger

In recent years, the average expense per passenger in airports [36] has constantly increased. The following graph shows the historic trend of the expense per passenger in the different regions from 2009 and the expected expense until 2016.

Geographic division of the expense per passenger on the airport retail market



Source: Verdict Retail (part of Informa Business Information). Figures are rounded at the closest decimal.

6.3.2 Competitive position

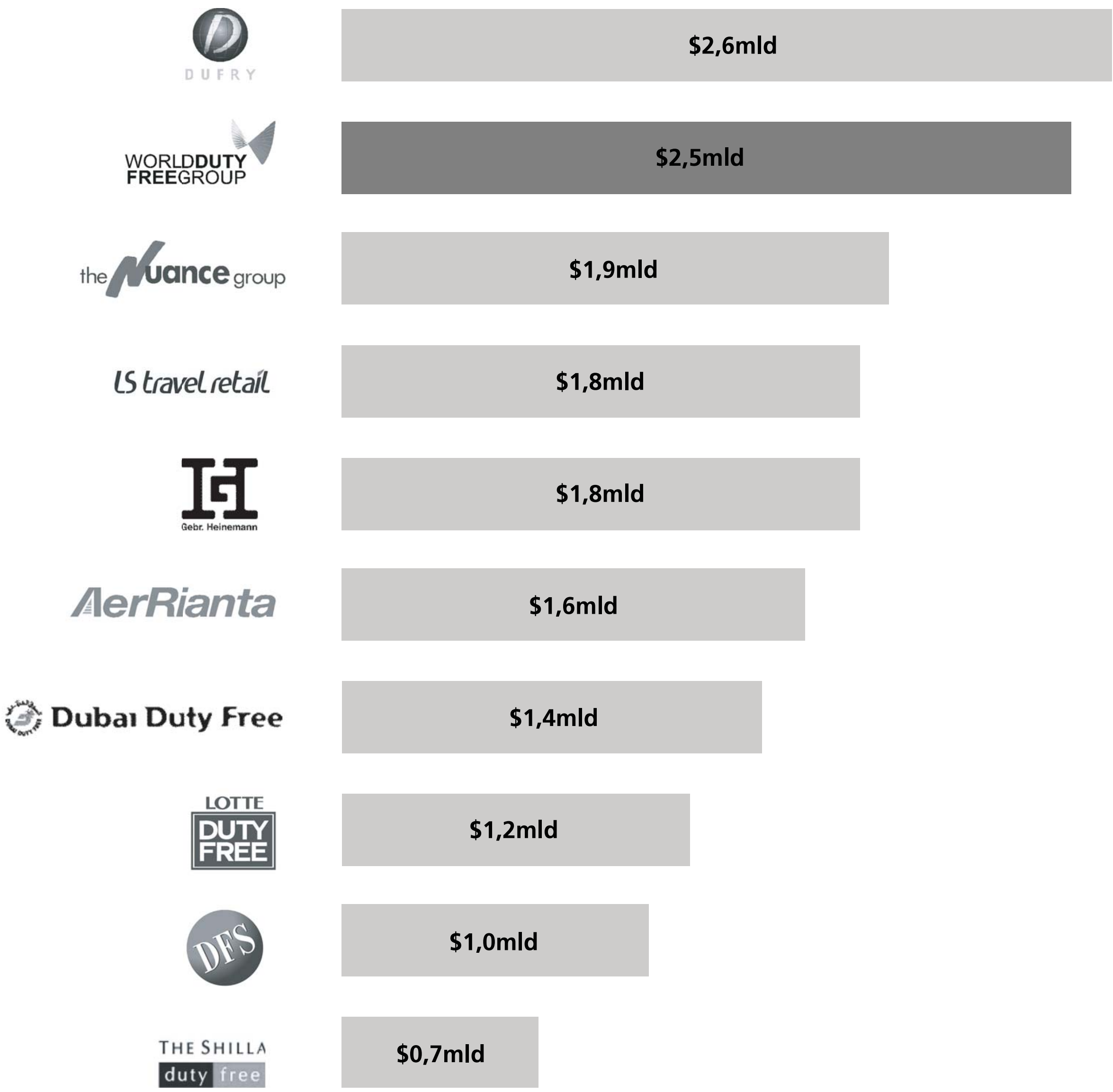
The airport travel retail is highly fragmented, with five operators representing in 2011 approximately around 36% of the total market [37].

(36) Source: Verdict Retail (part of Informa Business Information).
(37) Source: Verdict Retail (part of Informa Business Information).

This fragmentation is due to the presence of a significant number of regional independent operators (focusing mostly or exclusively on a local travel retail offer), or companies controlled by facilities' managers or by players belonging to diversified groups, operating in more than one sector.

The WDF Group is the second travel retail operator in the world, as shown by the following graph.

The first ten airport retailers (airport turnover, billions of USD)



Source: Verdict Retail (part of Informa Business Information). Figures refer to fiscal year 2011.

The WDF Group's competes with all the above mentioned travel retail operators, as well as with other minor competitors operating on a regional scale.

The competitive position of each of the WDF Group's competitors identified above varies significantly depending on the various geographical areas and may be summarised as follows:

(i) Europe: the WDF Group is the leading operator in the region. WDF Group's main competitors are Gebr.Heinemann, Lagardère (through one of its divisions) and the Nuance Group. To a lesser degree, the Swiss Company Dufry (thanks to the recently acquired control of Hellenic Duty Free) and Aer Rianta which compete with the WDF Group in some European Countries;

(ii) Asia Pacific: in this region the activities of the WDF Group are limited to India (through a joint venture with a local operator) and Sri Lanka. The main operators in the region are DFS, the Nuance Group, Lotte, Shilla and Aer Rianta;

(iii) Americas: the WDF Group is present in Latin America through its business in Chile, Perù and Mexico and the recent award of tenders at the airports in Belem (Brazil) and Montego Bay (Jamaica). Following the acquisition of the US Retail Division business, the WDF Group has also enhanced its presence in North America, which was previously limited to the Vancouver (Canada) airport. The main competitor in this region is Dufry, followed by DFS;

(iv) Middle East: the WDF Group is present in Saudi Arabia (through an operation agreement with a local partner), Kuwait and Jordan. The main competitors are DFS, Dubai Duty Free and Dufry.

6.4 Exceptional factors

With the exception of the Demerger and the other operations described in this Chapter 6, Paragraph 6.1, the activity of the WDF Group has not been influenced by any exceptional factors.

6.5 Reliance of the Issuer and the WDF Group, on patents or permits, or on industrial, commercial or financial contracts, or on new manufacturing processes

The WDF Group carries out its business in a heavily regulated market, in which specific authorizations, licenses and certifications are required to operate (as previously explained in this Chapter 6, Paragraph 6.2.3.8).

With the exception of the referred authorizations, licenses and certifications, the concessions and the Loan Agreement described in Chapter 7, Paragraph 7.1.3, the Issuer does not rely on patents or permits, or on industrial, commercial or financial contracts, or on new manufacturing processes.

6.6 Sources of the Issuer's statements on WDF Group's competitive position

Information concerning WDF Group's competitive position included in this Chapter 6 has been retrieved from databases and from report provided by the entities and organizations herein mentioned and from internal sources.

7. OPERATING AND FINANCIAL REVIEW AND PRO-FORMA FINANCIAL INFORMATION

7.1 Operating and financial review and analysis of the financial resources of the WDF Group

Introduction

In Paragraph 7.1 is presented an analysis of the economic and financial performance of the WDF Group for the six months ended June 30, 2013 and 2012 and for the years ended 31 December 2012, 2011 and 2010, as well as an analysis of the financial resources and cash flows for the same periods.

The information presented in this Chapter has been derived from the following sources, as well as from management elaboration of data based on the general accounting and managing system:

(i) Combined Condensed Financial Statements of WDF Group for the six months ended June 30, 2013, subject to a limited review by the Independent Auditors (See Annex 1 to Document);

(ii) Combined Financial Statements of WDF Group for the years ended December 31, 2012, 2011 and 2010 audited by the Independent Auditors (See Annex 2 to Document).

For additional details regarding the Combined Condensed Financial Statements for the six months ended June 30, 2013 and the Combined Financial Statements of the WDF Group for the years ended December 31, 2012, 2011 and 2010, as well as the methodology of their preparation, please refer to Chapter 4, Introduction and Annexes 1 and 2 of this Document.

7.1.1 Operating results

7.1.1.1 Information on significant factors materially affecting the WDF Group's profitability

Certain principal factors affecting WDF Group's revenues and profitability for the six months period ended June 30, 2013 and for the years ended December 31, 2012, 2011 and 2010 are described below.

Passenger traffic

In addition to traffic volumes of passengers departing and in transit, factors such as their commercial profiles, nationality and destination may affect WDF Group's revenues. For example, in European airports the propensity to spend is higher for passengers traveling to non-EU destinations, compared to domestic passengers or traveling to EU destinations.

The global passenger traffic in 2012 registered a 3.9% growth, mainly driven by international traffic (+5.3%), which originates or is directed to developing countries. On the whole, however, the growth was slower than the 4.9% recorded in 2011, due to the different macroeconomic context from one year to the next [38].

Data regarding passenger traffic by geographic area are included in the following paragraphs of this Chapter.

For further details regarding passenger traffic trends and air transport industry performance please refer to Chapter 6, Paragraph 6.3.1.

Sales productivity

A common measure of sale productivity is represented by the average sales for passenger. The measure is composed by the capture rate that represents the ability of the business to convert travelers into shoppers and the average amount of the expenditure by transaction or ticket.

The WDF Group is focused in the boost of both component (capture rate and average ticket) thanks to a combination of space and shop management, the product mix and exposure, a dynamic pricing and, the active management of the operations and a promotion and marketing activities.

The price policy is aimed to deliver a very valuable proposition compared to the one of alternate channels or operators.

Over the past few years, the favorable evolution of the passenger mix and the marketing initiatives mentioned above have allowed the WDF Group to achieve revenues and margin levels constantly growing, enabling to offset declines in passenger traffic recorded in some airports where the WDF Group operates.

Currency Fluctuations

Exchange rate fluctuations affect the WDF Group operating results in various ways. A significant impact may be represented by the so-called translation effects, which arise when financial statements of the subsidiaries are converted into Euros. As a part of the WDF Group's revenues and expenses are denominated in currencies other than Euros, increases and decreases in the value of the Euro against such currencies may affect the WDF Group's consolidated financial statements. However, since revenues and related expenses are usually denominated in the same currency, the WDF Group largely benefits from natural hedging.

(38) Source: ACI PaxFlash and FreightFlash - December 2012

In the first half of 2013, the USD and the GBP weakened by 1.3% and 3.4% respectively, compared to the Euro, which negatively impacted revenues of the WDF Group.

In 2012, the US Dollar and the GBP strengthened by 7.7% and 6.6%, respectively, compared to the Euro, which positively impacted revenues of the WDF Group. In 2011, the USD and the GBP weakened by 5.0% and 1.2%, respectively, compared to the Euro, which negatively impacted revenues of the WDF Group.

Impulse buying at an airport is strongly influenced by the exchange rate between the passenger's country of origin and the destination country. To increase sales, it is therefore essential to monitor the price perceived by the customer as a result of exchange rate fluctuations. The WDF Group’s global operations mitigate the threat that unfavorable exchange rates may reduce the sales in a given area. Meanwhile, the constant monitoring of prevailing prices in the countries where the WDF Group operates, both on traditional sales channels than on the travel retail channel at airports, helps the WDF Group identify the advantage customers will perceive from favorable exchange rates.

Although the WDF Group operates in several different countries, the main exchange rates to which its operations are exposed are GBP, USD and Euro.

Renewals of concessions and new concessions

Following the award in December 2012 of the tenders relating to the concessions for the management until 2020 of the retail activities in 26 airports in Spain and the Canary Islands, on February 14, 2013 the AENA Agreements were signed (see Chapter 12, Paragraph 12.1.4). Such award provides the WDF Group with an 8 year extension of operational presence in Spain, where the WDF Group generated in first semester 2013 25% of its revenues.

It is also noteworthy the opening, from January 1, 2013 of shops at the airport in Dusseldorf, Germany, located in a heavily industrialized region with an intense air traffic, which has therefore contributed positively to the results for the first half of 2013.

Seasonality

WDF Group’s revenues are affected by seasonal flow of passengers. In particular, the highest revenues levels are achieved during the months of July, August and September, while the highest levels of operating results as percentage of revenues are achieved during the months of July, August and December, due to the traffic flows related to summer holidays of people from Northern countries and end-of-the year holidays. The WDF Group, thanks to marketing activities, is able to mitigate the fluctuations in the revenue trend.

The following table sets forth a breakdown of the main economic figures by quarter for the year ended December 31, 2012:

In million of Euro	Year 2012			
	First quarter	**First half**	**First nine months**	**Full year**
Revenue	388.8	905.1	1,517.2	2,002.0
% on full year	19.4%	45.2%	75.8%	100.0%
Operating profit	11.2	56.7	119.0	149.7
% on full year	7.5%	37.9%	79.5%	100.0%
Pre-tax profit	6.3	46.2	106.3	133.0
% on full year	4.7%	34.7%	79.9%	100.0%
Profit for the year attributable to owners of the parent	10.1	41.7	81.6	100.7
% on full year	10.0%	41.4%	81.0%	100.0%

7.1.1.2 Combined income statements f the WDF Group for the six months period ended June 30, 2013 and 2012

The following table sets forth the WDF Group's combined income statement for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	**For the six months ended June 30,**				**Change 2013 vs 2012**	
	2013	**% of revenue**	**2012**	**% of revenue**	**At current exchange rates**	**At constant exchange rates**
Revenue	922,874	100.0%	905,135	100.0%	2.0%	3.8%
Other operating income	11,865	1.3%	14,716	1.6%	(19.4%)	(17.9%)
Total revenue and other operating income	**934,739**	**101.3%**	**919,851**	**101.6%**	**1.6%**	**3.4%**
Raw materials, supplies and goods	(374,600)	(40.6%)	(370,723)	(41.0%)	1.0%	2.5%
Personnel expense	(99,680)	(10.8%)	(96,592)	(10.7%)	3.2%	5.4%
Leases, rentals, concessions and royalties	(292,012)	(31.6%)	(280,473)	(31.0%)	4.1%	5.9%
Other operating expense	(58,638)	(6.4%)	(58,786)	(6.5%)	(0.3%)	0.6%
EBITDA (**)	**109,809**	**11.9%**	**113,277**	**12.5%**	**(3.1%)**	**(1.5%)**
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	(44,191)	(4.8%)	(56,596)	(6.3%)	(21.9%)	(17.9%)
Operating profit	**65,618**	**7.1%**	**56,681**	**6.3%**	**15.8%**	**18.3%**
Net financial expense	(13,566)	(1.5%)	(11,217)	(1.2%)	20.9%	21.9%
Impairment and revaluation of financial assets	(224)	(0.0%)	718	0.1%	na	na
Pre-tax profit	**51,828**	**5.6%**	**46,182**	**5.1%**	**12.2%**	**15.0%**
Income tax	(9,273)	(1.0%)	(3,330)	(0.4%)	na	
Profit for the period	**42,555**	**4.6%**	**42,852**	**4.7%**	**(0.7%)**	
Profit for the period attributable to:						
- owners of the parent	41,427	4.5%	41,732	4.6%		
- non-controlling interest	1,128	0.1%	1,120	0.1%		

(*) For currencies other than Euros, constant exchange rate percentages are calculated by translating the previous years amounts with the average current year exchange rate.

(**) The WDF Group defines EBITDA as profit for the year gross of income tax, net financial expense, impairment and revaluation of financial assets, impairment losses on property, plant and equipment and intangible assets, depreciation and amortization. EBITDA is not recognized as a measure of financial performance or liquidity under IFRS. Since all companies do not calculate these measures in an identical manner, this presentation may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on this data.

Revenues

The following tables set forth a breakdown of revenues by geographic area and product category for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
Revenue by geographical area	**2013**	**% of revenue**	**2012**	**% of revenue**	**2013 vs 2012**	**%**
United Kingdom	432,532	46.9%	424,536	46.9%	7,996	1.9%
Rest of Europe	273,872	29.7%	262,486	29.0%	11,386	4.3%
Americas	137,617	14.9%	138,677	15.3%	(1,060)	(0.8%)
Asia and Middle East	78,853	8.5%	79,436	8.8%	(583)	(0.7%)
Total	**922,874**	**100.0%**	**905,135**	**100.0%**	**17,739**	**2.0%**

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
Revenue by product category	**2013**	**% of revenue**	**2012**	**% of revenue**	**2013 vs 2012**	**%**
Beauty	398,161	43.1%	384,242	42.5%	13,919	3.6%
Drinks	165,859	18.0%	159,625	17.6%	6,234	3.9%
Tobacco	113,267	12.3%	115,628	12.8%	(2,361)	(2.0%)
Food	105,169	11.4%	97,297	10.7%	7,872	8.1%
Souvenir	24,786	2.7%	27,228	3.0%	(2,442)	(9.0%)
Luxury, Fashion, Accessories & Other	90,775	9.8%	99,013	10.9%	(8,238)	(8.3%)
Total airport revenue	**898,017**	**97.3%**	**883,033**	**97.6%**	**14,984**	**1.7%**
Total non-airport revenue	**24,857**	**2.7%**	**22,102**	**2.4%**	**2,755**	**12.5%**
Total	**922,874**	**100.0%**	**905,135**	**100.0%**	**17,739**	**2.0%**

Revenues increased by Euro 17,739 thousand, or 2.0%, from Euro 905,135 thousand in the first half of 2012 to Euro 922,874 thousand in the first half of 2013. At constant exchange rates, revenues would have increased by 3.8% in the first half of 2013 compared to the same period of the previous year.

The increase in revenues at constant exchange rates is due to a combination of factors, among which strong revenues performance in the United Kingdom and the net impact of openings and closings of stores that occurred over the period considered (particularly as a result of beginning of operations at the airport in Düsseldorf, included in the area Rest of Europe). During the first half passenger traffic showed different trends depending on the region considered, for example representing a factor supporting revenues in the UK but cause of weak revenues in Spain (area Rest of Europe).

Below an analysis of revenues per geographic area.

Revenues – United Kingdom

In the United Kingdom revenues were Euro 432,532 thousand during the first half of 2013, 1.9% higher than in the first half of 2012. At constant exchange rates, revenues would have increased by 5.4% in the first half of 2013 compared to the same period of the previous year. The positive result is mainly due to two factors: the increase in average spending per passenger, thanks to marketing actions targeting passengers traveling to non-EU destinations, which are usually characterized by higher spending profiles, and the 2.7% (39) increase in passenger traffic, compared to the first half of the previous year

Revenues growth in the United Kingdom has largely benefited from the contribution of the stores at Heathrow and Gatwick airports. Revenues at Heathrow airport accounts for 48.7% of the business in United Kingdom, where revenues totaled Euro 210,757 thousand, with an increase of 4.2% compared to a passenger traffic growth of only 2.4% (40), thanks to an increase in average spending per passenger. Gatwick has recorded a revenues increase of 10.9% compared to the first half of 2012, with traffic up 2.5% (41), mainly due to the full impact of the new store *walk-through*, which opened in July 2012.

Revenues – Rest of Europe

In the Rest of Europe revenues were Euro 273,872 thousand during the first half of 2013, 4.3% higher than in the first half of 2012, benefiting from the opening in the first half of 2013 of several stores at the Dusseldorf airport in Germany. This positive effect was partially offset by lower revenues in Spain, which accounts for 90.4% of total revenues generated in the Rest of Europe. In particular, revenues from Spain in the first half of 2013 were Euro 247,458 thousand, a decrease of 3.2% compared to the first half of 2012, due to a 5.9% (42) decrease in passenger traffic, the closure of some stores at Madrid airport and the start of the store refurbishing according to the AENA Agreements.

The overall revenues reduction in Spain mainly reflects the performance of Madrid, whose revenues decreased by 18.5% compared to the first half of the previous year. The result for Madrid was affected by a 14.7% (42) decline in passenger traffic, by the terminal renovation works that have temporarily limited commercial space and by the closure of some retail stores (shops specialized in the category "*Luxury, Fashion, Accessories & Other*"). On a comparable basis, i.e. not considering the closure of shops specialized in the category "*Luxury, Fashion, Accessories & Other*", the decline in revenues in Madrid was equal to -9.1% of the amount recorded. The best results in Spain were achieved at the Barcelona airport, with an increase in revenue of 4.2%, despite a decrease in passenger traffic by 1.8% (42).

(39) Source: BAA, Manchester Airport and Gatwick Airport, January-June 2013
(40) Source: BAA, January-June 2013
(41) Source: Gatwick Airport, January-June 2013
(42) Source: AENA, January-June 2013

Revenues - Americas

Revenues in the first half of 2013 from airports in North, Central and South American countries were Euro 137,617 thousand, Euro 1,060 thousand or 0.8% less than during the first half of 2012. At constant exchange rates, revenues would have decreased by 0.9% in the first half of 2013 compared to the same period of the previous year.

The overall result is strongly affected by store openings and closings, particularly after the closure in 2012 of the stores at the Orlando International and Atlanta airports (which in the first half of 2012 had generated revenues of Euro 15,025 thousand) and the start of activities at the airport of Montego Bay in Jamaica (which in the first half of 2013 has generated revenues for Euro 2,362 thousand higher than in the first half of 2012 when the stores opened). On a comparable basis and at constant exchange rates, revenues would have increased by 9.2% in the first half of 2013 compared to the same period of the prior year. Particularly positive results were achieved at Vancouver airport in Canada, with revenues up by 18.5% at constant exchange rates, and at Mexico airports, which have seen an increase in revenues of 14.4% at constant exchange rates, thanks also to the additional contribution of new stores opened at the Los Cabos airport.

Revenues – Asia and Middle East

Revenues in the first half of 2013 from airports located in countries other than those discussed above were Euro 78,853 thousand, Euro 583 thousand or 0.7% less than in the first half of 2012. At constant exchange rates, revenues would have decreased by 3.0% in the first half of 2013 compared to the same period of the previous year.

Revenues in Asia and the Middle East have been challenged by the entry of a new operator at the Colombo airport (Sri Lanka). Particularly positive results were achieved at airports in Jordan, which recorded an increase of 11.5%, and in Kuwait City, which recorded an increase of 8.4%, thanks to the increase in average spending per passenger and a favorable trend in passenger traffic.

Other operating income

The following table sets forth other operating income for the six months ended June 30, 2012 and 2012:

In thousands of Euro and percentage of revenue	**For the six months ended June 30,**				**Change at current exchange rates**	
	2013	**% of revenue**	**2012**	**% of revenue**	**2013 vs 2012**	**%**
Other operating income	11,865	1.3%	14,716	1.6%	(2,851)	(19.4%)

The main items included in Other operating income are supplier income from marketing and space activities, insurance income, related party charges for technical assistance services provided.

Other operating income decreased by Euro 2,851 thousand, or 19.4%, from Euro 14,716 thousand in the first half of 2012 to Euro 11,865 thousand in the first half of 2013. At constant exchange rates, other operating income would have decreased by 17.9% in the first half of 2013 compared to the same period of the previous year.

Raw materials, supplies and goods

The following table sets forth a breakdown of raw materials, supplies and goods for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	**For the six months ended June 30,**				**Change at current exchange rates**	
	2013	**% of revenue**	**2012**	**% of revenue**	**2013 vs 2012**	**%**
Raw materials, supplies and goods	374,600	40.6%	370,723	41.0%	3,877	1.0%

Costs for raw materials, supplies and goods increased by Euro 3,877 thousand, or 1.0%, from Euro 370,723 thousand in the first half of 2012 to Euro 374,600 thousand in the first half of 2013, with revenues increased by 2.0%. At constant exchange rates, raw materials, supplies and goods would have increased by 2.5% in the first half of 2013 compared to the same period of the previous year, with revenues increased by 3.8% at constant exchange rates over the same period.

The ratio of costs for raw materials, supplies and goods to revenues decreased by 0.4 percentage points from 41.0% in the first half of 2012 to 40.6% in the first half of 2013. The favorable trend is related to a combination of favorable mix of products sold, that has shifted towards those categories that present higher margins, and improved commercial trade terms applied by suppliers, that made it possible to reduce supplying prices in those regions where such costs were higher and therefore to achieve greater economies of scale.

Foreign exchange rate trends of currencies other than Euros did not significantly impact the cost of purchases over revenues.

Personnel expense

The following table sets forth a breakdown of personnel expense for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	**For the six months ended June 30,**				**Change at current exchange rates**	
Personnel expense	**2013**	**% of revenue**	**2012**	**% of revenue**	**2013 vs 2012**	**%**
Wages and salaries	81,658	8.8%	78,195	8.6%	3,463	4.4%
Social security contributions	13,039	1.4%	11,737	1.3%	1,302	11.1%
Other costs	4,983	0.5%	6,660	0.7%	(1,677)	(25.2%)
Total	**99,680**	**10.8%**	**96,592**	**10.7%**	**3,088**	**3.2%**

Personnel expense increased by Euro 3,088 thousand, or 3.2%, from Euro 96,592 thousand in the first half of 2012 to Euro 99,680 thousand in the first half of 2013. At constant exchange rates, personnel expense would have increased by 5.4% in the first half of 2013 compared to the same period of the previous year.

During the first half of 2013, the ratio of personnel expense to revenues compared to the same period of the previous year increased by 0.1 percentage points, from 10.7% in the first half of 2012 to 10.8% in the first half of 2013.

Leases, rentals, concessions and royalties

The following table sets forth a breakdown of leases, rentals, concessions and royalties for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	**For the six months ended June 30,**				**Change at current exchange rates**	
Leases, rentals, concessions and royalties	**2013**	**% of revenue**	**2012**	**% of revenue**	**2013 vs 2012**	**%**
Concessions	287,485	31.2%	276,212	30.5%	11,273	4.1%
Leases and rentals	4,239	0.5%	3,979	0.4%	260	6.5%
Royalties	288	0.0%	282	0.0%	6	2.1%
Total	**292,012**	**31.6%**	**280,473**	**31.0%**	**11,539**	**4.1%**

Leases, rentals, concessions and royalties expense increased by Euro 11,539 thousand, or 4.1%, from Euro 280,473 thousand in the first half of 2012 to Euro 292,012 thousand in the first half of 2013. At constant exchange rates, lease, rentals concessions and royalties expense would have increased by 5.9% in the first half of 2013 compared to the same period of the previous year.

The main reason behind concessions expense increase in absolute value is linked to higher sales volumes compared to the same period of the previous year, as a considerable portion of rental is variable and sales-based.

The ratio of concessions expenses to revenues increased by 0.7 percentage points, from 30.5% in the first half of 2012 to 31.2% in the first half of 2013.

The increase in terms of percentage of revenues is primarily due to higher percentage of concession fees related to new store openings and, since May, to the effective application of the new contractual terms related to the AENA Agreements for the Spanish airports.

Other operating expense

The following table sets forth a breakdown of other operating expense for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
	2013	% of revenue	2012	% of revenue	2013 vs 2012	%
Other operating expense	58,638	6.4%	58,786	6.5%	(148)	(0.3%)

Other operating expenses decreased by Euro 148 thousand, or 0.3%, from Euro 58,786 thousand in the first half of 2012 to Euro 58,638 thousand in the first half of 2013. At constant exchange rates, other operating expenses would have increased by 0.6% in the first half of 2013 compared to the same period of the previous year.

The ratio of other operating expenses to revenues is substantially in line for the periods considered.

Other operating expenses primarily include consulting, professional and general services, cleaning fees, travel expenses and transportation, bank and credit card commissions, maintenance and repairs, advertising and market research.

EBITDA

The following table sets forth a breakdown of EBITDA by geographical area for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
EBITDA by geographical area	2013	% of revenue	2012	% of revenue	2013 vs 2012	%
United Kingdom	62,109	14.4%	55,460	13.1%	6,649	12.0%
Rest of Europe	23,749	8.7%	22,485	8.6%	1,264	5.6%
Americas	13,392	9.7%	19,749	14.2%	(6,357)	(32.2%)
Asia and Middle East	10,559	13.4%	15,583	19.6%	(5,024)	(32.2%)
Total	**109,809**	**11.9%**	**113,277**	**12.5%**	**(3,468)**	**(3.1%)**

EBITDA decreased by Euro 3,468 thousand, or 3.1%, from Euro 113,277 thousand (12.5% of revenues) in the first half of 2012, to Euro 109,809 thousand (11.9% of revenues) in the first half of 2013. At constant exchange rates, EBITDA would have decreased by 1.5% in the first half of 2013 compared to the same period of the previous year.

The decrease in EBITDA as a percentage of revenues is mainly due to the effects of the start-up phase of the new store openings (especially at Düsseldorf airport), to slightly more unfavorable contract terms, and to the increase in concession fees related to the AENA Agreements. These factors were only partially offset by the decline in the cost of raw materials, supplies and goods.

It should be noted that since December 2012, the WDF Group has revised its central costs allocation policy within the Group, which resulted in an impact on EBITDA by geographical area.

Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets

The following table sets forth a breakdown of depreciation, amortization and impairment losses on property, plant and equipment and intangible assets for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
	2013	% of revenue	2012	% of revenue	2013 vs 2012	%
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	44,191	4.8%	56,596	6.3%	(12,405)	(21.9%)

Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets decreased by Euro 12,405 thousand, or 21.9%, from Euro 56,596 thousand in the first half of 2012 to Euro 44,191 thousand in the first half of 2013. The fluctuation is mainly due to the effect of the redefinition of the concessions useful life (i.e remaining life) to operate the stores until 2020 in 26 airports in Spain and the Canary Islands, as a result of the AENA Agreements.

At constant exchange rates, depreciation, amortization and impairment losses on property, plant and equipment and intangible assets would have decreased by 17.9% in the first half of 2013 compared to the same period of the previous year.

For details regarding the composition of other intangible assets, property, plant and equipment and investment property, please refer to Chapter 7, Section 7.1.2, and in Annexes 1 and 2 to the Document.

Operating profit

The following table sets forth the Group's operating profit for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
	2013	% of revenue	2012	% of revenue	2013 vs 2012	%
Operating profit	65,618	7.1%	56,681	6.3%	8,937	15.8%

The operating profit increased by Euro 8,937 thousand, or 15.8%, from Euro 56,681 thousand (6.3% of revenues) in the first half of 2013 to Euro 65,618 thousand (7.1% of revenues) in the first half of 2013. At constant exchange rates, operating profit would have increased by 18.3%, in the first half of 2013 compared to the same period of the previous year.

The increase in operating profit is due to the reduction of depreciation and amortization as a result of the extension of the useful life (i.e remaining life) of the concessions relating to Spanish airports that were renewed until 2020, effective from 2013.

Net financial expense

The following table sets forth a breakdown of net financial expense for the six months ended June 30, 2013 and 2012:

In thousands of Euro	For the six months ended June 30,		Change at current exchange rates	
Net financial expense	**2013**	**2012**	**2013 vs 2012**	**%**
Financial income	(4,702)	(280)	(4,422)	n.a.
Financial expense	18,268	11,497	6,771	58.9%
Total	**13,566**	**11,217**	**2,349**	**20.9%**

Net financial expense increased by Euro 2,349 thousand, or 20.9%, from Euro 11,217 thousand in the first half of 2012 to Euro 13,566 thousand in the first half of 2013. At constant exchange rates, net financial expense would have increased by 21.9% in the first half of 2013 compared to the same period of the previous year.

Financial income was Euro 4,702 thousand in the first half of 2013 and Euro 280 thousand in the first half of 2012. In the first half of 2013, financial income includes income for Euro 4,103 thousand related to the accrued interest resulting from discounting the receivable from AENA related to advanced concession fees payment.

Financial expense was Euro 18,268 thousand in the first half of 2013 and Euro 11,497 thousand in the first half of 2012. The change is mainly due to the average indebtedness increase of WDF Group, as well as to the cost of Euro 5,246 thousand related to the bank fees that were paid in previous years on loans now repaid as part of the refinancing finalized in June 2013.

For further details regarding the WDF Group financial position, please refer to Chapter 7, Paragraph 7.1.3.

Impairment and revaluation of financial assets

The following table sets forth impairment and revaluation of financial assets for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
	2013	% of revenue	2012	% of revenue	2013 vs 2012	%
Impairment and revaluation of financial assets	(224)	0.0%	718	0.1%	(942)	(131.2%)

Impairment and revaluation of financial assets mainly includes the WDF Group's share of the net profit or loss for the year of investments measured under the equity method.

Impairment and revaluation of financial assets decreased by Euro 942 thousand, from Euro 718 thousand in the first half of 2012 to negative Euro 224 thousand in the first half of 2013. At constant exchange rates, impairment and revaluation of financial assets would have presented the same fluctuation.

Income tax

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
	2013	% of revenue	2012	% of revenue	2013 vs 2012	%
Income tax	9,273	1.0%	3,330	0.4%	5,943	178.5%

Income tax increased by Euro 5,943 thousand, from Euro 3,330 thousand in the first half of 2012 to Euro 9,273 thousand in the first half of 2013. The increase is due both to higher operating profitability and to the recognition, in 2012 only, of the effect of the tax rate reduction in United Kingdom which allowed the release of previously recognized deferred tax liabilities.

Profit for the period

The following table sets forth profit for the six months ended June 30, 2013 and 2012:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change at current exchange rates	
	2013	% of revenue	2012	% of revenue	2013 vs 2012	%
Profit for the period	42,555	4.6%	42,852	4.7%	(297)	(0.7%)

As a result of the factors explained above, profit for the period decreased by Euro 297 thousand, or 0.7%, from Euro 42,852 thousand in the first half of 2012 to Euro 42,555 thousand in the first half of 2013 and, as a percentage of revenues, decreased from 4.7% in the first half of 2012 to 4.6% in the first half of 2013.

7.1.1.3 Combined income statements of the WDF Group for the years ended December 31, 2012, 2011 and 2010

The following table sets forth the WDF Group's combined income statement for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change 2012 vs 2011		Change 2011 vs 2010	
	2012	% of revenue	2011	% of revenue	2010	% of revenue	At current exchange rates	At constant exchange rates (*)	At current exchange rates	At constant exchange rates (*)
Revenue	2,001,973	100.0%	1,820,603	100.0%	1,675,276	100.0%	10.0%	5.2%	8.7%	10.0%
Other operating income	26,607	1.3%	25,522	1.4%	31,374	1.9%	4.3%	4.3%	(18.7%)	(18.5%)
Total revenue and other operating income	**2,028,580**	**101.3%**	**1,846,125**	**101.4%**	**1,706,650**	**101.9%**	**9.9%**	**5.2%**	**8.2%**	**9.4%**
Raw materials, supplies and goods	(819,988)	(41.0%)	(764,958)	(42.0%)	(733,615)	(43.8%)	7.2%	3.9%	4.3%	4.8%
Personnel expense	(205,891)	(10.3%)	(192,466)	(10.6%)	(180,550)	(10.8%)	7.0%	3.7%	6.6%	7.2%
Leases, rentals, concessions and royalties	(615,470)	(30.7%)	(551,227)	(30.3%)	(505,548)	(30.2%)	11.7%	7.8%	9.0%	9.7%
Other operating expense	(124,894)	(6.2%)	(109,165)	(6.0%)	(93,355)	(5.6%)	14.4%	11.3%	16.9%	17.5%
EBITDA (**)	**262,337**	**13.1%**	**228,309**	**12.5%**	**193,582**	**11.6%**	**14.9%**	**11.1%**	**17.9%**	**18.6%**
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	(112,667)	(5.6%)	(121,314)	(6.7%)	(115,366)	(6.9%)	(7.1%)	(9.1%)	5.2%	5.6%
Operating profit	**149,670**	**7.5%**	**106,995**	**5.9%**	**78,216**	**4.7%**	**39.9%**	**33.5%**	**36.8%**	**37.8%**
Net financial expense	(18,473)	(0.9%)	(28,211)	(1.5%)	(44,048)	(2.6%)	(34.5%)	(35.3%)	(36.0%)	(35.8%)
Impairment and revaluation of financial assets	1,844	0.1%	1,396	0.1%	1,271	0.1%	32.1%	32.1%	9.8%	9.8%
Pre-tax profit	**133,041**	**6.6%**	**80,180**	**4.4%**	**35,439**	**2.1%**	**65.9%**	**56.7%**	**126.2%**	**129.4%**
Income tax	(30,029)	(1.5%)	(16,289)	(0.9%)	(1,703)	(0.1%)	84.4%		856.5%	
Profit for the year	**103,012**	**5.1%**	**63,891**	**3.5%**	**33,736**	**2.0%**	**61.2%**		**89.4%**	
Profit for the year attributable to:										
- owners of the parent	100,727	5.0%	61,358	3.4%	32,194	1.9%				
- non-controlling interest	2,285	0.1%	2,533	0.1%	1,542	0.1%				

(*) For currencies other than Euros, constant exchange rate percentages are calculated by translating the previous years amounts with the average current year exchange rate.

(**) The WDF Group defines EBITDA as profit for the year gross of income tax, net financial expense, impairment and revaluation of financial assets, impairment losses on property, plant and equipment and intangible assets, depreciation and amortization. EBITDA is not recognized as a measure of financial performance or liquidity under IFRS. Since all companies do not calculate these measures in an identical manner, this presentation may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on this data.

Revenues

The following tables set forth a breakdown of revenues by geographic area and product category for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
Revenue by geographical area	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
United Kingdom	961,744	48.0%	859,670	47.2%	784,670	46.8%	102,074	11.9%	75,000	9.6%
Rest of Europe	596,946	29.8%	571,911	31.4%	534,632	31.9%	25,035	4.4%	37,279	7.0%
Americas	280,648	14.0%	240,572	13.2%	197,938	11.8%	40,076	16.7%	42,634	21.5%
Asia and Middle East	162,635	8.1%	148,450	8.2%	158,036	9.4%	14,185	9.6%	(9,586)	(6.1%)
Total	**2,001,973**	**100.0%**	**1,820,603**	**100.0%**	**1,675,276**	**100.0%**	**181,370**	**10.0%**	**145,327**	**8.7%**

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
Revenue by product category	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
Beauty	866,200	43.3%	783,584	43.0%	700,911	41.8%	82,616	10.5%	82,673	11.8%
Drinks	348,323	17.4%	318,124	17.5%	296,453	17.7%	30,199	9.5%	21,671	7.3%
Tobacco	246,253	12.3%	235,741	12.9%	237,430	14.2%	10,512	4.5%	(1,689)	(.7%)
Food	218,969	10.9%	194,887	10.7%	175,328	10.5%	24,082	12.4%	19,559	11.2%
Souvenir	60,566	3.0%	56,223	3.1%	59,553	3.6%	4,343	7.7%	(3,330)	(5.6%)
Luxury, Fashion, Accessories & Other	211,105	10.5%	185,860	10.2%	155,749	9.3%	25,245	13.6%	30,111	19.3%
Total airport revenue	**1,951,416**	**97.5%**	**1,774,419**	**97.5%**	**1,625,424**	**97.0%**	**176,997**	**10.0%**	**148,995**	**9.2%**
Total non-airport revenue	**50,557**	**2.5%**	**46,184**	**2.5%**	**49,852**	**3.0%**	**4,373**	**9.5%**	**(3,668)**	**(7.4%)**
Total	**2,001,973**	**100.0%**	**1,820,603**	**100.0%**	**1,675,276**	**100.0%**	**181,370**	**10.0%**	**145,327**	**8.7%**

Revenues 2012 vs 2011

Revenues increased by Euro 181,370 thousand, or 10.0%, from Euro 1,820,603 thousand in 2011 to Euro 2,001,973 thousand in 2012. At constant exchange rates, revenues would have increased by 5.2% in 2012 compared to 2011.

The increase in revenues at constant exchange rates by 5.2% is driven by a combination factors, among which the functional and style redefinition of the store base alongside marketing and business initiatives that focused on passengers travelling to non-EU destinations, that resulted in an increase in the average spending per passenger. Revenues increased in all regional areas, in particular as a result of positive performance by the businesses in the United Kingdom, Latin America and the Middle East.

Below an analysis of revenues per geographic area.

Revenues – United Kingdom

In the United Kingdom revenues were Euro 961,744 thousand (GBP 779,878 thousand), 11.9% higher than in 2011. At constant exchange rates, revenues would have increased by 4.5% in 2012 compared to 2011. This result was a consequence of a steady increase in spending per passenger, through an ongoing update of the product range and a particular focus on passengers travelling to non-EU destinations, with medium to high spending profiles.

Passenger traffic rose by 1.3% [(43)] over prior year. This was due to a strong presence of tourists in August after a decrease related to the Olympic Games hosted in London, which have negatively affected the usual flow of tourists in the London area, deterred by the risk of congestion and the increase of prices for accommodation.

The main factors that limited additional purchases from passengers traveling to EU destinations include: (i) the increase of UK Government liquor duty rates (as for passengers traveling to EU destinations the duty-free regime does not apply): (ii) the unfavorable exchange rate GBP / Euro.

As for product categories, "*Souvenir*" revenues recorded a growth above trend, benefiting from targeted marketing operations linked to the Olympic Games in London. The refurbishment of the terminal 3 *walk-though* store at the Heathrow airport triggered higher revenues for all category products, and in particular for "*Food*".

Below an analysis of revenues for the main airports.

Revenues at Heathrow Airport, which represent 47.7% of United Kingdom business, were Euro 458,987 thousand, up 11.5% compared to growth of just 0.9% [(44)] in passenger traffic. At constant exchange rates, revenues would have increased by 4.2% in 2012 compared to 2011. The completion of the main store refurbishment located at the terminal 3, which remains the Group's largest store for sales, is the main reason behind the increase from prior year. This development supported greater spending per passenger on passengers travelling to non-EU destinations.

(43) Source: BAA, Manchester Airport and Gatwick Airport, January-December 2012
(44) Source: BAA, January-December 2012

The performance at Gatwick airport was particularly noteworthy, with revenues of Euro 168,946 thousand, 16.0% higher than in 2011, despite an increase of only 1.6% (45) in passenger traffic. At constant exchange rates, revenues would have increased by 8.4% in 2012 compared to 2011. Revenues in the airport were boosted by the opening of a new "walk-through" store in the South terminal and a larger proportion of passengers with non-EU destinations (primarily China, Turkey and Korea).

Manchester airport recorded a rise of 12.3% in revenues compared to prior year to Euro 89,528 thousand thanks to the increase in the number of passengers gained from other regional airports. At constant exchange rates, revenues would have increased by 4.9% in 2012 compared to 2011. Passenger traffic increased by 4.5% (46).

Revenues – Rest of Europe

Revenues in 2012 from stores in other European countries amounted to Euro 596,946 thousand, up 4.4% from prior year. This region results are driven by Spanish airports revenues which accounts for 97.4% of total revenues generated by the Rest of Europe, and amounted to Euro 581,565 thousand in 2012, up 3.3% on 2011, despite a sharp 5.0% (47) drop in passenger traffic. The best performer was Barcelona, with a large increase in sales despite a modest passenger traffic growth.

Overall, 2012 has seen a positive influence over revenues performance resulting from a significant change in the mix of passenger destinations, notably a more pronounced trend towards non-EU destinations (in particular towards Russia) and a reduction of traffic towards EU destinations. The focus of the WDF Group has been on converting these new passenger profiles into customers through marketing initiatives, leading to a rise in spending per passenger throughout the main airports of this area. The increase in spending per passenger more-than-offset the passenger traffic reduction by maximizing revenues performance against volumes available.

On the other hand, the passenger traffic decrease to EU destinations was mainly driven by a reduced number of flights available and other issues related to airlines operating in this area. The reduction of flights by several carriers has led to an overall decrease in passengers across Spain, especially on domestic traffic.

Below an analysis of revenues for the main airports.

(45) Source: Gatwick Airport, January-December 2012

(46) Source: Manchester Airport, January-December 2012

(47) Source: AENA, January-December 2012

Revenues at Madrid airports decreased by Euro 8,071 thousand or 4.5% compared to prior year, to Euro 169,497 thousand, due to a 9.0%[(47)] fall of passenger traffic over the same period, although strong spending per passenger has recovered overall revenues. In 2012, the Spanish capital's airport was hit by the closure of Spanair airline, strikes by Iberia workers and a reduction in flights from terminals where it operates. However, an increase in average spending per passenger partially offset the decline in passenger traffic.

Barcelona airport performed particularly well with revenues of Euro 113,520 thousand, up 11.9% compared to prior year, despite passenger traffic growth of just 2.2%[(47)]. This positive revenues performance was mainly due to an increase in passengers travelling to non-EU destinations, which has led to a rise in spending per passenger at the airport, especially on product categories such as "*Drinks*", "*Food*" and "*Luxury, Fashion, Accessories & Other*" thanks to targeted actions based on flight destinations.

Alicante airport performed well with revenues of Euro 37,200 thousand, which represent an increase of Euro 2,870 thousand or 8.4% compared to 2011, despite a decrease in passenger traffic of 10.7%[(47)]. Thanks to a store refurbishment and a pilot project focused on store re-organization and product placement, strong spending per passenger were recorded in 2012.

Canary Islands airports recorded revenues in line with prior year due to a combined effect of increased passenger traffic from Scandinavian countries, offset by a decline in numbers of flights to Fuerteventura and Lanzarote.

Revenues - Americas

Revenues in 2012 from airports in North, Central and South American countries were Euro 280,648 thousand, Euro 40,076 thousand or 16.7% higher than in 2011, despite the non renewal of the concessions at Orlando International and Atlanta airports. At constant exchange rates, revenues would have increased by 8.6% in 2012 compared to 2011. Vancouver airport performed particularly well, but also other airports showed significant growth rates, notably in Chile, Mexico and Peru. Although of lesser impact over revenues, other notable events occurred in 2012 include the opening of a location in Jamaica (April).

Below an analysis of revenues for the main countries.

In Canada, Vancouver airport showed a strong performance with revenues of Euro 69,311 thousand, increased by Euro 13,780 or 24.8% over prior year. At constant exchange rates, revenues would have increased by 16.5% in 2012 compared to 2011. The main factors that impacted such growth are represented by an increased number of routes to Asia, the benefits resulting from the store conversion to a *walk-through* concept, which began at the end of prior year, and a successful launch of this development in September 2012, which drove gains across most product categories.

In Chile, revenues of Euro 68,757 thousand increased by Euro 13,110 thousand or 23.6% over prior year. At constant exchange rates, revenues would have increased by 14.0% in 2012 compared to 2011, mainly driven by growth in passenger traffic.

In Mexico, revenues of Euro 65,885 thousand increased by Euro 11,784 thousand or 21.8% over prior year. At constant exchange rates, revenues would have increased by 19.1 % in 2012 compared to 2011. In particular, special promotions on *Beauty* products triggered higher revenues volumes. A store at Los Cabos airport opened at the end of 2012.

In Peru, revenues of Euro 42,880 thousand increased by Euro 7,702 thousand or 21.9% over prior year. At constant exchange rates, revenues would have increased by 7.7% in 2012 compared to 2011. The growth is the combined effect of an increase in passenger traffic and in spending per passenger.

Revenues – Asia and Middle East

Revenues in 2012 from airports located in countries other than those discussed above were Euro 162,635 thousand, Euro 14,185 thousand or 9.6% higher than in 2011, despite the challenges brought by competition at the Colombo airport, in Sri Lanka, and the unstable political situation in the Middle East. Such increase benefitted of a successful product mix re-alignment to the new passenger profile. At constant exchange rates, revenues would have increased by 6.3% in 2012 compared to 2011.

Revenues 2011 vs 2010

Revenues increased by Euro 145,327 thousand, or 8.7%, from Euro 1,675,276 thousand in 2010 to Euro 1,820,603 thousand in 2011, showing a positive performance at most of the airports served. At constant exchange rates, revenues would have increased by 10.0% in 2011 compared to 2010.

In Spain and United Kingdom especially, but in other countries alike, this result was due to an increase in average spending per passenger, in addition to a general increase in passenger traffic. The spending per passenger increase was the result of specific marketing strategies targeting passengers travelling to non-EU destinations, which are usually buying more premium products than average passengers, combined with the refurbishment of existing stores to make them more attractive to potential customers. Revenues increased in all regional areas, except for the Asia and Middle East area, in particular as a result of positive performance by the Group operations in the United Kingdom, Spain and Chile.

Below an analysis of revenues per geographic area.

Revenues – United Kingdom

In the United Kingdom, revenues in 2011 climbed from Euro 784,670 thousand in 2010 (GBP 673,435 thousand) to Euro 859,670 thousand (GPB 746,107 thousand), recording an increase of Euro 75,000 thousand or 9.6%, compared to traffic growth of 5.2% (48) . At constant exchange rates, revenues would have increased by 10.8% in 2011 compared to 2010. Results were solid at all major British airports served, thanks to an overall increase in average spending per passenger and to the benefits resulting from store refurbishments at different locations. It should also be considered that heavy snowfalls and the ash cloud caused by volcanic eruption over Iceland resulted in major flight disruptions during 2010.

Below an analysis of revenues for the main airports.

Heathrow revenues increased by 11.6% to Euro 411,530 thousand for 2011, driven by higher spending per passenger across greater volumes. Passenger traffic increased by 5.5% (49) constant exchange rates, revenues would have increased by 12.9% in 2011 compared to 2010. The increase in the average spending per passenger was a result of the new stores of terminal 3 (*World of Whisky*, *Perfume Gallery*, refurbished *Glorious Britain*). Sales volumes were negatively impacted during refurbishment works on terminal 3 stores

Gatwick revenues grew 6.2% to Euro 145,659 thousand, driven by two main factors: higher spending per passenger in relation to passengers travelling to non-EU destinations, in particular regarding Air Asia and Vietnam Air flights, and a significant growth in EU traffic as this was heavily impacted by snow-caused issues in 2010. The political instability in the Middle East and in Northern Africa has negatively affected Gatwick during 2011 due to the reduction of flights from such regions. At constant exchange rates, revenues would have increased by 7.5% in 2011 compared to 2010. Passenger traffic increased by 7.3% (50) compared to prior year.

Manchester airport saw a 8.9% revenues growth to Euro 79,756 thousand as passenger traffic in 2010 was impacted by heavy snowfalls with detrimental flight cancellations. At constant exchange rates, revenues would have increased by 10.2% in 2011 compared to 2010. Passenger traffic increased by 6.3% (51) together with an increase in average spending per passenger, mainly driven by the capture rate growth resulting from new developments. Such effects have more than offset the unfavorable traffic mix evolution, due to low cost airlines, and the decrease in number of passengers traveling to Middle East destinations, typically characterized by a greater propensity to spend, due to the political unrest in that region.

(48) Source: BAA, Manchester Airport and Gatwick Airport, January-December 2011
(49) Source: BAA, January-December 2011
(50) Source: Gatwick Airport, January-December 2011
(51) Source: Manchester Airport, January-December 2011

Revenues – Rest of Europe

Revenues for 2011 came to Euro 571,911 thousand, up from Euro 534,632 thousand in 2010, with an increase of Euro 37,279 thousand or 7.0%. This region results are driven by Spanish airports revenues which accounted for 98.4% of total revenues for the Rest of Europe, and amounted to Euro 562,879 thousand in 2011, up 6.8% on 2010, driven by an increase in passenger traffic of 6.0% (52). The best performer was Barcelona in terms of revenues growth.

Below an analysis of revenues for the main airports.

Madrid revenues growth of 3.8% to Euro 177,568 thousand was driven by spending per passenger increase, especially thanks to change in the travelers mix, which included a larger number of travelers to Brazil and Russia. Passenger traffic decreased by 0.4%(52).

Barcelona revenues grew 19.1% to Euro 101,445 thousand, with passenger traffic volumes increased by 17.8%(52) driving this fluctuation. Such increase was mainly due to the introduction of new Ryanair flights and the increase in number of flights to the Middle East and Asia. The new *walk-through* store, as well as marketing actions addressed to passengers with specific destinations, have compensated the impact of the reduction in average spending per passenger caused by increased Ryanair flights, which generally contributes to the increase in passengers, however characterized by a lower propensity to spend.

Alicante airport performed well thanks to an increase in traffic passengers of 5.7%(52) mainly due to tourism.

Canary Islands airports enjoyed a 15.3% revenues spike, from increased passenger traffic re-routed to these islands from the Middle East at the beginning of the year onwards, as a result of the political turmoil in that region. However, this trend slowed down towards the end of the year as this holiday destination was replaced by others. Passenger traffic increased by 12.3%(52) compared to prior year.

Revenues - Americas

Revenues in 2011 from airports in North, Central and South American countries came to Euro 240,572 thousand, up from Euro 197,938 thousand in 2010, with an increase of Euro 42,634 thousand or 21.5%. At constant exchange rates, revenues would have increased by 25.4% in 2011 compared to 2010. Good results were recorded in all countries, with the year’s outstanding performers being Canada, Chile, and Peru.

Below an analysis of revenues for the main countries.

(52) Source: AENA, January-December 2011

Revenues for Vancouver airport, Canada, increased by Euro 9,369 thousand or 20.3% from prior year to Euro 55,531 thousand, confirming the positive trend began in 2010, when the Winter Olympic Games took place, thanks to spending per passenger growth. This positive evolution is mainly explained by changes in passengers mix with an increased number of flights to Chinese destinations and changes to the commercial offer and lay-out of the store, that was adapted to better match customers profile. At constant exchange rates, revenues would have increased by 21.3% in 2011 compared to 2010.

Revenues for Chile increased by Euro 16,691 thousand or 42.8% from prior year to Euro 55,647 thousand, partly thanks to the positive comparison with 2010, when revenues were heavily impacted by the earthquake which severely affected the Santiago airport for almost a month. Additionally, in 2011 traffic saw a large boost in the region driven by a significant presence of travelers to Brazilian destinations, normally a higher-spending passenger profile, and the opening of new stores. At constant exchange rates, revenues would have increased by 50.0% in 2011 compared to 2010.

Revenues for Mexico increased by Euro 5,590 or 11.5% from prior year to Euro 54,101 even though passengers travelling to U.S.A. destinations were generally more cautious with their purchases do the high perceived pricing. At constant exchange rates, revenues would have increased by 15.2% in 2011 compared to 2010.

Revenues for Peru increased by Euro 7,879 or 28.9% to Euro 35,178 thousand in 2011, thanks mainly to tourist flows on the rise to this country. At constant exchange rates, revenues would have increased by 31.6% in 2011 compared to 2010.

Revenues – Asia and Middle East

In 2011, revenues from airports located in countries other than those discussed above were Euro 148,450 thousand, down from Euro 158,036 in 2010, with a decrease of Euro 9,586 thousand or 6.1% compared to prior year. At constant exchange rates, revenues would have decreased by 2.5% in 2011 compared to 2010.

The main reason behind the decrease is due to the loss of the contract for Delhi airport, India, which accounted for Euro 18,913 thousand in 2010. Excluding this effect, the revenues at airports in Asia and Middle East where the WDF Group operates grew, mainly driven by increased passenger traffic, despite the negative impact of the political unrest that affected North African and Middle Eastern countries and therefore the number of passengers from these areas.

Other operating income

The following table sets forth other operating income for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
	2012	% of revenue	2011	% of revenue	2010	% of revenue	2012 vs 2011	%	2011 vs 2010	%
Other operating income	26,607	1.3%	25,522	1.4%	31,374	1.9%	1,085	4.3%	(5,852)	(18.7%)

The main items included in Other operating income are supplier income from marketing and space activities, insurance income, related party charges for technical assistance services provided.

2012 vs 2011 vs 2010

Other operating income decreased by Euro 5,852 thousand, or 18.7%, from Euro 31,374 thousand in 2010 to Euro 25,522 thousand in 2011. At constant exchange rates, other operating income would have decreased by Euro 5,801 thousand or 18.5% in 2011 compared to 2010.

Other operating income increased by Euro 1,085 thousand, or 4.3%, from Euro 25,522 thousand in 2011 to Euro 26,607 thousand in 2012. At constant exchange rates, other operating income would have increased by the same amount compared to 2011.

Supplier income from marketing activities increased by Euro 4,871 thousand from 2011 to 2012. It should also be noted that in 2011 the WDF Group has recorded income of Euro 3,982 thousand connected to insurance compensation related to the extraordinary event of the earthquake that hit Chile in 2010

Raw materials, supplies and goods

The following table sets forth a breakdown of raw materials, supplies and goods for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
	2012	% of revenue	2011	% of revenue	2010	% of revenue	2012 vs 2011	%	2011 vs 2010	%
Raw materials, supplies and goods	819,988	41.0%	764,958	42.0%	733,615	43.8%	55,030	7.2%	31,343	4.3%

2012 vs 2011

Costs for raw materials, supplies and goods increased by Euro 55,030 thousand, or 7.2%, from Euro 764,958 thousand in 2011 to Euro 819,988 thousand in 2012. At constant exchange rates, raw materials, supplies and goods would have increased by 3.9% in 2012 compared to 2011.

The ratio of costs for raw materials, supplies and goods to revenues decreased by 1 percentage point from 42.0% in 2011 to 41.0% in 2012. The favorable trend is related to several factors. Improved commercial trade terms applied by suppliers made it possible to reduce supplying prices in those regions where such costs were higher and therefore to achieve greater economies of scale. In addition, the growth of passengers traveling to non-EU destinations together with effective marketing strategies has pushed revenues with higher margin levels. Finally, the product mix has favorably shifted towards products of categories such as "*Drinks*" and "*Beauty*", which present higher margins, further improving the ratio of cost for raw materials, supplies and goods to revenues.

Foreign exchange rate trends of currencies other than Euros did not significantly impact the cost of purchases over revenues.

2011 vs 2010

Costs for raw materials, supplies and goods increased by Euro 31,343 thousand, or 4.3%, from Euro 733,615 thousand in 2010 to Euro 764,958 thousand in 2011. At constant exchange rates, raw materials, supplies and goods would have increased by 4.8% in 2011 compared to 2010.

The ratio of costs for finished products, raw materials and consumables to revenues decreased by 1.8 percentage points from 43.8% in 2010 to 42.0% in 2011. In line with the analysis performed for 2012 vs 2011, this positive trend is mainly due to the improvement of commercial trade terms applied by suppliers. In addition, the positive trend is also related to the more favorable mix of products sold, leaning more towards so-called premium items (that present a higher margins), thanks to effective marketing strategies targeting passengers travelling to non-EU destinations, characterized by higher-spending national profiles.

Foreign exchange rate trends of currencies other than Euros did not significantly impact the cost of purchases over revenues.

Personnel expense

The following table sets forth a breakdown of personnel expense for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
Personnel expense	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
Wages and salaries	166,915	8.3%	152,499	8.4%	134,769	8.0%	14,416	9.5%	17,730	13.2%
Social security contributions	25,349	1.3%	23,974	1.3%	21,769	1.3%	1,375	5.7%	2,205	10.1%
Other costs	13,627	0.7%	15,993	0.9%	24,012	1.4%	(2,366)	(14.8%)	(8,019)	(33.4%)
Total	**205,891**	**10.3%**	**192,466**	**10.6%**	**180,550**	**10.8%**	**13,425**	**7.0%**	**11,916**	**6.6%**

	As of December 31,		
	2012	**2011**	**2010**
Average number of employees	6,942	6,604	5,876

2012 vs 2011

Personnel expense increased by Euro 13,425 thousand, or 7.0%, from Euro 192,466 thousand in 2011 to Euro 205,891 thousand in 2012. At constant exchange rates, personnel expense would have increased by 3.7% in 2012 compared to 2011.

During 2012, the ratio of personnel expense to revenues compared to prior year decreased by 0.3 percentage points, from 10.6% in 2011 to 10.3% in 2012, with savings achieved thanks to higher fixed costs absorption and a more efficient use of regular staff rather than agency workers.

The average number of employees increased by 5.1%, from 6,604 in 2011 to 6,942 in 2012, which contributed to the overall increase in personnel expense, and was mainly driven by the addition of stores at the airports of Montego Bay (Jamaica) and Los Cabos (Mexico). The staff increase was mainly focused on sales and operations employees.

2011 vs 2010

Personnel expense increased by Euro 11,916 thousand, or 6.6%, from Euro 180,550 thousand in 2010 to Euro 192,466 thousand in 2011. At constant exchange rates, personnel expense would have increased by 7.2% in 2011 compared to 2010.

During 2011, the ratio of personnel expense to revenues compared to prior year decreased by 0.2 percentage points, from 10.8% in 2010 to 10.6% in 2011, with savings achieved thanks to a more efficient use of regular staff rather than agency workers and higher sales volumes, slightly offset by salary increases in different areas.

The average number of employees increased by 12.4%, from 5,876 in 2010 to 6,604 in 2011, which contributed to the overall increase in personnel expense, and was mainly driven by the strengthening of resources dedicated to the WDF Group core and corporate activities, which brought significant hiring at management level.

Leases, rentals, concessions and royalties

The following table sets forth a breakdown of leases, rentals, concessions and royalties for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
Leases, rentals, concessions and royalties	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
Concessions	606,854	30.3%	543,191	29.8%	495,999	29.6%	63,663	11.7%	47,192	9.5%
Leases and rentals	8,042	0.4%	7,492	0.4%	8,769	0.5%	550	7.3%	(1,277)	(14.6%)
Royalties	574	0.0%	544	0.0%	780	0.0%	30	5.5%	(236)	(30.3%)
Total	**615,470**	**30.7%**	**551,227**	**30.3%**	**505,548**	**30.2%**	**64,243**	**11.7%**	**45,679**	**9.0%**

2012 vs 2011

Leases, rentals, concessions and royalties expense increased by Euro 64,243 thousand, or 11.7%, from Euro 551,227 thousand in 2011 to Euro 615,470 thousand in 2012. At constant exchange rates, lease, rentals concessions and royalties expense would have increased by 7.8% in 2012 compared to 2011.

The ratio of concessions expenses to revenues increased by 0.5 percentage points to 30.3% of revenues in 2012, compared to prior year 29.8%.

The main reason behind concessions expense increase in absolute value is linked to higher sales volumes compared to prior year, as a considerable portion of rental is variable and sales-based.

The main reason behind concessions expense increase as percentage of revenues is linked to the sales mix changes between regions, with increased sales in United Kingdom, which are characterized by higher rent rates.

Also the proportion of non-EU sales has increased, and these sales types incur higher rental charges, worsening the concession rate further.

2011 vs 2010

Leases, rentals, concessions and royalties expense increased by Euro 45,679 thousand, or 9.0%, from Euro 505,548 thousand in 2010 to Euro 551,227 thousand in 2011. At constant exchange rates, personnel expense would have increased by 9.7% in 2011 compared to 2010.

The ratio of concessions expenses to revenues increased by 0.2 percentage points to 29.8% of sales in 2011, compared to prior year 29.6%,

The increase in leases, rentals, concessions and royalties expense is mostly in line with revenues growth over the same period.

Other operating expense

The following table sets forth a breakdown of other operating costs for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
Other operating expense	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
Consulting services	19,698		13,577		11,764		6,121	45.1%	1,813	15.4%
General services (*)	16,723		16,533		16,280		190	1.1%	253	1.6%
Travel expenses and transportation	15,405		14,225		11,370		1,180	8.3%	2,855	25.1%
Bank and credit card commissions	14,561		12,553		11,578		2,008	16.0%	975	8.4%
Maintenance and repairs	13,339		13,938		13,011		(599)	(4.3%)	927	7.1%
Advertising and market research	9,281		9,198		8,730		83	0.9%	468	5.4%
Insurance	3,328		2,630		1,767		698	26.5%	863	48.8%
Telephone and postal charges	2,463		2,165		1,965		298	13.8%	200	10.2%
Costs for personnel recruitment	2,448		1,924		1,649		524	27.2%	275	16.7%
Other services	8,102		6,795		5,072		1,307	19.2%	1,723	34.0%
Costs for materials and services	**105,348**	**5.3%**	**93,538**	**5.1%**	**83,186**	**5.0%**	**11,810**	**12.6%**	**10,352**	**12.4%**
Provisions for risks, net of releases	**7,463**		**-**		**(511)**		**7,463**	**n.a.**	**511**	**(100.0%)**
Impairment losses on receivables	**(201)**		**1,601**		**338**		**(1,802)**	**(112.6%)**	**1,263**	**373.7%**
Indirect and local taxes	**632**		**3,080**		**1,883**		**(2,448)**	**(79.5%)**	**1,197**	**63.6%**
Other operating costs	**11,652**		**10,946**		**8,459**		**706**	**6.4%**	**2,487**	**29.4%**
Total	**124,894**	**6.2%**	**109,165**	**6.0%**	**93,355**	**5.6%**	**15,729**	**14.4%**	**15,810**	**16.9%**

(*) The item "General services" include general services and utilities, surveillance and cleaning and disinfestation expenses.

2012 vs 2011

Other operating expense increased by Euro 15,729 thousand, or 14.4%, from Euro 109,165 thousand in 2011 to Euro 124,894 thousand in 2012. At constant exchange rates, other operating expense would have increased by 11.3% in 2012 compared to 2011.

During 2012, the other operating expense ratio to revenues increased by 0.2 percentage points, from 6.0% to 6.2%.

The main expense within other operating expense relates to consulting services, which increased by Euro 6,121 thousand or 45.1% from prior year to Euro 19,698 thousand, mainly due to the cost for participating in the tenders for the award of store concessions in all Spanish airports served by the WDF Group.

Commissions on credit card payments, travel expenses, transportation, other services and other operating costs have increased in line with the increase in sales.

Other services include training and canteen costs, auditor fees, costs charged by Autogrill Group for technical assistance services. Provisions for risks, net of releases, entirely relate to the accrual for the potential liability related to a litigation initiated by the Indian Custom authorities against the WDF Group (See Chapter 11, Paragraph 11.2.2). Other operating costs include purchases of limited unit value items such as uniforms, consumables, stationery and advertising material.

2011 vs 2010

Other operating expense increased by Euro 15,810 thousand, or 16.9%, from Euro 93,355 thousand in 2010 to Euro 109,165 thousand in 2011. At constant exchange rates, other operating expense would have increased by 17.5% in 2011 compared to 2010.

During 2011, the other operating expense ratio to revenues increased by 0.4 percentage points, from 5.6% to 6.0%.

As seen for the analysis performed for 2012 vs 2011, the items included in other operating expense generally increased in line with sales trend and their composition is substantially the same.

EBITDA

The following table sets forth a breakdown of EBITDA by geographical area for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
EBITDA by geographical area	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
United Kingdom	126,179	13.1%	110,776	12.9%	91,132	11.6%	15,403	13.9%	19,644	21.6%
Rest of Europe	76,731	12.9%	62,440	10.9%	56,219	10.5%	14,291	22.9%	6,221	11.1%
Americas	31,992	11.4%	32,431	13.5%	21,318	10.8%	(439)	(1.4%)	11,113	52.1%
Asia and Middle East	27,435	16.9%	22,662	15.3%	24,913	15.8%	4,773	21.1%	(2,251)	(9.0%)
Total	**262,337**	**13.1%**	**228,309**	**12.5%**	**193,582**	**11.6%**	**34,028**	**14.9%**	**34,727**	**17.9%**

2012 vs 2011

EBITDA increased by Euro 34,028 thousand, or 14.9%, from Euro 228,309 thousand (12.5% of revenues) in 2011 to Euro 262,337 thousand (13.1% of revenues) in 2012. At constant exchange rates, EBITDA would have increased by 11.1% in 2012 compared to 2011.

The improvement in the overall profitability was primarily due to the increase in revenues in 2012 compared to 2011, as a result of the previously described circumstances and situations. The EBITDA margin increase is related to the improvement of commercial trade terms with suppliers and a favorable mix of products sold.

As for EBITDA by geographical area, profitability of Americas in 2012 was affected by the closure of the USA stores at Orlando International and Atlanta airports, together with new stores opening at airports in Los Cabos (Mexico) and Jamaica.

2011 vs 2010

EBITDA increased by Euro 34,727 thousand, or 17.9%, from Euro 193,582 thousand (11.6% of revenues) in 2010 to Euro 228,309 thousand (12.5% of revenues) in 2011. At constant exchange rates, EBITDA would have increased by 18.6%, in 2011 compared to 2010.

In line with the analysis performed for 2012 vs 2011, the overall improvement in profitability was driven by an increase in revenues, as previously described. Other factors that contributed to the EBITDA margin increase are related to the improvement of commercial trade terms applied by suppliers, thanks to the centralization of the purchasing function into a single global commercial structure, and a favorable mix of products sold.

As per the table above, trends are positive for all geographic areas except for Asia and Middle East, mainly due to adverse contractual changes in fees, in 2011, paid in Jordan as a consequence of the renewal of the concession until 2032.

Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets

The following table sets forth a breakdown of depreciation, amortization and impairment losses on property, plant and equipment and intangible assets for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
Depreciation and amortization	**2012**	**% of revenue**	**2011**	**% of revenue**	**2010**	**% of revenue**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
Other intangible assets	77,320	3.9%	76,883	4.2%	78,469	4.7%	437	0.6%	(1,586)	(2.0%)
Property, plant and equipment	34,684	1.7%	33,879	1.9%	34,454	2.1%	805	2.4%	(575)	(1.7%)
Investment property	375	0.0%	375	0.0%	375	0.0%	-	0.0%	-	0.0%
Total depreciation and amortization	**112,379**	**5.6%**	**111,137**	**6.1%**	**113,298**	**6.8%**	**1,242**	**1.1%**	**(2,161)**	**(1.9%)**
Impairment losses on property, plant and equipment and intangible assets	288	0.0%	10,177	0.6%	2,068	0.1%	(9,889)	(97.2%)	8,109	392.1%
Total	**112,667**	**5.6%**	**121,314**	**6.7%**	**115,366**	**6.9%**	**(8,647)**	**(7.1%)**	**5,948**	**5.2%**

Depreciation and amortization consists of depreciation and amortization of intangible assets, property, plant and equipment as well as of investment property. Amortization of other intangible assets relate to the amortization of concessions and trademark. For further details see Chapter 7, Section 7.1.2 and Annexes 1 and 2 of the Document.

2012 vs 2011 vs 2010

Depreciation and amortization increased by Euro 1,242 thousand, or 1.1%, from Euro 111,137 thousand in 2011 to Euro 112,379 thousand in 2012.

Depreciation and amortization decreased by Euro 2,161 thousand, or 1.9%, from Euro 113,298 thousand in 2010 to Euro 111,137 thousand in 2011.

The ratio of depreciation and amortization expense to revenues has decreased from 2010 to 2012 due to the increase of sales over these years compared to flat depreciation and amortization expense.

In 2011 impairment losses on property, plant and equipment and intangible assets for Euro 10,177 thousand mainly includes impairment related to the non renewal of the concessions in the Orlando International and Atlanta airports. In 2010 the impairment for Euro 2,068 thousand mainly relates to the non renewal of the concession to operate in the Portugal airport.

At constant exchange rates, depreciation, amortization and impairment losses on property, plant and equipment and intangible assets would have decreased by 9.1% in 2012 compared to 2011. At constant exchange rates, depreciation, amortization and impairment losses on property, plant and equipment and intangible assets would have increased by 5.6% in 2011 compared to 2010.

For details regarding the composition of other intangible assets, property, plant and equipment and investment property, please refer to Chapter 7, Section 7.1.2, and in Annexes 1 and 2 to the Document.

Operating profit

The following table sets forth the Group's operating profit for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
	2012	% of revenue	2011	% of revenue	2010	% of revenue	2012 vs 2011	%	2011 vs 2010	%
Operating profit	149,670	7.5%	106,995	5.9%	78,216	4.7%	42,675	39.9%	28,779	36.8%

2012 vs 2011 vs 2010

The operating profit increased by Euro 42,675 thousand, or 39.9%, from Euro 106,995 thousand (5.9% of revenues) in 2011 to Euro 149,670 thousand (7.5% of revenues) in 2012. At constant exchange rates, operating profit would have increased by 33.5%, in 2012 compared to 2011.

The operating profit increased by Euro 28,779 thousand, or 36.8%, from Euro 78,216 thousand (4.7% of revenues) in 2010 to Euro 106,995 thousand (5.9% of revenues) in 2011. At constant exchange rates, operating profit would have increased by 37.8%, in 2012 compared to 2011.

It should be noted that in 2011 operating profit was negatively impacted by impairment losses for Euro 10,177 thousand, mainly due to the non-renewal of the concessions at the Orlando International and Atlanta airports.

Net financial expense

The following table sets forth a breakdown of net financial expense for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro	For the year ended December 31,			Change at current exchange rates			
Net financial expense	**2012**	**2011**	**2010**	**2012 vs 2011**	**%**	**2011 vs 2010**	**%**
Interest income	16	407	1,149	(391)	(96.1%)	(742)	(64.6%)
Exchange rate gains	-	-	304	-	n.a.	(304)	(100.0%)
Other financial income	801	42	82	759	1807.1%	(40)	(48.8%)
Financial income	**817**	**449**	**1,535**	**368**	**0.8**	**(1,086)**	**(70.7%)**
Interest expense	14,629	6,412	792	8,217	128.2%	5,620	709.6%
Interest paid to Autogrill Group companies	2,258	21,847	43,620	(19,589)	(89.7%)	(21,773)	(49.9%)
Exchange rate losses	958	210	-	748	356.2%	210	n.a.
Other financial expense	1,445	191	1,171	1,254	656.5%	(980)	(83.7%)
Financial expense	**19,290**	**28,660**	**45,583**	**(9,370)**	**(32.7%)**	**(16,923)**	**(37.1%)**
Total	**18,473**	**28,211**	**44,048**	**(9,738)**	**(34.5%)**	**(15,837)**	**(36.0%)**

2012 vs 2011

Net financial expense decreased by Euro 9,738 thousand, or 34.5%, from Euro 28,211 thousand in 2011 to Euro 18,473 thousand in 2012. At constant exchange rates, net financial expense would have decreased by 35.3% in 2012 compared to 2011.

During 2012, interest expense significantly decreased due to the impact resulting from the following factors: (*i*) lower average outstanding debt; (*ii*) decrease in the proportion of fixed vs. variable rate interest debt resulting from changes in the financial structure of the WDF Group that occurred in July 2011 (See Chapter 7, Paragraph 7.1.3); (*iii*) persistence of favorable market interest rates; (*iv*) reduction in the applicable spreads as a consequence of the deleverage.

For further details regarding the WDF Group financial position, please refer to Chapter 7, Paragraph 7.1.3.

2011 vs 2010

Net financial expense decreased by Euro 15,837 thousand, or 36.0%, from Euro 44,048 thousand in 2010 to Euro 28,211 thousand in 2011. At constant exchange rates, net financial expense would have decreased by 35.8% in 2011 compared to 2010.

During 2011 interest expense significantly decreased due to lower average outstanding debt and a decrease in the proportion of fixed vs variable rate interest debt.

For further details regarding the WDF Group financial position, please refer to Chapter 7, Paragraph 7.1.3.

Impairment and revaluation of financial assets

The following table sets forth impairment and revaluation of financial assets for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
	2012	% of revenue	2011	% of revenue	2010	% of revenue	2012 vs 2011	%	2011 vs 2010	%
Impairment and revaluation of financial assets	1,844	0.1%	1,396	0.1%	1,271	0.1%	448	32.1%	125	9.8%

Impairment and revaluation of financial assets mainly includes the WDF Group's share of the net profit or loss for the year of investments measured under the equity method.

2012 vs 2011 vs 2010

Impairment and revaluation of financial assets increased by Euro 448 thousand, from Euro 1,396 thousand in 2011 to Euro 1,844 thousand in 2012. At constant exchange rates, impairment and revaluation of financial assets would have presented the same fluctuation.

Impairment and revaluation of financial assets increased by Euro 125 thousand, from Euro 1,271 thousand in 2010 to Euro 1,396 thousand in 2011. At constant exchange rates, impairment and revaluation of financial assets would have presented the same fluctuation.

Income tax

The following table sets forth reconciliation between the effective tax rate and theoretical rate for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro	For the year ended December 31,					
	2012		2011		2010	
Pre-tax profit	**133,041**		**80,180**		**35,439**	
Theoretical income tax	32,699	24.6%	17,078	21.3%	7,323	20.7%
Non-deductible expenses	7,006	5.3%	5,937	7.4%	9,998	28.2%
Exempt income	(3,902)	(2.9%)	(5,231)	(6.5%)	(4,879)	(13.8%)
Accrual/utilization of deferred tax assets on losses						
carried forward	3,535	2.7%	(2,533)	(3.2%)	(3,249)	(9.2%)
Effect of tax rate differences	(6,823)	(5.1%)	(3,793)	(4.7%)	(3,683)	(10.4%)
Prior year adjustments	(2,486)	(1.9%)	4,831	6.0%	(3,807)	(10.7%)
Income tax	**30,029**	**22.6%**	**16,289**	**20.3%**	**1,703**	**4.8%**

Profit for the year

The following table sets forth profit for the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of revenue	For the year ended December 31,						Change at current exchange rates			
	2012	% of revenue	2011	% of revenue	2010	% of revenue	2012 vs 2011	%	2011 vs 2010	%
Profit for the year	103,012	5.1%	63,891	3.5%	33,736	2.0%	39,121	61.2%	30,155	89.4%

2012 vs 2011 vs 2010

As a result of the factors explained above:

(i) profit for the year increased by Euro 39,121 thousand, or 61.2%, from Euro 63,891 thousand in 2011 to Euro 103,012 thousand in 2012 and, as a percentage of revenues, increased from 3.5% in 2011 to 5.1% in 2012;

(ii) profit for the year increased by Euro 30,155 thousand, or 89.4%, from Euro 33,736 thousand in 2010 to Euro 63,891 thousand in 2011 and, as a percentage of revenues, increased from 2.0% in 2010 to 3.5% in 2011.

7.1.2 Analysis of the sources and uses of resources

The following table sets forth the WDF Group's combined sources and related uses as of June 30, 2013 and as of December 31, 2012, 2011 and 2010.

Please note that the statement of financial position as of December 31, 2012 included for comparative purposes in the Combined Condensed Financial Statements for the six months ended June 30, 2013 differ from the statement of financial position as of December 31, 2012 included in the Combined Financial Statements as of December 31, 2012, 2011 and 2010. Such differences stem from the mandatory application from January 1, 2013 of the revised IAS 19, which resulted in the restatement of the statement of financial position at 31 December 2012 as follows: reduction in equity of Euro 12,883 thousand, increase in defined benefit plan liabilities net of defined benefit plan assets of Euro 16,730 thousand, reduction of deferred tax liabilities of Euro 1,633 thousand and increase in deferred tax assets of Euro 2,214 thousand (for further details on the application of the revised IAS 19, please refer to Annex 1 to the Document). Financial information as of December 31, 2012 included in the present Paragraph 7.1.2 has been derived from the Combined Financial Statements as of December 31, 2012, 2011 and 2010, and therefore do not include the effects of the mandatory application of the revised IAS 19, unless otherwise stated.

In thousands of Euro	**As of June 30, 2013**	**As of December 31,**		
		2012	**2011**	**2010**
Non-current assets [(1)]	1,281,590	1,328,388	1,394,482	1,468,025
Net working capital [(1)]	(137,507)	(101,957)	(100,603)	(127,405)
Other non-current non-financial assets and liabilities [(1)]	194,791	(53,883)	(80,333)	(117,402)
Net invested capital [(1)]	**1,338,874**	**1,172,548**	**1,213,546**	**1,223,218**
Equity	403,096	611,081	578,395	498,433
Net financial indebtedness [(1)]	935,778	561,467	635,151	724,785
Total sources of financing [(1)]	**1,338,874**	**1,172,548**	**1,213,546**	**1,223,218**

(1) Non-current assets, net working capital, other non-current non-financial assets and liabilities, net invested capital and net financial indebtedness and total sources of financing are used by management to monitor the financial performance of the WDF Group. These measures are not recognized as measures of financial performance or liquidity under IFRS. Since all companies do not calculate these measures in an identical manner, the presentation may not be consistent with similar measures used by other companies. Therefore, investors should not place undue reliance on this data.

Hereinafter is detailed a breakdown and an analysis of those financial figures, reconciled with the related balance sheet items.

Non-current assets

The following table sets forth a breakdown of non-current assets as of June 30, 2013 and as of December 31, 2012, 2011 and 2010:

In thousands of Euro	**As of June 30, 2013**	**As of December 31,**		
		2012	**2011**	**2010**
Goodwill	584,659	605,117	598,020	582,132
Other intangible assets	575,884	622,874	690,138	762,679
Property, plant and equipment	74,251	80,354	89,349	107,225
Investment property	6,744	6,932	7,307	7,682
Investments	8,463	9,136	7,990	7,182
Other financial assets	31,589	3,975	1,678	1,125
Total	**1,281,590**	**1,328,388**	**1,394,482**	**1,468,025**

Non-current assets mainly refer to goodwill and other intangible assets. In particular, goodwill recorded in the WDF Group statement of financial position represents the result of business combinations related to the acquisitions of (i) WDFG España (former Aldeasa), started in 2005 and completed in 2008; (ii) Autogrill Holdings UK Plc. (former Alpha Group Plc.) occurred in 2007; and (iii) WDFG UK Holdings (former World Duty Free Europe Ltd.) occurred in 2008. Changes in goodwill are due to exchange rates translation.

Other intangible assets are mainly related to concessions, trademarks and licenses. Concessions amount to Euro 479,815 thousand as of June 30, 2013, Euro 518,862 thousand, Euro 583.653 thousand and Euro 651,775 thousand as of December 31, 2012, 2011 and 2010 respectively while trademarks and licenses amount to Euro 90,871 thousand as of June 30, 2013, Euro 98,694 thousand, Euro 102,770 thousand and Euro 105,897 thousand as of December 31, 2012, 2011 and 2010 respectively.

Concessions, licenses and trademarks mainly derive from the purchase price allocation process related to the acquisition of WDFG UK Holding (formerly World Duty Free Europe Ltd.) and WDFG España (formerly Aldeasa). The amounts of the trademarks indicated above refer mainly to "World Duty Free" trademark. The decrease of the value of concession and trademarks for the period represented above is mainly due to the amortizing process and to the exchange rates translation. The Group recognized impairment losses in 2011 and in 2010 amounting respectively to Euro 9,105 thousand and to Euro 2,068 thousand due to the non-renewal of concessions related to Atlanta airport for 2011 and Portugal airports for 2010.

Property, plant and equipment, includes industrial and commercial equipments and plants and machineries. For further details regarding capital expenditures, please refer to Annex 2 to the Document.

Investment property includes a warehouse rented to third parties whose contracts expire in 2016 and 2017 respectively.

As of June 30, 2013 other financial assets, amounting to Euro 31,589 thousand, include the security deposit balance for Euro 26,672 thousand, paid to AENA as per the AENA Agreements (See Chapter 12, Paragraph 12.1.4).

For additional information, please refer to Annexes 1 and 2 to the Document.

Net working capital

The following table sets forth a breakdown of net working capital as of June 30, 2013 and as of December 31, 2012, 2011 and 2010:

In thousands of Euro	**As of June 30, 2013**	**As of December 31,**		
Net working capital		**2012**	**2011**	**2010**
Inventories	141,932	142,462	143,844	121,123
Trade receivables	28,595	26,912	27,053	32,938
Tax assets	7,128	7,798	4,336	3,340
Other receivables - current	63,567	25,630	29,533	17,309
Trade payables	(276,350)	(203,843)	(216,543)	(200,620)
Tax liabilities	(19,494)	(18,694)	(14,878)	(14,985)
Other payables - current	(71,170)	(69,819)	(73,948)	(86,150)
Provisions for risks and charges - current	(11,715)	(12,403)	-	(360)
Total	**(137,507)**	**(101,957)**	**(100,603)**	**(127,405)**

Net working capital amounts to negative Euro 137,507 thousand as of June 30, 2013, Euro 101,957 thousand, Euro 100,603 thousand and Euro 127,405 thousand as of December 31, 2012, 2011 and 2010.

The change in net working capital as of June 30, 2013 compared to December 31, 2012 is mainly due to the increase in trade payables (for Euro 72,507 thousand), primarily related to the effects of the seasonal nature of the business. The increase in trade payables was partially offset by an increase in other current receivables for Euro 37,937 thousand, partly due to the recording of the current portion of the credit for advance payments of the concession fees as part of the AENA Agreements (Euro 19,684 thousand) (See Chapter 12, Paragraph 12.1.4).

Changes in working capital during the period 2012 – 2010 are mainly driven by:

(i) increase in inventories of Euro 21,339 thousand mainly due to: (a) new openings during the period; (b) opening and deploy of some luxury concepts in Vancouver and (c) additional stock related to the increase of revenues experienced in the period (excluding the growth derived from new openings). It is important to mention that, despite the increase of revenues in 2012 compared to 2011, the value of inventories in 2012 decreased in respect to 2011 as a consequence of a new optimization process of stock management started at the end of 2011;

(ii) increase in the provisions for risk and charges of Euro 12,043 thousand, basically due to the service tax and custom duties litigations in India mentioned in Chapter 11, Paragraph 11.2.2.

The net change of the remaining items within the working capital remain basically flat during the period analyzed.

Trade receivables include both receivables from suppliers deriving from promotional contributions and rebates on purchases as well as receivables from customers relating the wholesale activity.

For additional information, please refer to refer to Annexes 1 and 2 to the Document.

Other non-current non-financial assets and liabilities

The following table sets forth a breakdown of other non-current non-financial assets and liabilities as of June 30, 2013 and as of December 31, 2012, 2011 and 2010:

In thousands of Euro	**As of June 30, 2013**	**As of December 31,**		
Other non-current non-financial assets and liabilities		**2012**	**2011**	**2010**
Deferred tax assets	29,318	27,877	39,869	43,463
Other receivables	275,055	14,017	11,967	12,446
Defined benefit plan - assets	-	7,103	386	-
Other payables	(2,903)	(2,000)	(3,000)	(7,896)
Deferred tax liabilities	(81,274)	(92,557)	(118,768)	(136,722)
Defined benefit plan - liabilities	(18,749)	(1,469)	(771)	(15,880)
Provisions for risks and charges	(6,656)	(6,854)	(10,016)	(12,813)
Total	**194,791**	**(53,883)**	**(80,333)**	**(117,402)**

Other non-current non-financial assets and liabilities increased from negative Euro 53,883 thousand as of December 31, 2012 to a Euro 194,791 thousand as of June 30, 2013. This change is mainly attributable to:

(i) the recognition, as of June 30, 2013 of the non-current portion of the credit for advance payments of the concession fees as part of the AENA Agreements for Euro 262,046 thousand (See Chapter 12, Paragraph 12.1.4).

(ii) the application from January 1, 2013 of the IAS 19 revised, which has provided for a different accounting treatment of unrealized actuarial gains and losses related to defined benefit plans (for employees), which resulted in the recording of further liabilities, net of the defined benefit plan assets, for Euro 16,730 thousand.

In addition to the factors described above, at the reference dates other non-current non-financial assets and liabilities mainly include deferred tax assets and liabilities arising from temporary differences between the carrying amount of an asset or liability recorded in the statement of financial position and the value attributed to that asset or liability for tax purposes, due to elements of future deductibility or taxability.

For additional information, please refer to refer to Annexes 1 and 2 to the Document.

Equity

The following table sets forth a breakdown of equity as of June 30, 2013 and as of December 31, 2012, 2011 and 2010:

In thousands of Euro	**As of June 30, 2013**	**As of December 31,**		
Equity		**2012**	**2011**	**2010**
Equity attributable to owners of the parent	399,484	608,424	576,760	496,385
Equity attributable to non-controlling interests	3,612	2,657	1,635	2,048
Total	**403,096**	**611,081**	**578,395**	**498,433**

The following table shows changes in equity for the period presented in the table above:

In thousands of Euro	**Equity**
As of January 1, 2010	**4,127**
Profit for the year	33,736
Effective portion of fair value change in cash flow hedges, net of tax effect, foreign currency translation differences for foreign operations and other changes, and gains (losses) on net investment hedge, net of tax effect	31,374
Capital contribution from Autogrill	400,000
Dividend distribution	(2,844)
Carve out (*)	32,040
As of December 31, 2010	**498,433**
Profit for the year	63,891
Effective portion of fair value change in cash flow hedges, net of tax effect, foreign currency translation differences for foreign operations and other changes, and gains (losses) on net investment hedge, net of tax effect	14,949
Dividend distribution	(2,155)
Other	(727)
Carve out (*)	4,004
As of December 31, 2011	**578,395**
Profit for the year	103,012
Effective portion of fair value change in cash flow hedges, net of tax effect, foreign currency translation differences for foreign operations and other changes, and gains (losses) on net investment hedge, net of tax effect	957
Dividend distribution	(71,327)
Other	44
As of December 31, 2012	**611,081**
Application of revised IAS 19	(12,883)
As of December 31, 2012 revised	**598,198**
Establishment of WDF	130
Profit for the period	42,555
Effective portion of fair value change in cash flow hedges, net of tax effect, foreign currency translation differences for foreign operations and other changes, and gains (losses) on net investment hedge, net of tax effect	(11,230)
Actuarial gains / (losses) on employee defined benefit plan liability, net of tax effect	(6,499)
Dividend distribution	(220,080)
Other	22
As of June 30, 2013	**403,096**

(*) In 2011 and 2010, the movements referred to as "carve-out" relate to the WDF Group's activities that were not included in the scope of the Combined Financial Statements. For more details, please refer to Annexes 1 and 2 of the Document.

Net financial indebtedness

Net financial indebtedness amounted to Euro 935,778 thousand as of June 30, 2013, Euro 561,467 thousand as of December 31, 2012, Euro 635,151 thousand as of December 31, 2011 and Euro 724,785 thousand as of December 31, 2010.

For further details regarding the composition of net financial indebtedness, please refer to the explanations included in Chapter 7, Paragraph 7.1.3.

The increase in net financial indebtedness as of June 30, 2013 compared to December 31, 2012 is mainly due to the payment of Euro 306,251 thousand (excluding VAT) to AENA on February 14, 2013 as part of the AENA Agreements (refer to Chapter 12, Paragraph 12.1 .4) and to the payment of the Distribution to Autogrill for Euro 220,000 thousand on June 5, 2013, partially offset by cash generated from operations.

Particularly, the payment of Euro 306,251 thousand to AENA on February 14, 2013 was partially made by using the *Multicurrency Revolving Facility* (as described in the following Paragraph 7.1.3), partially by using the Intercompany Loan (as defined in the following Paragraph 7.1.3), and partially by using a new financing loan of Euro 100,000 thousand provided by BBVA (the *Bilateral Revolving Facility*). All WDF Group loans, including those mentioned above, have been extinguished by using the Loan (as described in the following Paragraph 7.1.3) on June 5, 2013. On that date, the Loan was used to extinguish all the WDF Group loans discussed above as well as to pay the Distribution for Euro 220,000 thousand.

The reduction of the net financial indebtedness from December 31, 2010 to December 31, 2012 is due to a significant generation of cash from operating activities, combined with a strictly monitored level of capital expenditures that implied the capability of the WDF Group to refund part of the loans.

7.1.3 WDF Group's financial resources

As already described in Chapter 6, Paragraph 6.1, the current structure of the WDF Group derives from several acquisitions occurred in the past which were fully funded by intercompany loans granted by Autogrill. In 2010, such intercompany loans were partially repaid by liquidity resulting from: i) a shareholder capital contribution of Euro 400 million by Autogrill, ii) some sales of related companies as part of the WDF Group reorganization program, and iii) the operating activities. In 2011, the WDF Group entirely refinanced its debt through the signing, during the months of July and August of the same year, of the contract related to the Multicurrency Revolving Facility (as defined below) for an initial amount of Euro 650 million and the contract related to the Intercompany Loan, for an amount of Euro 200 million. At the beginning of 2013, the WDF Group signed a new revolving credit facility for Euro 100 million. Subsequently, in May 2013, the WDF Group signed the Loan Agreement of Euro 1,250 million (please refer to letters G and K below), extinguished all the outstanding loans and cancelled the commitments related to the 2011 facilities, including the Intercompany Loan.

The following table sets forth a breakdown of net financial indebtedness of the WDF Group as of June 30, 2013 and December 31, 2012, 2011 and 2010, calculated in accordance with the CONSOB Regulation of July 28, 2006 and the ESMA/2011/81 Recommendations:

In thousands of Euro	As of June 30, 2013	As of December 31,		
Net financial indebtedness		**2012**	**2011**	**2010**
A. Cash	2,729	1,607	1,888	1,401
B. Cash equivalents	27,792	17,077	43,469	54,262
C. Trading securities	-	-	-	-
D. Liquidity (A)+(B)+(C)	**30,521**	**18,684**	**45,357**	**55,663**
E. **Current financial receivables**	**1,556**	**272**	**707**	**184**
F. Current bank debt	(1,216)	(7,318)	(1,041)	(4,007)
G. Current portion of non current debt	-	(56,521)	-	-
H. Other current financial debt	(6,743)	(7,285)	(5,293)	(82,066)
I. Current financial debt (F)+(G)+(H)	**(7,959)**	**(71,124)**	**(6,334)**	**(86,073)**
J. Net current financial indebtedness (I)+(E)+(D)	**24,118**	**(52,168)**	**39,730**	**(30,226)**
K. Non current bank loans	(959,896)	(439,299)	(489,754)	-
L. Bonds issued	-	-	-	-
M. Other non current loans	-	(70,000)	(185,127)	(694,559)
N. Non current financial indebtedness (K)+(L)+(M)	**(959,896)**	**(509,299)**	**(674,881)**	**(694,559)**
O. Net financial indebtedness (J)+(N)	**(935,778)**	**(561,467)**	**(635,151)**	**(724,785)**

The following table sets forth an analysis of net financial indebtedness as of June 30, 2013 and as of December 31, 2012, 2011 and 2010 by currency:

In thousands of Euro	As of June 30, 2013				As of December 31, 2012			
	Euro	**GBP**	**Other**	**Total**	**Euro**	**GBP**	**Other**	**Total**
Liquidity	15,011	-	15,510	30,521	3,158	1	15,525	18,684
Current financial receivables	1,556	-	-	1,556	272	-	-	272
Current financial debt	(6,743)	(1,216)	-	(7,959)	(13,692)	(57,432)	-	(71,124)
Non current financial indebtedness	(660,425)	(299,471)	-	(959,896)	(94,064)	(415,235)	-	(509,299)
Net financial indebtedness	**(650,601)**	**(300,687)**	**15,510**	**(935,778)**	**(104,326)**	**(472,666)**	**15,525**	**(561,467)**

In thousands of Euro	As of December 31, 2011				As of December 31, 2010			
	Euro	**GBP**	**Other**	**Total**	**Euro**	**GBP**	**Other**	**Total**
Liquidity	3,111	11,438	30,808	45,357	5,231	21,951	28,481	55,663
Current financial receivables	707	-	-	707	184	-	-	184
Current financial debt	(6,135)	(199)	-	(6,334)	(60,586)	(10,510)	(14,977)	(86,073)
Non current financial indebtedness	(196,011)	(478,870)	-	(674,881)	(311,852)	(382,707)	-	(694,559)
Net financial indebtedness	**(198,328)**	**(467,631)**	**30,808**	**(635,151)**	**(367,023)**	**(371,266)**	**13,504**	**(724,785)**

The following table sets forth an analysis of gross financial indebtedness as of June 30, 2013 and as of December 2012, 2011 and 2010 by type of interest rate applied:

In thousands of Euro	**As of June 30, 2013**		**As of December 31,**					
		%	**2012**	**%**	**2011**	**%**	**2010**	**%**
Variable rate, no hedging	734,537	75.9%	334,442	57.6%	441,785	64.9%	260,022	33.3%
Variable rate, subject to hedging	233,318	24.1%	245,070	42.2%	239,430	35.1%	-	0.0%
Fixed rate	-	0.0%	911	0.2%	-	0.0%	520,610	66.7%
Gross financial indebtedness	**967,855**	**100.0%**	**580,423**	**100.0%**	**681,215**	**100.0%**	**780,632**	**100.0%**

For further information regarding the WDF Group's hedging strategy please refer to Annex 2 to the Document.

A e B. Cash and cash equivalents

Cash and cash equivalents amount to Euro 30,521 thousand as of June 30, 2013 (Euro 18,684 thousand as of December 31, 2012, Euro 45,357 thousand as of December 31, 2011 and Euro 55,663 thousand as of December 31, 2010).

As of June 30, 2013, there are no restricted cash amounts included among cash and cash equivalents.

E. Current financial receivables

Current financial receivables amount to Euro 1,556 thousand as of June 30, 2013 (Euro 272 thousand as of December 31, 2012, Euro 707 thousand as of December 31, 2011 and Euro 184 thousand as of December 31, 2010) and include the fair value measurement of the derivatives entered into to hedge the exchange rate risk, in particular relating to the forward purchase and/or sale of currency.

For further details regarding financial instruments please refer to Annex 2 to the Document.

F. Current bank debt

Current bank debt amounts to Euro 1,216 thousand as of June 30, 2013 (Euro 7,318 thousand as of December 31, 2012, Euro 1,041 thousand as of December 31, 2011 and Euro 4,007 thousand as of December 31, 2010), and refers to short term facilities. They are renewable on an annual basis at maturity date and do not have covenants, warranties or other specifics constraints.

G and K. Current portion of non current debt and non current bank loans

The following table provides a breakdown of current portion of non current debt and non current bank loans as of June 30, 2013 and December 31, 2012, 2011 and 2010:

In thousands of Euro	As of June 30, 2013	As of December 31,		
Current portion of non current debt and non current bank loans		**2012**	**2011**	**2010**
Loan	974,471	-	-	-
Commissions related to the Loan	(14,575)	-	-	-
Multicurrency Revolving Facility - short therm	-	56,521	-	-
Multicurrency Revolving Facility - long therm	-	444,235	496,041	-
Commissions related to the Multicurrency Revolving Facility	-	(4,936)	(6,287)	-
Total	**959,896**	**495,820**	**489,754**	**-**

Current portion of non current debt and non current bank loans amount to Euro 959,896 thousand as of June 30, 2013 (Euro 495,820 thousand as of December 31, 2012, Euro 489,754 thousand as of December 31, 2011 and zero as of December 31, 2010). As of June 30, 2013 the balance is entirely related to the medium long term loan agreement signed by the WDF Group on May 2013 (the "**Loan Agreement**"). As of December 31, 2012 and 2011 the current portion of non current debt and non current bank loans where entirely represented by the syndicated loan agreement signed by the WDF Group on July 2011 (the "**Multicurrency Revolving Facility**"). Following the signing of the Loan Agreements, the Multicurrency Revolving Facility has been completely repaid and cancelled.

The Loan

On 30 May 2013 (the "**Signing Date**") the Borrowing Companies (WDFG SAU, WDFG España, WDFG UK Holdings and WDFG UK) signed the Loan Agreement providing four different tranches of credit for a total amount of Euro 1.25 billion.

The syndicate of lenders is composed of Abbey National Treasury Services Plc (trading as Santander Global Banking & Markets); Banco Bilbao Vizcaya Argentaria S.A.; Banco Santander, S.A., London Branch; Bank of America Securities Limited; Banca IMI S.p.A.; BNP Paribas Fortis SA; Crédit Agricole Corporate and Investment Bank; ING Bank NV Milan Branch; Mediobanca International (Luxembourg) S.A.; Natixis SA – Milan Branch and UniCredit Bank AG (together, the "**Lenders**").

Pursuant to the Loan Agreement each of the Lenders agrees, partially and not jointly, to grant the respective portion of the Loan in favor of the Borrowing Companies.

The Loan is comprised of the following tranches:

(i) Euro 400 million amortising term loan, to be utilised in Euro, with a tenor of five years (Tranche 1);

(ii) Euro 125 million amortising term loan, to be utilised in GBP, with a tenor of five years (Tranche 2);

(iii) Euro 375 million revolving credit facility which can be utilised in Euro and/or GBP, with a tenor of five years, (Tranche 3); and

(iv) Euro 350 million revolving credit facility, to be utilised in Euro, lasting 18 months, with 3 possible extensions (provided that no so called "event of default" (as described below) is pending) of 6 months each upon request by WDFG SAU (Tranche 4).

The Loan provides for an interest rate linked to Euribor or Libor, depending on the currency used for the Loan, in addition to a margin, which, with respect to Tranches 1, 2 and 3, is calculated on a ratchet basis by reference to the Leverage Ratio (as defined in the Loan Agreement).

Please note that from the draw-down date of the Loan and up to the delivery of the "compliance certificate" measuring the Leverage Ratio as of 31 December 2013, the margin applied is 3.65%, 3.85% and 2.90% respectively for Tranches 1, 2 and 3. Thereafter, the interest charged shall vary for each tranche by reference to the Leverage Ratio. It should be noted however that the maximum margins following the period ending on 31 December 2013 are 4.10%, 4.30% and 3.35% per annum for Tranches 1, 2 and 3 respectively. It should also be noted that with reference to Tranche 3, for the part used in GBP, the spread will be increased by 0.2%.

With reference to Tranche 4, the margin is 2.75% per annum until 1 December 2014. In the event that WDFG SAU elects to extend the duration of Tranche 4, the margin increases to the following percentages: 3.25% per annum for the period from 2 December 2014 to the expiration of the 24th month following the Signing Date, 3.75% per annum for the period from the first day of the 25th month following the Signing Date to the expiration of the 29th month following the Signing Date and 4.25% for the period from the first day of the 30th month following the Signing Date to the termination date of Tranche 4.

The Loan Agreement provides for mandatory prepayments, representations, warranties, covenants and events of default which are customary for a document of this nature, including:

(i) the requirement to meet a "Leverage Ratio" and a "Interest Cover Ratio" ("**Financial Covenants**"), to be calculated as indicated by the Loan Agreement, on the basis of consolidated accounts of WDFG SAU and of its subsidiaries, as at each relevant determination date as provided in the Loan Agreement (*i.e.*, every six months, at 30 June and 31 December of each year starting on 31 December 2013). Failure to respect them shall determine the mandatory early repayment of the Loan. The following is a summary of the provisions relating to the Financial Covenants:

(a) the "Leverage Ratio" is calculated as the ratio between the "net financial indebtedness" and the "cash EBITDA"[53] . The "net financial indebtedness" is the

(53) The Loan Agreement provides for specific definitions of net financial indebtedness, net financial charges, EBITDA and Cash EBITDA for the purposes of the calculation of the Financial Covenants. Said definitions would cause the values of the net financial indebtedness, net financial charges, EBITDA and Cash EBITDA to differ from the values reported in this Document.

aggregate amount of all the obligations of WDFG SAU and its subsidiaries for or in respect of borrowing less the aggregate amount of freely available Cash and Cash Equivalent Investments (as such terms are defined in the Loan Agreement) held by WDFG SAU or any of its subsidiaries subject to certain adjustments. The "cash EBITDA" is the sum of the operating profit, depreciations and amortisations, impairment losses and the provisions for risks and charges, adjusted to include certain rental expenses and other non-cash rent adjustments.

The Leverage Ratio in each relevant period may not exceed a threshold decreasing from 4.35 to 3.50 during the tenor of the Loan.

(b) the "Interest Cover Ratio" is the ratio between the cash EBITDA and the "net financial charges" for each period of 12 months ending on a determination date as provided in the Loan Agreement. The "net financial charges" for any relevant period is the aggregate amount of accrued interest, commission, fees, discounts, prepayment penalties premiums and other finance payments, subject to certain adjustments.

The Interest Cover Ratio in each relevant period until 31 December 2014 shall be no less than 4.00 and not lower than 4.50 for each relevant period thereafter.

(ii) certain limits or negative covenants (subject to certain exceptions) concerning: *(a)* the completion of disposals of assets; *(b)* the assumption of additional financial indebtedness and issuance of guarantees or other securities; *(c)* the distribution of dividends or other distributions (as better specified below); and *(d)* the carrying out of extraordinary transactions;

(iii) the mandatory prepayment and cancellation of all or part of the Loan in certain circumstances, including a "Change of Control", as defined in the Loan Agreement, the issuance of bonds on the capital market by certain companies and, subject to certain conditions, asset disposals;

(iv) obligations to periodically deliver certain pieces of information, including, in particular, reporting of consolidated financial statements and half-yearly financial reports;

(v) various events of default (in each case subject to certain baskets exceptions and cure periods) the occurrence of which would entitle the Lenders to drawstop, cancel and/or accelerate the Loan, including without limitation: *(a)* failure to pay amounts due under the Loan Agreement; *(b)* non-compliance with the Financial Covenants set out in the Loan Agreement; *(c)* breach by any of the Borrowing Companies of the contractual provisions restricting the ability of the same to, amongst other things: *(i)* dispose of their respective assets; *(ii)* assume additional debt and issue further securities; *(iii)* distribute dividends or make other distributions; and *(iv)* carry out extraordinary transactions (so called "Negative Covenants"); failure by WDFG SAU to procure that all the "Material Companies" (as defined in the Loan Agreement) observe these limitations shall be equally considered as a breach of the "Negative Covenants"; *(d)* the occurrence of a "Material Adverse Change", being an event which has a material adverse effect on the business, assets or financial condition of WDFG SAU and its subsidiaries which taken as a whole would result in WDFG SAU and its subsidiaries being unable to perform its payment obligations under the Finance Documents (as defined in the Loan Agreement); *(e)* cross default of other financial indebtedness; *(f)* the occurrence of certain insolvency related events; *(g)* any repudiation of any Finance Document by any of the Borrowing Companies; *(h)* the unlawfulness or invalidity of any obligation under the Finance Documents; *(i)* if WDFG SAU and its subsidiaries taken as a whole suspend or cease to carry on all or a material part of the business; and *(j)* any representation by any Borrowing Company being incorrect or misleading in any material respect.

As to the obligation of early repayment in the event of a Change of Control, the Loan Agreement provides that the Lenders shall negotiate for a period not exceeding 30 days to determine whether the facilities under the Loan Agreement can continue and on what basis. At the end of the 30-day period, any Lender not agreeing to continue the facility may require the Borrowing Companies, by serving 10 days' prior notice in writing, to prepay and cancel that Lender's participation in the Loan.

As of 30 June 2013, the Loan had been drawn-down for an overall amount of Euro 974,471 thousand as better described below:

	As of 30 June 2013		
	GBP thousand	**Euro thousand**	**Total in Euro thousand**
Tranche 1	-	400,000	400,000
Tranche 2	106,706	-	124,483
Tranche 3	150,000	-	174,988
Tranche 4	-	275,000	275,000
Total	**256,706**	**675,000**	**974,471**

As of the above date, the referred financial ratios were in compliance with the Financial Covenants.

On 5 June 2013, the WDF Group had used the Loan, for an overall amount to Euro 1,020,716, as follows:

Description	**Amount in Euro (thousand)**
Reimbursement of the Multicurrency Revolving Facility	645,705
Reimbursement of the medium-long term financing granted by BBVA during the first semester of 2013, called Bilateral Revolving Credit Facility	100,000
Reimbursement of the debt outstanding under the Intercompany Loan	67,000
Distribution, approved by WDFG SAU shareholders' meeting held on 30 April 2013	220,000
Total payments as of 5 June 2013	**1,032,705**
Use of existing cash	**(11,989)**
Use of the Loan as of 5 June 2013	**1,020,716**

From 5 June 2013 to 30 June 2013, the WDF Group reimbursed Euro 47 million previously drawn-down under the Loan, using cash generated in the ordinary course of business. As a consequence, as of 30 June 2013, the amount outstanding under the Loan is Euro 974.471, which amount is used for the purposes illustrated above.

Part of the available portion of the Loan, equal to approximately Euro 76 million (equal to approximately USD 100 million) was used to pay the Initial Price of the first closing for the acquisition of US Retail Division, which occurred on 6 September 2013, net of the Indemnification Holdback Amount (both terms as defined in Chapter 12, Paragraph 12.3.1, let. (B)). For more details on the acquisition of the US Retail Division, please see Chapter 12, Paragraph 12.3.1.

As of the Date of the Document, WDF does not benefit from the Loan nor it does act as guarantor to the Borrowing Companies.

Limitations to distributions or dividend payment provided for under the Loan Agreement

The Loan Agreement restricts the ability of WDFG SAU to make any distribution or pay dividends in any financial year on a sliding scale based on the Leverage Ratio (calculated pursuant to the Loan Agreement) of WDFG SAU and its subsidiaries as at each relevant determination date as provided in the Loan Agreement. More specifically the Loan Agreement provides as follows:

Percentage of profits whose distribution is allowed	***Leverage Ratio***
100%	< 3.25
50%	>=3.25 and <3.75
40%	>=3.75 and <4.00
0%	>= 4.00

With reference to profits made in financial year 2013, distribution will be allowed up to an aggregate of Euro 40 million, irrespective of the level of the Leverage Ratio for that period.

<u>*Multicurrency Revolving Facility*</u>

On July 2011 the WDF Group signed the Multicurrency Revolving Facility for a total amount of Euro 650 million, divided into two revolving credit facilities, respectively of Euro 400 million (Tranche I) and Euro 250 million (Tranche II), both with final maturity in July 2016. This funding provided for the reimbursement of the Tranche I by installments of Euro 66.7 million each at the end of 24°, 36° and 48° month after signing the contract, while the remaining debt was to be paid in a lump sum on the date of maturity of the loan. The Tranche II instead provided for the repayment of the entire debt at the end of the loan agreement.

The Multicurrency Revolving Facility loan provided for the maintenance within predetermined values of the following financial covenants: a *Leverage Ratio* (net financial indebtedness/EBITDA) not exceeding 3.5 times and an Interest *Coverage Ratio* (EBITDA/net financial charges) no less than 4.5 times. These financial covenants were calculated on the data of the WDFG SAU Group, and were carried out every six months at 30 June and 31 December of each year. The above ratios have been complied for all the reference date.

Please note that the loan agreement allowed overcoming the *Leverage Ratio*, for limited and defined periods of time, in case of acquisitions.

The contract also established certain restrictions on the sale of assets, realization of mergers and demergers, distribution of dividends, acquisition of new businesses and other transactions for companies named in the contract as “Material Companies.”

The rates applied to this loan were set by indexing to Euribor or Libor, depending on the currency used, and adding a variable spread that varied depending on the *Leverage Ratio* described above.

As of December 31, 2012 and 2011, the Multicurrency Revolving Facility has been draw-downed has follows:

In thousands of Euro	As of December 31, 2012			As of December 31, 2011		
	Drawdown in GBP	Drawdown in Euro	Total in Euro	Drawdown in GBP	Drawdown in Euro	Total in Euro
Tranche I	379,855	10,000	389,855	383,096	19,298	402,394
Tranche II	91,901	19,000	110,901	64,647	29,000	93,647
Total	**471,756**	**29,000**	**500,756**	**447,743**	**48,298**	**496,041**

The Multicurrency Revolving Facility has been completely repaid on June 5, 2013.

H. Other current financial debt

Other current financial debt amounts to Euro 6,743 thousand as of June 30, 2013 (Euro 7,285 thousand as of December 31, 2012, Euro 5,293 thousand as of December 31, 2011 and Euro 82,066 thousand as of December 31, 2010).

The following table sets forth a breakdown of other current financial debt:

In thousands of Euro	As of June 30, 2013	As of December 31,		
Other current financial debt		2012	2011	2010
Fair value of interest rate and exchange rate hedging derivatives	4,349	6,565	4,230	109
Loans from Autogrill	-	79	125	81,576
Accrued expenses and deferred income for interest on loans, other financial accrued expenses and deferred income, and liabilities due to others	2,394	641	938	381
Total	**6,743**	**7,285**	**5,293**	**82,066**

For details regarding the fair value of hedging derivatives please refer to Annex 2 to the Document, while for details regarding loans from Autogrill, please refer to the letter M below.

M. Other non current loans

Other non current loans amount to zero as of June 30, 2013 (Euro 70,000 thousand as of December 31, 2012, Euro 185,127 thousand as of December 31, 2011 and Euro 694,559 thousand as of December 31, 2010). Such financial statement item was entirely related to loans from Autogrill.

The following table sets forth a breakdown of other non current loans:

In thousands of Euro					As of December 31,		
Lender	**Borrower**	**Currency**	**Disbursement year**	**Maturity year**	**2012**	**2011**	**2010**
Autogrill S.p.A.	WDFG SAU	EUR	2011	2016	70,000	154,000	-
Autogrill S.p.A.	WDFG SAU	GBP	2011	2016	-	31,127	-
Autogrill S.p.A.	WDFG SAU	EUR	2005	2015	-	-	50,000
Autogrill S.p.A.	WDFG SAU	EUR	2005	2015	-	-	50,000
Autogrill S.p.A.	WDFG SAU	EUR	2008	2013	-	-	120,000
Autogrill S.p.A.	WDFG SAU	EUR	2006	2015	-	-	91,852
Autogrill S.p.A.	WDFG SAU	GBP	2008	2013	-	-	167,778
Autogrill S.p.A.	WDFG UK Holdings Ltd.	GBP	2009	2014	-	-	174,267
Autogrill S.p.A.	WDFG UK Holdings Ltd	GBP	2009	2012	-	-	40,662
Total					**70,000**	**185,127**	**694,559**

During the year 2011, as part of the financial reorganization program related to the undersigning of the Multicurrency Revolving Facility, the WDF Group entirely repaid the intercompany loans towards Autogrill existing as of December 31, 2010. On August 9, 2011 Autogrill granted the Intercompany Loan to the WDF Group, a new revolving credit facility with maturity date August 8, 2016 for a total amount of Euro 200 million. The interest rate applied to the loan was determined by indexing to Euribor or Libor, depending on the currency used, and adding a spread that varies depending on the Leverage Ratio (net financial indebtedness/EBITDA). For the calculation of such ratios, the agreement referred to the data of the WDFG SAU Group as of June 30 and December 31 of each year.

The Intercompany Loan above did not have covenants.

The Intercompany Loan has been completely repaid on June 5, 2013

***

The following table highlights the major financial indicators used by the Group to monitor financial performances as of June 30, 2013 and as of December 31, 2012, 2011 and 2010:

In thousands of Euro	As of June 30, 2013	As of December 31,		
Financial indicators		**2012**	**2011**	**2010**
Net financial indebtedness / EBITDA	3.61	2.14	2.78	3.74
EBITDA / Net financial expense	8.09	14.20	8.09	4.39
Net financial indebtedness / Cash EBITDA	3.56	2.14	2.78	3.74

Please refer to Chapter 4 for the definition of the above financial indicators. It should be noted that such financial indicators differ from the ones calculated in order to monitor the compliance with the financial covenants since the Loan Agreements and *Multicurrency Revolving Facility* agreements provide with specific calculation criteria of net financial indebtedness, net financial expense, EBITDA and Cash EBITDA.

The financial indicator values as of June 30, 2013 reflect the significant increase in net financial indebtedness in the first half of 2013 due to the cash payments of Euro 306,251 thousand to AENA and of the Distribution for Euro 220,000 thousand, partially offset by cash generated from operations during the first half of 2013. The improvement of the financial indicators reported above for the period 2010-2012 is the result of the reduction of the net financial indebtedness due to the high cash volume generated during this period by operations.

7.1.4 Cash flows

7.1.4.Cash flows for the six month ended on June 30, 2013 and 2012

The following table summarizes the WDF Group's cash flows for the six months ended on June 30, 2013 and 2012:

In thousands of Euro	**For the six months ended June 30,**	
	2013	**2012**
Net cash flows from / (used in) operating activities	(138,195)	115,041
Net cash flows from / (used in) investing activities	(34,840)	(12,631)
Net cash flows from / (used in) financing activities	184,814	(121,399)
Net increase / (decrease) in cash and cash equivalents	**11,779**	**(18,989)**
Opening net cash and cash equivalents	18,684	45,357
Effect of exchange rate fluctuation on net cash and cash equivalents	58	405
Closing net cash and cash equivalents	**30,521**	**26,773**

The main factors that have influenced the cash and cash equivalents flows during the six months ended June 30, 2013 and 2012 are discussed below.

<u>Net cash flows from/(used in) operating activities</u>

In thousands of Euro	**For the six months ended June 30,**	
	2013	**2012**
Pre-tax profit net of financial expenses and other non-cash items	110,263	113,726
Change in working capital	35,885	29,444
Net change in non-current non-financial assets and liabilities	(260,150)	807
Cash flows from / (used in) operating activities	**(114,002)**	**143,977**
Taxes paid	(15,926)	(16,554)
Interest paid	(8,267)	(12,382)
Net cash flows from / (used in) operating activities	**(138,195)**	**115,041**

Net cash flow from/(used in) operating activities decreased by Euro 253,236 thousand from Euro 115,041 thousand in the first half of 2012 to negative Euro 138,195 thousand in the first half of 2013. The change is related to the advance payment to AENA of a portion of concession fees for Euro 278,933 thousand, as part of the AENA Agreements (see Chapter 12, Paragraph 12.1.4).

Net cash flows from/(used in) investing activities

In thousands of Euro	For the six months ended June 30,	
	2013	**2012**
Acquisition of property, plant and equipment and intangible assets	(7,668)	(12,248)
Proceeds from sale of non-current assets	274	60
Net change in non-current financial assets	(27,446)	(443)
Net cash flows from / (used in) investing activities	**(34,840)**	**(12,631)**

Net cash from/(used in) investing activities amounted to Euro 34,840 thousand in the first half of 2013 and Euro 12,631 thousand in the first half of 2012.

In the first half of 2013 the item "Net change in non-current financial assets" includes the payment of Euro 27,318 thousand to AENA for the security deposit pursuant to the AENA Agreements.

Net cash flows from/(used in) financing activities

In thousands of Euro	For the six months ended June 30,	
	2013	**2012**
Opening of new non-current loans	961,141	-
Repayments of non-current loans	(551,350)	(129,746)
Repayments of current loans, net of new loans	(6,102)	4,861
Dividends paid	(220,080)	(1,282)
Incorporation of World Duty Free SpA	130	-
Other cash flows	1,075	4,768
Net cash flows from / (used in) financing activities	**184,814**	**(121,399)**

Net cash from/(used in) financing activities was Euro 184,814 thousand in the first half of 2013 and negative Euro 121,399 thousand in the first half of 2012.

During the first half of 2013, cash flows from/(used in) financing activities are mainly related to the following changes:

(i) use of the Loan for Euro 961,141 thousand;

(ii) net repayment of the Intercompany Loan to Autogrill for Euro 70,000 thousand, and the net repayment of the Multicurrency Revolving Facility for Euro 481,350 thousand;

(iii) distribution of dividends and reserves for total Euro 220,080 thousand, of which Euro 220,000 thousand to Autogrill and Euro 80 thousand to non-controlling interests.

During the first half of 2012, cash flows from/(used in) financing activities were mainly related to the net repayment of the Intercompany Loan to Autogrill for Euro 103,910 thousand and to the net repayment of the Multicurrency Revolving Facility for Euro 25,836 thousand.

7.1.4.2 Cash flows for the period ended on December 31, 2012, 2011 and 2010

The following table summarizes the WDF Group's cash flows for the year ended on December 31, 2012, 2011 and 2010:

In thousands of Euro	**For the year ended December 31,**		
	2012	**2011**	**2010**
Net cash flows from / (used in) operating activities	189,492	116,929	140,356
Net cash flows from / (used in) investing activities	(29,879)	(23,700)	(23,078)
Net cash flows from / (used in) financing activities	(186,555)	(108,210)	(418,327)
Net increase / (decrease) in cash and cash equivalents	**(26,942)**	**(14,981)**	**(301,049)**
Opening net cash and cash equivalents	45,357	55,663	96,867
Carve out (1)	-	4,004	258,534
Effect of exchange rate fluctuation on net cash and cash equivalents	269	671	1,311
Closing net cash and cash equivalents	**18,684**	**45,357**	**55,663**

(1) In 2011 and in 2010, the "carve out" item represents the cash movements of the activities of the Group that have not been included in the perimeter of the Combined Consolidated Financial Statements. For further details, please refer to Annexes 1 and 2 to the Document.

The main factors that have influenced movements in cash and cash equivalents for the period 2012-2010 presented above are described below.

<u>Net cash flows from operating activities</u>

In thousands of Euro	**For the year ended December 31,**		
	2012	**2011**	**2010**
Pre-tax profit net of financial expenses and other non-cash items	263,306	229,871	193,670
Change in working capital	(7,273)	(22,927)	32,421
Net change in non-current non-financial assets and liabilities	(5,722)	(15,982)	(16,138)
Cash flows from / (used in) operating activities	**250,311**	**190,962**	**209,953**
Taxes paid	(42,470)	(34,184)	(23,303)
Interest paid	(18,349)	(39,849)	(46,294)
Net cash flows from / (used in) operating activities	**189,492**	**116,929**	**140,356**

2012 vs 2011

Net cash flow from/(used in) operating activities increased by Euro 72,563 thousand from Euro 116,929 thousand in 2011 to Euro 189,492 thousand in 2012. The increase is related to:

(i) increase in pre-tax profit net of financial expenses and other non-cash items by Euro 33,435 thousand;

(ii) improvement in working capital management by Euro 15,654 thousand;

(iii) decrease in cash absorbed by net change in non-current non financial assets and liabilities by Euro 10,260 thousand;

(iv) decrease in interest paid by Euro 21,500 thousand;

partially offset by an increase in taxes paid by Euro 8,286 thousand.

For details related to the increase in pre-tax profit and net of financial expenses and other non-cash items please refer to Chapter 7, Paragraph 7.1.1.3.

The main reason behind the improvement in working capital relates to the trend of inventory. Notably, an increase in revenues in 2012 compared to 2011 did not bring a proportional increase in inventory value in 2012, which instead was consistent with the previous year as a consequence of the new optimization process of the stock management started at the end of 2011, which led to a significant reduction in net cash absorbed by working capital.

Net change in other non-current non-financial liabilities mainly relates to movements in the United Kingdom pension plan.

Taxes paid in 2012 increased in connection with higher tax charges due to the increase in higher taxable income and to the change in the regulation related to the income tax advances in Spain.

Interest paid decreased in 2012 compared to 2011 in connection with the significant reduction in net financial indebtedness and the reduction in the market interest rate. For further details, please refer to Chapter 7, Paragraph 7.1.3 and Chapter 7, Paragraph 7.1.1.3.

2011 vs 2010

Net cash flow from/(used in) operating activities decreased by Euro 23,427 thousand from Euro 140,356 thousand in 2010 to Euro 116,929 thousand in 2011. The decrease is related to:

(i) increase in cash absorbed by change in working capital by Euro 55,348 thousand;

(ii) increase in cash absorbed by net taxes paid by Euro 10,881 thousand;

partially offset by the increase in pre-tax profit net of financial expenses and other non-cash items by Euro 36,201 thousand and by the decrease in interest paid by Euro 6,445 thousand.

For further details regarding the increase in pre-tax profit and net of financial expenses and other non-cash items please refer to Chapter 7, Paragraph 7.1.1.3.

Changes in working capital generated cash for an amount of Euro 32,421 thousand in 2010 and absorbed cash for an amount of Euro 22,927 thousand in 2011. Such changes were primarily related to the reorganization process of the WDF Group structure, that was completed during the period analyzed.

Net change in other non-current non-financial liabilities mainly relates to movements in the U.K. pension plan for the payment of benefits to employees.

The increase in taxes paid in 2011 is due to a higher net result compared to prior year.

Interest paid decreased in 2011 compared to 2010 in connection with the significant reduction in net financial indebtedness. For further details, please refer to Chapter 7, Paragraph 7.1.3 and to Chapter 7, Paragraph 7.1.1.3.

Net cash flows used in investing activities

In thousands of Euro	For the year ended December 31,		
	2012	**2011**	**2010**
Acquisition of property, plant and equipment and intangible assets	(28,407)	(24,974)	(23,542)
Proceeds from sale of non-current assets	117	1,274	395
Net change in non-current financial assets	(1,589)	-	69
Net cash flows from / (used in) investing activities	**(29,879)**	**(23,700)**	**(23,078)**

2012 vs 2011

Net cash from/(used in) investing activities amounted to Euro 29,879 thousand in 2012 and Euro 23,700 thousand in 2011.

In 2012, the largest investments paid related to:

(i) the opening of new stores at airports in United Kingdom, Canada and Spain;

(ii) the new concessions awarded to the WDF Group at the airports of Montego Bay (Jamaica) and the new terminal at the airport of Amman (Jordan); and

(iii) the renewal carried out at the airport in Chile.

In 2011, the cash absorbed by the acquisition of property, plant and equipment and intangible assets mainly focused on the opening of new stores in the airport in Alicante, Naples, Heathrow (terminal 3, 4 e 5), Birmingham (terminal 2) and Manchester (terminal 1).

For additional information concerning investments in property, plant and equipment and intangible assets, please refer to Annex 2 to the Document.

2011 vs 2010

Net cash from/(used in) investing activities amounted to Euro 23,700 thousand in 2011 and Euro 23,078 thousand in 2010.

In 2010, the cash absorbed by the acquisition of property, plant and equipment and intangible assets mainly focused on the opening of new stores and refurbishing of existing stores at airports in Madrid, Barcelona, Girona, Balearic Islands, Almeria, Cadiz, Tarragona, Malaga, Canary Islands and in Heathrow (terminal 3, 4 e 5), Birmingham (terminal 2) and Manchester (terminal 1).

For details concerning cash from/(used in) investing activities in 2011, please refer to the previous paragraph.

For additional information concerning investments in property, plant and equipment and intangible assets, please refer to Annex 2 to the Document.

Net cash flows used in financing activities

In thousands of Euro	For the year ended December 31,		
	2012	**2011**	**2010**
Opening of new non-current loans	-	661,131	-
Repayments of non-current loans	(122,235)	(764,971)	(812,440)
Repayments of current loans, net of new loans	6,277	(2,966)	4,007
Dividends paid	(71,327)	(2,155)	(2,844)
Capital contribution	-	-	400,000
Other cash flows	730	751	(7,050)
Net cash flows from / (used in) financing activities	**(186,555)**	**(108,210)**	**(418,327)**

2012 vs 2011

Net cash from/(used in) financing activities was Euro 186,555 thousand in 2012 and Euro 108,210 thousand in 2011.

Net cash from/(used in) financing activities in 2012 is mainly related to:

(i) the repayment of Euro 186,553 thousand of Intercompany Loans granted by Autogrill;

(ii) the net repayment of the Multicurrency Revolving Facility 650 of Euro 5,682 thousand;

(iii) the distribution of dividends to the shareholders for Euro 71,327 thousand, of which Euro 70,000 thousand paid to Autogrill and Euro 1,327 thousand paid to non-controlling interests; and, partially offset by the use of the Intercompany Loan for Euro 70.000 thousand and by new short-term facilities obtained, net of repayments, for Euro 6,277 thousand.

Net cash from/(used in) financing activities in 2011 mainly related to:

(i) the total repayment of loans granted by Autogrill for Euro 764.971 thousand, in connection with the refinancing process described in the previous Paragraph 10.1;

(ii) the distribution of dividends to non-controlling interests for Euro 2,155 thousand;

(iii) the net repayments for an amount of Euro 2,966 thousand related to short term facilities;

partially offset by the use of the Intercompany Loan for Euro 191,249 thousand and by the use of the Multicurrency Revolving Facility signed on July 27, 2011 for Euro 469,882 thousand.

2011 vs 2010

Net cash from/(used in) financing activities was Euro 108,210 thousand in 2011 and Euro 418,327 thousand in 2010.

Net cash from/(used in) financing activities in 2010 is mainly related to:

(i) the partial net repayment of intercompany loans granted by Autogrill for Euro 690,440 thousand;

(ii) the total repayments of loans granted by financial institutions for Euro 122,000 thousand;

(iii) dividends paid to non-controlling interests for Euro 2,844 thousand;

partially offset by the payment received related to the capital contribution granted by Autogrill for Euro 400,000 thousand and by the use of short-term facilities for Euro 4,007 thousand.

For details concerning the 2011 cash from/(used in) financing activities, please refer to the previous paragraph.

7.1.5 Economic performance of the US Retail Division in the three-year period 2010-2012

The US Retail Division recorded a strong growth in the three-year period 2010-2012, with revenues of USD 194.2 million in 2010, USD 212.8 million in 2011 and USD 227.8 million in 2012, and with a compound annual growth rate of 8.3%.

It should be noted that in 2012 two new agreements included in the US Retail Division have been awarded, and started to generate revenues in 2013.

In terms of profitability, the operating margin before the allocation of central costs was substantially in line, from 12.1% of revenues in 2010, to 11.1% of revenues in 2011 and 11.4% of revenues in 2012.

Please note that the information reported in this Paragraph 7.1.5. derives from the management and accounting system of HMS, is not audited by the Auditing Company, and, with reference to the operating margin, it is calculated with a methodology only partially comparable with the methodology of calculation of other margin indicators included in the Document.

7.2 Pro-forma financial information

7.2.1 Foreword

This paragraph includes:

(i) the pro-forma consolidated statement of financial position as of June 30, 2013, the pro-forma consolidated income statement, pro-forma consolidated statement of comprehensive income and pro-forma consolidated statement of cash flows of the WDF Group for the six months ended June 30, 2013 and the accompanying notes (“Pro-forma Financial Information at June 30, 2013”).

(ii) the pro-forma consolidated statement of financial position as of December 31, 2012, the pro-forma consolidated income statement, pro-forma consolidated statement of comprehensive income and pro-forma consolidated statement of cash flows of the WDF Group for the year ended December 31, 2012 and the accompanying notes (“**Pro-forma Financial Information at December 31, 2012**”).

The Pro-forma Financial Information at June 30, 2013 and December 31, 2012 shall be hereinafter collectively referred to as the “**Pro-forma Financial Information**”.

The Pro-forma Financial Information was subject to an examination by the independent auditors KPMG S.p.A., that issued its relevant reports on September 18, 2013], regarding the reasonableness of the assumptions adopted, the appropriateness of the methodology applied, and the accuracy of the basis of preparation used. The abovementioned reports are set out in Chapter 7, Paragraph 7.2.6 and Paragraph 7.2.7.

The Pro-forma Financial Information was prepared for the purpose of its inclusion in the Document prepared pursuant to Article 57, Section 1, of the “Issuers Regulation”, in relation to the listing of WDF on the MTA.

The Pro-forma Financial Information was prepared for the purpose of representing the following operations:

(i) the Demerger;

(ii) payment of the advance on the concession fees to AENA;

(ii) payment of the dividend to Autogrill by WDFG SAU;
(iii) acquisition of the US Retail Division;
(iv) extinguishment of existing loans of the WDF Group and drawdown of the Loan.

The abovementioned transactions shall be collectively referred as the "**Transactions**". More detailed information about these transactions is provided in Paragraph 7.2.3 "Brief description of the Transactions."

The Pro-forma Financial Information was prepared for the purpose of simulating, using accounting policies consistent with historical data and compliant with the relevant regulations, the effects of the Transactions on the income statement, financial position and cash flows of the WDF Group, as follows:

(i) for the Pro-forma Financial Information at June 30, 2013, as if the Transactions took place on June 30, 2013 only regarding the effects on the statement of financial position (unless already executed in the first half of 2013) and on January 1, 2013 regarding the effects on the income statement and cash flows;
(ii) for the Pro-forma Financial Information at December 31, 2012, as if the Transactions took place on December 31, 2012 only regarding the effects on the statement of financial position and on January 1, 2012 regarding the effects on the income statement and cash flows.

However, it must be mentioned that had the Transactions actually occurred on their hypothetical dates, the results produced could have been different from those presented below.

Lastly, please note that the Pro-forma Financial Information does not intend in any way to provide a projection of future results of the WDF Group and, consequently, should not be used to that effect.

7.2.2 Underlying hypotheses, accounting policies and assumptions underlying the preparation of the Pro-forma Financial Information for 2012

Consistent with the method for the construction of pro-forma information, as stipulated by Consob Communication No. DEM/1052803 of July 5, 2001, the Pro-forma Financial Information was prepared on the basis of the following historical data:

(i) the historical data as of June 30, 2013, derived from the condensed interim consolidated financial statements of the Autogrill Group at the same date, prepared in accordance with IAS 34. These financial statements were approved by Autogrill's Board of Directors on July 31, 2013 and were subject to a review by the independent auditors KPMG S.p.A., which issued their report on August 6, 2013.
(ii) the historical data as of December 31, 2012, derived from the consolidated financial statements of the Autogrill Group at the same date, prepared in accordance with the IFRSs. These financial statements were approved by Autogrill's Board of Directors on March 7, 2013 and were audited by the independent auditors KPMG S.p.A., which issued their report on March 20, 2013.

It should be noted that the income statement, statement of financial position and cash flows data of the US Retail Division, used for the preparation of the Pro-forma Financial Information, have been derived from the consolidated financial statements of Autogrill as of December 31, 2012 and June 30, 2013. In particular, these data have been processed on the basis of the accounting and management system of HMS. Structural costs and income taxes estimated in relation to the available information were added to the income statement data taken from the management system. The goodwill recognized in HMS and attributable to the US Retail Division, based on the percentage of revenues of the US Retail Division to total revenues of HMS's Group, was mainly added to the statement of financial position data taken from the management system.

Please note that, as mentioned above, the information contained in the Pro-forma Financial Information represents a simulation for illustration purposes of the potential effects of the Transactions. More specifically, as the pro-forma information was prepared to illustrate retroactively the effects of subsequently executed or proposed transactions, using generally accepted regulations and reasonable assumptions, there are limitations that are inherent to the nature of pro forma data. Moreover, given the different purposes for which pro-forma data are used compared with those of historical financial statements and the different methods of calculation applied to determine the effects of the Transactions on the pro-forma consolidated statement of financial position, pro-forma consolidated income statement, pro-forma consolidated statement of comprehensive income and the pro-forma consolidated statement of cash flows, these four statements should be read and interpreted without comparison between them.

Unless otherwise stated, the accounting policies adopted to prepare the Pro-forma Financial Information at June 30, 2013 and December 31, 2012 are the same as those used, respectively:

(i) to prepare the condensed interim consolidated financial statements as of June 30, 2013 of the Autogrill Group and the Condensed Interim Combined Financial Statements of WDF Group reproduced in Annex 1 to the Document;

(ii) to prepare the consolidated financial statements at December 31, 2012 of the Autogrill Group and the Combined Financial Statements of WDF Group reproduced in Annex 2 to the Document.

The accounting policies used to prepare the condensed interim consolidated financial statements as of June 30, 2013 and the consolidated financial statements as of December 31, 2012 of the Autogrill Group are reported in the notes to the abovementioned financial statements, which are available to the public on Autogrill's website (www.autogrill.com) and should be consulted for additional information.

Please note that all data provided in this Document are denominated in thousands of Euro, unless otherwise stated.

7.2.3 Brief description of the Transactions

Demerger of the Autogrill Group

On June 6, 2013, Autogrill's Extraordinary Shareholders' Meeting and WDF's Extraordinary Shareholders' Meeting approved Autogrill's partial and proportional demerger, to the benefit of WDF, carried out through the assignment by Autogrill to WDF of its entire interest in WDFG SAU. Please note that WDF was established on March 27, 2013 for the purpose of implementing the Demerger.

Payment of the advance to AENA

Following the awarding in December 2012 of the tenders for the duty free and duty paid concessions for the management until 2020 of retail activities in 26 airports of Spain and Canary Islands, on February 14, 2013, WDFG España and Canariensis, subsidiaries of WDFG SAU, and AENA signed the AENA Agreements. On February 14, 2013, in implementation of the abovementioned contracts, AENA received: (i) the sum of Euro 278,933 thousand (plus VAT amounting to Euro 58,576 thousand) as an advance payment of a portion of the concession fees payable over the duration of the contracts; and (ii) Euro 27,318 thousand as a security deposit. The advance will be gradually recovered by means of deductions from the concession fees payable over the duration of the AENA Agreements. It is worth mentioning that the VAT credit of Euro 58,576 thousand was factored without recourse to a top credit institution.

Payment of the Distribution to Autogrill

On April 30, 2013, WDFG SAU's Shareholders' Meeting approved the execution of the Distribution, based on which WDFG SAU paid Autogrill (its sole shareholder) an amount of Euro 220,000 thousand on June 5, 2013.

Acquisition of the US Retail Division

On 30 July 2013, WDFG US and WDFG SAU (together the "**Buyers**") entered into a purchase agreement ("**Purchase Agreement**") with HMS and its subsidiary Host International Inc. (together the "**Sellers**"), governing the transfer by the Sellers to WDFG US of the US Retail Division.

The consideration for the transfer of the US Retail Division was agreed to be USD 120 million (the "Price") and represent the Price for the transfer of all the contracts which are currently included in the US Retail Division. A price adjustment mechanisms has been stipulated in the event that one or more contracts cannot be transferred or if the consent of the relevant licensors cannot be obtained and based on the amount of the net working capital that will be actually transferred on the acquisition date (if different from zero).

The transfer of the contracts of the US Retail Division for which the consent of the relevant licensors was executed on September 6, 2013. Another closing will be held subsequently for any remaining contracts for which consent was received after that date.

On the date of closing (and at any subsequent closing), the Buyers withheld an amount equal to 5% of the Price to be paid at each date, which will be paid subsequently and may be offset against any amounts the Sellers may owe to the Buyers as compensation pursuant to the Purchase Agreement (see Chapter 12, Paragraph 12.3.1).

Extinguishment of existing loans of the WDF Group and drawdown of the Loan

On May 30, 2013, WDFG and some of its subsidiaries signed the Loan Agreement for the provision of new medium to long-term credit lines for up to Euro 1,250,000 thousand in principal amount.

As of June 5, 2013, the new credit lines were utilized as follows:

(i) to repay in full the Multicurrency Revolving Facility;

(ii) to repay in full the medium-term Bilateral Revolving Credit Facility provided by BBVA in 2013;

(iii) to repay in full the Intercompany Loan provided by Autogrill;

(iv) to pay in cash the Distribution to Autogrill, for an amount of Euro 220,000 thousand.

7.2.4 Pro-forma consolidated statement of financial position as of June 30, 2013, pro¬forma consolidated income statement, pro-forma consolidated statement of comprehensive income and pro-forma statement of cash flows of the WDF Group for the six-months ended June 30, 2013.

The tables that follow present the pro-forma adjustments, classified by type, made in order to show the significant effects of the Transactions.

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2013

In thousands of Euro	**Consolidated statement of financial position of Autogrill Group as of June 30, 2013**	**Assets and liabilities remaining with Autogrill Post-Demerger Group**	**Combined statement of financial position of WDF Group as of June 30, 2013**	**Costs of the Demerger**	**Acquisition of the US Retail Division**	**Pro-forma consolidated statement of financial position of WDF Group as of June 30, 2013**
ASSETS	**A**	**B**	**A+B**	**C**	**D**	**E=A+B+C+D**
CURRENT ASSETS	**552,989**	**(279,690)**	**273,299**	**-**	**31,041**	**304,340**
Cash and cash equivalents	168,562	(138,041)	30,521	-	229	30,750
Other financial assets	27,168	(25,612)	1,556	-	2,732	4,288
Tax assets	3,056	4,072	7,128	-	-	7,128
Other receivables	193,191	(129,624)	63,567	-	9,940	73,507
Trade receivables	47,922	(19,327)	28,595	-	96	28,691
Inventories	113,090	28,842	141,932	-	18,044	159,976
NON-CURRENT ASSETS	**1,787,925**	**(201,962)**	**1,585,963**	**-**	**70,795**	**1,656,758**
Property, plant and equipment	845,960	(764,965)	80,995	-	31,804	112,799
Goodwill	797,321	(212,662)	584,659	-	38,456	623,115
Other intangible assets	63,672	512,212	575,884	-	153	576,037
Investments	3,519	4,944	8,463	-	-	8,463
Other financial assets	14,244	17,345	31,589	-	76	31,665
Deferred tax assets	51,113	(21,795)	29,318	-	-	29,318
Other receivables	12,096	262,959	275,055	-	306	275,361
Defined benefit plan	0	-	-	-	-	-
Assets held for demerger	**1,858,763**	**(1,858,763)**	**-**	**-**	**-**	
TOTAL ASSETS	**4,199,677**	**(2,340,415)**	**1,859,262**	**-**	**101,836**	**1,961,098**
LIABILITIES AND EQUITY						
LIABILITIES	**3,392,424**	**(1,936,258)**	**1,456,166**	**3,087**	**105,508**	**1,564,761**
Current liabilities	**797,855**	**(411,167)**	**386,688**	**3,087**	**14,500**	**404,275**
Trade payables	425,020	(148,670)	276,350	4,500	11,791	292,641
Tax liabilities	8,693	10,801	19,494	(1,413)	(120)	17,961
Other payables	252,940	(181,770)	71,170	-	2,829	73,999
Due to banks	80,108	(78,892)	1,216	-	-	1,216
Other financial liabilities	18,708	(11,965)	6,743	-	-	6,743
Bonds	-	-	-	-	-	-
Provisions for risks and charges	12,386	(671)	11,715	-	-	11,715
Non-current liabilities	**1,138,771**	**(69,293)**	**1,069,478**	**-**	**91,008**	**1,160,486**
Other payables	29,361	(26,458)	2,903	-	613	3,516
Loans, net of current portion	527,282	432,614	959,896	-	90,395	1,050,291
Bonds	389,052	(389,052)	-	-	-	-
Deferred tax liabilities	58,191	23,083	81,274	-	-	81,274
Defined benefit plan	97,478	(78,729)	18,749	-	-	18,749
Provisions for risks and charges	37,407	(30,751)	6,656	-	-	6,656
Liabilities held for demerger	**1,455,798**	**(1,455,798)**	**-**	**-**	**-**	**-**
EQUITY	**807,253**	**(404,157)**	**403,096**	**(3,087)**	**(3,672)**	**396,337**
attributable to owners of the parent	776,084	(376,600)	399,484	(3,087)	(7,495)	388,902
attributable to non-controlling interests	31,169	(27,557)	3,612	-	3,823	7,435
TOTAL LIABILITIES AND EQUITY	**4,199,677**	**(2,340,415)**	**1,859,262**	**-**	**101,836**	**1,961,098**

PRO-FORMA CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2013

In thousands of Euro	Consolidated income statement of Autogrill Group for the six months ended June 30, 2013	Costs and revenues remaining with Autogrill Post-Demerger Group	Combined income statement of WDF Group for the six months ended June 30, 2013	Elimination of intercompany transactions (excluding financial charges)	Acquisition of the US Retail Division	Existing loan extinguishment and Loan Drawdown	Other minor effects	Pro-forma consolidated income statement of WDF Group for the six months ended June 30, 2013
	F	G	F+G	H	I	L	M	N=F+G+H+I+L+M
Revenue	2,110,391	(1,187,517)	922,874	(24)	85,040	-	-	1,007,890
Other operating income	51,781	(39,916)	11,865	(296)	-	-	-	11,569
Total revenue and other operating income	**2,162,172**	**(1,227,433)**	**934,739**	**(320)**	**85,040**	**-**	**-**	**1,019,459**
Raw materials, supplies and goods	881,323	(506,723)	374,600	-	32,737	-	-	407,337
Personnel expense	628,327	(528,647)	99,680	572	20,023	-	-	120,275
Leases, rentals, concessions and royalties	316,706	(24,694)	292,012	-	17,967	-	-	309,979
Other operating expense	233,037	(174,399)	58,638	(240)	13,517	-	-	71,915
Depreciation and amortization	98,701	(54,512)	44,189	-	3,959	-	-	48,148
Impairment losses on property, plant and equipment and intangible assets	154	(152)	2	-	-	-	-	2
Operating profit	**3,924**	**61,694**	**65,618**	**(652)**	**(3,163)**	**-**	**-**	**61,803**
Financial income	683	4,019	4,702	-	-	-	-	4,702
Financial expense	(26,522)	8,254	(18,268)	-	-	(8,456)	983	(25,741)
Impairment and revaluation of financial assets	(528)	304	(224)	-	-	-	-	(224)
Pre-tax profit	**(22,443)**	**74,271**	**51,828**	**(652)**	**(3,163)**	**(8,456)**	**983**	**40,540**
Income tax	(10,179)	906	(9,273)	178	1,536	2,537	(295)	(5,317)
Profit for the period - from continuing operations	**(32,622)**	**75,177**	**42,555**	**(474)**	**(1,627)**	**(5,919)**	**688**	**35,223**
Profit for the period - from operations related to the demerger (net of fiscal effects)	42,555	(42,555)	-	-	-	-	-	-
Profit for the period	**9,933**	**32,622**	**42,555**	**(474)**	**(1,627)**	**(5,919)**	**688**	**35,223**
Profit for the period attributable to:						-		
- owners of the parent	4,262	37,165	41,427	(474)	(2,541)	(5,919)	688	33,181
- non-controlling interests	5,671	(4,543)	1,128	-	914	-	-	2,042
Earnings per share (in Euro cents)								
- basic	1.7		16.3					13.0
- diluted	1.7		16.3					13.0
Earnings per share from continuing operations (in Euro cents)								
- basic	(14.7)		16.3					13.0
- diluted	(14.7)		16.3					13.0

PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2013

In thousands of Euro	Consolidated statement of comprehensive income of Autogrill Group for the six months ended June 30, 2013	Costs and revenues remaining with Autogrill post-demerger Group	Combined statement of comprehensive income of WDF Group for the six months ended June 30, 2013	Elimination of intercompany transactions (excluding financial charges)	Acquisition of the US Retail Division	Existing loan extinguishment and Loan Drawdown	Other minor effects	Pro-forma consolidated statement of comprehensive income of WDF Group for the six months ended June 30, 2013
	F	G	F+G	H	I	L	M	N=F+G+H+I+L+M
Profit for the period	**9,933**	**32,622**	**42,555**	**(474)**	**(1,627)**	**(5,919)**	**688**	**35,223**
Items that will not be subsequently reclassified to profit or loss	**(6,499)**	**-**	**(6,499)**	**-**	**-**	**-**	**-**	**(6,499)**
Remeasurement of the defined liability (asset)	(8,296)	-	(8,296)	-	-	-	-	(8,296)
Tax on items that will never be reclassified to profit or loss	1,797	-	1,797	-	-	-	-	1,797
Items that will be reclassified subsequently to profit or loss	**(9,340)**	**(1,890)**	**(11,230)**	**-**	**-**	**-**	**-**	**(11,230)**
Effective portion of fair value change in cash flow hedges	3,835	(1,274)	2,561	-	-	-	-	2,561
Net change in fair value of cash flow hedges reclassified to profit or loss	4,513	(4,513)	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	(25,975)	3,082	(22,893)	-	-	-	-	(22,893)
Gains (losses) on net investment hedge	15,172	(1,072)	14,100	-	-	-	-	14,100
Tax on items that will be reclassified subsequently to profit or loss	(6,885)	1,887	(4,998)	-	(4,998)			
Total comprehensive income for the period	**(5,906)**	**30,732**	**24,826**	**(474)**	**(1,627)**	**(5,919)**	**688**	**17,494**
- attributable to owners of the parent	(11,832)	35,623	23,791	(474)	(2,541)	(5,919)	688	15,545
- attributable to non-controlling interests	5,926	(4,891)	1,035	-	914	-	-	1,949

PRO-FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2013

In thousands of Euro	Consolidated statement of cash flows of Autogrill Group for the six months ended June 30, 2013	Cash flows remaining with Autogrill Post- Demerger Group	Combined statement of cash flows of WDF Group for the six months ended June 30, 2013	Elimination of intercompany transactions (excluding financial charges)	Elimination of advance payment to AENA	Acquisition of the US Retail Division	Existing loan extinguishment and Loan Drawdown	Pro-forma consolidated statement of cash flows of WDFGroup for the six months ended June 30, 2013
	O	P	O+P	Q	R	S	T	U=O+P+Q+ R+S+T
Opening net cash and cash equivalents	**96,770**	**(78,086)**	**18,684**			**152**	**-**	**18,836**
Pre-tax profit and net financial expense for the period	3,396	61,998	65,394	-	-	(3,163)	-	62,231
Amortization, depreciation and impairment losses on non-current assets, net of	98,854	(54,663)	44,191	-	-	3,959	-	48,150
Adjustments and (gains)/losses on disposal of financial assets	528	(304)	224	-	-	-	-	224
(Gains)/losses on disposal of non-current assets	(986)	1,440	454	-	-	-	-	454
Change in working capital	(66,579)	102,464	35,885	1,290	0	305	-	37,480
Net change in non-current non-financial assets and liabilities	(3,845)	(256,305)	(260,150)	-	278,933	-	-	18,783
Cash flows from / (used in) operating activities	**31,368**	**(145,370)**	**(114,002)**	**1,290**	**278,933**	**1,101**	**-**	**167,322**
Taxes paid	8,568	(24,494)	(15,926)	-	-	1,231	2,537	(12,158)
Net interest paid	(19,218)	10,951	(8,267)	733	-	-	(8,456)	(15,990)
Net cash flows from / (used in) operating activities	**20,718**	**(158,913)**	**(138,195)**	**2,023**	**278,933**	**2,332**	**(5,919)**	**139,174**
Acquisition of property, plant and equipment and intangible assets	(102,013)	94,345	(7,668)	-	-	(3,883)	-	(11,551)
Proceeds from sale of non-current assets	1,491	(1,217)	274	-	-	-	-	274
Acquisition of consolidation investments	(16,115)	16,115	-	-	-	-	-	-
Net change in non-current financial assets	228	(27,674)	(27,446)	-	27,318	-	-	(128)
Net cash flows from / (used in) investing activities	**(116,409)**	**81,569**	**(34,840)**	**-**	**27,318**	**(3,883)**	**-**	**(11,405)**
Bonds issuance	265,827	(265,827)	-	-	-	-	-	-
Repayments of bonds	(203,444)	203,444	-	-	-	-	-	-
Opening of new non-current loans	181,179	779,962	961,141	-	-	-	-	961,141
Repayments of non-current loans	(410,726)	(70,624)	(481,350)	-	-	-	-	(481,350)
Repayments of non-current loans related to the merger	70,000	(140,000)	(70,000)	70,000	-	-	-	-
Repayments of current loans, net of new loans	39,609	(45,711)	(6,102)	-	-	-	-	(6,102)
Dividends received/(paid) from assets related to the demerger	220,000	(440,000)	(220,000)	220,000	-	-	-	-
Dividends paid	-	(80)	(80)	-	-	(381)	-	(461)
Incorporation of World Duty Free SpA	-	130	130	-	-	-	-	130
Other cash flows	(7,154)	8,229	1,075	-	-	-	-	1,075
Net cash flows from / (used in) financing activities	**155,291**	**29,523**	**184,814**	**290,000**	**-**	**(381)**	**-**	**474,433**
Net cash flows related to continuing operations	**59,600**	**(47,821)**	**11,779**	**292,023**	**306,251**	**(1,932)**	**(5,919)**	**602,202**
Net cash flow from / (used in) operating activities related to the demerger	(136,905)	136,905	-	-	-	-	-	-
Net cash flow from / (used in) investing activities related to the demerger	(34,840)	34,840	-	-	-	-	-	-
Net cash flow from / (used in) financing activities related to the demerger	185,574	(185,574)	-	-	-	-	-	-
Net cash flow from / (used in) operations related to the demerger	**13,829**	**(13,829)**	**-**	**-**	**-**	**-**	**-**	**-**
Effect of exchange rate fluctuation on net cash and cash equivalents	58	0	58	-	-	1	-	59
Closing net cash and cash equivalents	**170,257**	**(139,736)**	**30,521**	**292,023**	**306,251**	**(1,779)**	**(5,919)**	**621,097**

NOTES TO THE PRO-FORMA FINANCIAL INFORMATION AT JUNE 30, 2013

The pro-forma adjustments made to prepare the Pro-forma Financial Information at June 30, 2013 are described below.

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2013

Column A – Consolidated statement of financial position of Autogrill Group as of June 30, 2013

The data in this column show the consolidated financial position of the Autogrill Group as of June 30, 2013, derived from the condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2013. Please note that, for the condensed interim consolidated financial statements of the Autogrill Group at June 30, 2013, the Group meets the requirements for recognizing and measuring its Travel Retail & Duty Free business in accordance with IFRS 5. Consequently, the statement of financial position balances for the abovementioned business were reclassified into two separate line items in Autogrill's statement of financial position as "assets/liabilities held for demerger."

Column B – Assets and liabilities remaining with Autogrill Post-Demerger Group

This column reflects the elimination of the contribution to the consolidated statement of financial position of the Autogrill Group as of June 30, 2013 by the consolidated assets and liabilities that the Autogrill Group will continue to hold after the Demerger. As mentioned above, in the condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2013, the accounting entries for the Travel Retail & Duty Free business are presented in accordance with IFRS 5 and, consequently, this column also shows the effects of the restatement of the abovementioned entries.

Column B also includes the reopening in the statement of financial position of intercompany positions outstanding as of June 30, 2013 between the WDF Group and the Autogrill Post-Demerger Group, as well as the recognition of the incorporation of WDF on March 27, 2013.

Column A+B – Combined statement of financial position of WDF Group as of June 30, 2013

The sum of Column A and Column B represents the combined position of the WDF Group (see Annex 1 to the Document) before pro-forma adjustments.

Column C – Costs of the Demerger

This column shows an estimate of the costs that WDF will incur in connection with the Demerger for various types of consulting services, including advisory, legal and tax services, estimated at a total of Euro 4,500 thousand. It also reflects the corresponding tax effect of Euro 1,413 thousand.

Column D – Acquisition of the US Retail Division

This column shows the effects of the acquisition of the US Retail Division by the WDF Group, determined as shown in the schedule that follows:

In thousands of Euro	Assets and liabilities attributed to the US Retail Division	Consideration for the acquisition of the US Retail Division	Costs related to the acquisition of the US Retail Division	Acquisition of the US Retail Division
	D1	**D2**	**D3**	**D=D1+D2+ D3**
ASSETS				
CURRENT ASSETS	**31,041**	**-**	**-**	**31,041**
Cash and cash equivalents	229	-	-	229
Other financial assets	2,732	-	-	2,732
Other receivables	9,940	-	-	9,940
Trade receivables	96	-	-	96
Inventories	18,044	-	-	18,044
NON-CURRENT ASSETS	**70,795**	**-**	**-**	**70,795**
Property, plant and equipment	31,804	-	-	31,804
Goodwill	38,456	-	-	38,456
Other intangible assets	153	-	-	153
Other financial assets	76	-	-	76
Other receivables	306	-	-	306
TOTAL ASSETS	**101,836**	**-**	**-**	**101,836**
LIABILITIES AND EQUITY				
LIABILITIES	**14,833**	**90,395**	**280**	**105,508**
Current liabilities	**14,220**	**-**	**280**	**14,500**
Trade payables	11,391	-	400	11,791
Tax liabilities	-	-	(120)	(120)
Other payables	2,829	-	-	2,829
Non-current liabilities	**613**	**90,395**	**-**	**91,008**
Other payables	613	-	-	613
Loans, net of current portion	-	90,395	-	90,395
Liabilities held for demerger	**-**	**-**	**-**	**-**
EQUITY	**87,003**	**(90,395)**	**(280)**	**(3,672)**
attributable to owners of the parent	83,180	(90,395)	(280)	(7,495)
attributable to non-controlling interests	3,823	-	-	3,823
TOTAL LIABILITIES AND EQUITY	**101,836**	**-**	**-**	**101,836**

D1 – This column includes the assets and liabilities of the US Retail Division as of June 30, 2013 that will be acquired by the WDF Group; the relevant amounts were derived from Autogrill's condensed interim consolidated financial statements as of June 30, 2013.

Please note that the abovementioned amounts reflect the full scope of the portfolio of contracts currently included in the US Retail Division. This scope could change depending on the outcome of the negotiations currently ongoing with the contractual counterparts, should any of the contractual counterparts fail to agree to transfer the corresponding contracts.

D2 – This column reflects the payment of the consideration by the WDF Group for the acquisition of the US Retail Division. For the purposes of this pro-forma exercise, the price was estimated at USD 120 million, based on the assumption that the division's entire scope of business will be transferred. If it should become impossible to transfer all of the contracts that constitute the US Retail Division, the Price will be adjusted accordingly. The price was converted at the most recent exchange rate at the date of preparation of the Pro-Forma Financial Information (July 31, 2013) and thus amounts to Euro 90,395 thousand. Please note that for the purposes of the pro-forma exercise the portion of the Price withheld by the buyer (equal to 5% of the Price, as stated in Paragraph 7.2.3) was deemed to have been paid in full.

It is worth mentioning that because the acquisition of the US Retail Division qualifies as a transaction between entities under common control, it was accounted for at carrying amount, therefore without generating any gain, in accordance with the relevant accounting policies and with the OPI 1 Guidelines (preliminary Assirevi guideline for IFRSs) for the "accounting treatment of business combinations of entities under common control in the separate and consolidated financial statements." In accordance with these guidelines, in the case of business combinations in which the acquired company (i.e., the US Retail Division) is controlled by the same entity both before and after the acquisition (i.e., by Schematrentaquattro S.r.l.), the net assets transferred must be recognized at the carrying amount at which they were recorded in the financial statements before the transaction. If the transfer amounts are higher than these historical values, any excess is recognized as a reduction of the buyer's equity. For this reason, in the pro-forma exercise, the difference of Euro 7,215 thousand between the purchase price (Euro 90,395 thousand) and the carrying amount of the acquired net assets and liabilities (Euro 83,180 thousand) was recognized as a deduction from equity.

D3 – This column reflects an estimate of the costs related to the acquisition of the US Retail Division that the WDF Group expects to incur, amounting to Euro 400 thousand, and the related tax effect of Euro 120 thousand.

PRO-FORMA CONSOLIDATED INCOME STATEMENT AND PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2013

Column F – Consolidated income statement and consolidated statement of comprehensive income of Autogrill Group for the six months ended June 30, 2013

This column includes the consolidated income statement and consolidated statement of comprehensive income of the Autogrill Group for the six months ended June 30, 2013, derived from Autogrill's condensed interim consolidated financial statements as of June 30, 2013. As mentioned above in the comments to the statement of financial position, the accounting entries for the Travel Retail & Duty Free business are shown in accordance with IFRS 5 in those financial statements.

Column G – Costs and revenues remaining with Autogrill Post-Demerger Group

This column reflects the elimination of the contribution to the consolidated income statement and the consolidated statement of comprehensive income of the Autogrill Group for the six months ended June 30, 2013 by the consolidated costs and revenues that will continue to be attributable to the Autogrill Group after the Demerger.

Column G includes the effect of the restatement of the balances attributable to the Travel Retail & Duty Free business, presented in Autogrill's income statement in accordance with IFRS 5.

Lastly, this column includes the reopening in the income statement of the intercompany figures in the first half of 2013 between the WDF Group and the Autogrill Post-Demerger Group, and the elimination of financial expense related to derivative financial instruments which are not allocated to the T&R division and the F&B division and whose effect in the income statement ended in the first half of 2013.

Column F+G – Combined income statement and combined statement of comprehensive income of WDF Group for the six months ended June 30, 2013

The sum of Column F and Column G represents the combined position of the WDF Group (see Annex 1 to the Document) before pro-forma adjustments.

Column H – Elimination of intercompany transactions (excluding financial charges)

This column shows the effects of the elimination of costs and revenues for the six months ended June 30, 2013 resulting from transactions executed between the WDF Group and the Autogrill Post-Demerger Group, under the assumption that, because of the Demerger, these transactions will end. The financial charges resulting from the Intercompany Loan was not included in these eliminations because it is eliminated in Column L.

Column I – Acquisition of the US Retail Division

In the first half of 2013, pro forma revenue of the US Retail Division amounts to Euro 85,040 thousand and represents 8.4% of total pro forma revenue of WDF Group for the same period (Euro 1,007,890 thousand), while pro forma EBITDA amounts to Euro 796 thousand

and represents 0.7% of total pro forma EBITDA of the WDF Group for the same period (Euro 109,953 thousand).

This column shows the effects of the acquisition of the US Retail Division, determined as shown in the schedule that follows. The statement of comprehensive income is not provided below because there was no impact on that statement:

In thousands of Euro	**Costs and revenues attributed to the US Retail Division**	**Services provided by HMSHost**	**Acquisition of the US Retail Division**
	I1	**I2**	**I=I1+I2**
Revenue	85,040	-	85,040
Other operating income	-	-	-
Total revenue and other operating income	**85,040**	**-**	**85,040**
Raw materials, supplies and goods	32,737	-	32,737
Personnel expense	20,023	-	20,023
Leases, rentals, concessions and royalties	17,967	-	17,967
Other operating expense	10,278	3,239	13,517
Depreciation and amortization	3,959	-	3,959
Impairment losses on property, plant and equipment and intangible assets	-	-	-
Operating profit	**76**	**(3,239)**	**(3,163)**
Financial income	-	-	-
Financial expense	-	-	-
Impairment and revaluation of financial assets	-	-	-
Pre-tax profit	**76**	**(3,239)**	**(3,163)**
Income tax	305	1,231	1,536
Profit for the period - from continuing operations	**381**	**(2,008)**	**(1,627)**
Profit for the period - from operations related to the demerger (net of fiscal effects)	-	-	-
Profit for the period	**381**	**(2,008)**	**(1,627)**
Profit for the period attributable to:			
- owners of the parent	(533)	(2,008)	(2,541)
- non-controlling interests	914	-	914

I1 – This column includes the costs and revenues attributable to the US Retail Division for the six months ended June 30, 2013, derived from the condensed interim consolidated financial statements of the Autogrill Group at the same date. As explained in Note D, these amounts represent the full scope of the portfolio of contracts currently included in the US Retail Division. This scope could change depending on the outcome of the negotiations currently ongoing with the various contractual counterparts, should any of the contractual counterparts fail to agree to transfer the corresponding contracts.

I2 – This column reflects the recognition of the estimated cost of the services (amounting to approximately USD 4,300 thousand, equal to Euro 3,239 thousand) that HMS is expected to provide to the WDF Group, mainly concerning the operations of the administration and finance, corporate counsel and information systems departments for the activities of the US Retail Division. This column also shows the corresponding tax effect amounting to Euro 1,231 thousand.

Column L – Existing loan extinguishment and Loan drawdown

This column shows the effects on the financial expense of the WDF Group deriving from the extinguishment of existing loans and the drawdown of the Loan signed on May 30, 2013. The financial expense recognized in the pro-forma represents the financial expense that the WDF Group would have incurred in the first half of 2013 had the Loan Agreement been executed on January 1, 2013 and if the payments of the advance of the concession fees to AENA, of the dividends and of the acquisition price of the US Retail Division had been disbursed on January 1, 2013. The financial expense for the current pro-forma exercise reflects: (i) the replacement of the preexisting debt with debt at different contractual terms; and (ii) the increase in debt resulting from the abovementioned transactions.

The method applied to compute the pro-forma adjustments is described below:

The estimate of the financial expense for the Loan was determined:

(i) using the Libor and Euribor rates at the most recent date available at the date of preparation of this document (July 31, 2013);

(ii) considering the entry spread for the new credit lines, computed consistently with the contractual terms for the May 2013 to April 2014 period.

In thousands of Euro	**Tranche 1 Term Loan 400€**	**Tranche 2 Term Loan 125**	**€ Tranche 3 Revolving Credit Facility 375€**	**Tranche 4 Revolving Credit Facility 350€**	**Total**
Estimate of the Loan utilization, based on average indebtedness during the first half of 2013 and on the new loan balance	400,000	125,000	375,000	279,747	1,179,747
Financial expense	(7,756)	(2,713)	(6,505)	(4,028)	(21,002)
Ancillary charges					(3,824)
Total financial expense Loan					**(24,826)**
Financial expense actually accrued during the first half of 2013					16,370
Pro-forma adjustment to "financial expense"					**(8,456)**

The corresponding tax effect was also recognized.

Column M – Other minor effects

This column represents the elimination from the income statement of a non-recurring charge, specifically attributable to the Transactions, for the factoring without recourse of the VAT credit related to the advances of the concession fees paid to AENA. For additional information please see Chapter 7, Paragraph 7.2.3.

PRO-FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2013

Column O – Consolidated statement of cash flows of Autogrill Group for the six months ended June 30, 2013

The data in this column show the consolidated statement of cash flows of the Autogrill Group for the six months ended June 30, 2013, derived from the condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2013. As mentioned above in the comments to the statement of financial position, in those financial statements the accounting entries for the Travel Retail & Duty Free business are shown in accordance with IFRS 5.

Column P – Cash flows remaining with Autogrill Post-Demerger Group

This column reflects the elimination of the contribution to the statement of cash flows of the Autogrill Group for the six months ended June 30, 2013 of the consolidated cash flows that the Autogrill Group will continue to hold after the Demerger. As mentioned above, in the condensed interim consolidated financial statements of the Autogrill Group as of June 30, 2013, the accounting entries for the Travel Retail & Duty Free business are presented in accordance with IFRS 5 and, consequently, this column also shows the effects of the restatement of the abovementioned entries.

Column P also includes the reopening in the consolidated statement of cash flows of intercompany positions outstanding as of June 30, 2013 between the WDF Group and the Autogrill Post-Demerger Group, as well as the recognition of the incorporation of WDF on March 27, 2013.

Column O+P – Combined statement of cash flows of WDF Group for the six months ended June 30, 2013

The sum of Column O and Column P represents the combined statement of cash flows of the WDF Group (see Annex 1 to the Document) before pro-forma adjustments.

Column Q – Elimination of intercompany transactions (excluding financial charges)

This column shows the effects of the elimination of cash flows for the six months ended June 30, 2013 resulting from transactions executed between the WDF Group and the Autogrill Post-Demerger Group, under the assumption that, because of the Demerger, these transactions will end. The financial charges resulting from the Intercompany Loan were not included in this elimination because they are eliminated in Column T.

Column R – Elimination of advance payment to AENA

This column shows the effects of the elimination of cash flows for the six months ended June 30, 2013 resulting from the payment of Euro 306,251 thousand made by the WDFG SAU Group to AENA as advances of a portion of future concession fees and as a security deposit (net of VAT). These cash flows have been eliminated as they are nonrecurring cash flows that are directly related to the Transactions.

Column S – Acquisition of the US Retail Division

This column shows the effects of the acquisition of the US Retail Division, determined as shown in the schedule that follows:

In thousands of Euro	Cash flows attributable to the US Retail Division	Services provided by HMSHost	Acquisition of the US Retail Division
	S1	**S2**	**S=S1+S2**
Opening net cash and cash equivalents	**152**	**-**	**152**
Pre-tax profit and net financial expense for the period	76	(3,239)	(3,163)
Amortization, depreciation and impairment losses on non-current assets, net of reversals	3,959	-	3,959
Change in working capital	305	-	305
Cash flows from / (used in) operating activities	**4,340**	**(3,239)**	**1,101**
Taxes paid	-	1,231	1,231
Net cash flows from / (used in) operating activities	**4,340**	**(2,008)**	**2,332**
Acquisition of property, plant and equipment and intangible assets	(3,883)	-	(3,883)
Net cash flows from / (used in) investing activities	**(3,883)**	**-**	**(3,883)**
Dividends paid	(381)	-	(381)
Net cash flows from / (used in) financing activities	**(381)**	**-**	**(381)**
Net cash flows related to continuing operation	76	(2,008)	(1,932)
Effect of exchange rate fluctuation on net cash and cash equivalents	1	-	1
Closing net cash and cash equivalents	**229**	**(2,008)**	**(1,779)**

S1 – This column includes the cash flows attributable to the US Retail Division for the six months ended June 30, 2013, derived from the condensed interim consolidated financial statements of the Autogrill Group at the same date. As explained in Note D, these amounts represent the full scope of the portfolio of contracts currently included in the US Retail Division. This scope could change depending on the outcome of the negotiations currently ongoing with the various contractual counterparts, should any of the contractual counterparts fail to agree to transfer the corresponding contracts.

S2 – This column reflects the cash flows of the estimated cost of the services (amounting to approximately USD 4,300 thousand, equal to Euro 3,239 thousand) that HMS is expected to provide to the WDF Group. This column also shows the corresponding payment of estimated taxes amounting to Euro 1,231 thousand.

Column T – Existing loan extinguishment and Loan Drawdown

The cash flows recognized in this column represent the higher financial charges that the WDF Group would have incurred in the first half of 2013 if the Loan Agreement had been disbursed on January 1, 2013 and if the payments of the advance of the concession fees to AENA, of the dividends and of the acquisition price of the US Retail Division had been disbursed on January 1, 2013. The cash flows for this pro-forma period reflects: i) the replacement of the preexisting debt with debt at different contractual terms; and (ii) the increase in debt resulting from the abovementioned transactions.

Refer to the Note L above for the calculation of the pro forma adjustment.

Other issues

Earnings per share

Pro-forma earnings per share were computed by dividing the pro-forma profit attributable to the owners of the Parent Autogrill (amounting to Euro 33,181 thousand) by the number of shares of which WDF's share capital will be comprised after the Demerger, i.e., 254,520,000 shares.

Acquisition of the US Retail Division

The price adjustment mechanism (as described in Paragraph 7.2.3) that may be applied depending on the value of the working capital actually transferred on the acquisition date was not taken into account for the purposes of the current pro-forma exercise because it could not be estimated on the preparation date of the Pro-Forma Financial Information at June 30, 2013.

Non-recurring income and costs directly attributable to the Transactions

In accordance with the provisions of Consob Communication No. DEM/1052803 of July 5, 2001, the pro-forma consolidated income statement does not reflect non-recurring economic effects that are directly related to the Transactions, such as:

(i) costs relating to the cancellation of the residual amount of upfront fees for outstanding loans, recorded as a reduction of the related liabilities, net of the related tax effect, amounting to Euro 3,455 thousand (see the comments to Column L above);

(ii) costs related to the factoring without recourse of the VAT credit related to the advance payment of the concession fees to AENA, net of the related tax effect, amounting to Euro 688 thousand (see the comments to Column M above);

(iii) estimate of the costs that will be incurred by the WDF Group in connection with the acquisition of the US Retail Division, net of the related tax effect, amounting to Euro 280 thousand (see the comments to Column D above).

The table below shows the profit for the pro-forma period, which includes nonrecurring economic effects, directly related to the Transactions, described above:

In thousands of Euro	
Profit for the pro-forma period	**35,223**
Costs relating to the cancellation of the residual amount of the loans up-front fees, recorded as a reduction of the related liabilities, net of the related tax effect	(3,455)
Costs relating to the factoring without recourse of the VAT credit related to the advance payment to AENA, net of the related tax effect	(688)
Estimate of the additional costs to be incurred by the WDF Group relating to the acquisition of the US Retail Division, net of the related tax effect	(280)
Profit for the pro-forma period, including non-recurring economic effects	**30,800**

Non-recurring cash flows directly attributable to the Transactions

In accordance with the provisions of Consob Communication No. DEM/1052803 of July 5, 2001, the pro-forma cash flows do not reflect non-recurring cash flows that are directly related to the Transactions. The main non-recurring cash flows include the following:

(i) payment of Euro 306,251 thousand by the WDFG SAU Group to AENA as an advance of a portion of future concession fees and as a security deposit (net of VAT);

(ii) payment in cash by WDFG SAU of the Distribution of Euro 220,000 thousand to Autogrill;

(iii) payment of the purchase price of the US Retail Division, estimated in Euro 90,395 thousand.

Please note that the effects on the cash flows from financial transactions executed in the first half of 2013 between companies of the Autogrill Post-Demerger Group and those of the WDF Group, consisting mainly of the net repayment of the Intercompany Loan by the WDF Group to Autogrill, for Euro 70,000 thousand, and the payment of the Distribution of Euro 220,000 thousand, were eliminated in the pro-forma statement of cash flows.

Management incentive plans

The Pro-Forma Financial Information at June 30, 2013 does not reflect the effects of the amendments to the management incentive plans, as approved by Autogrill's Shareholders' Meeting on June 6, 2013, because these effects cannot currently be determined and, in any event, are not expected to be material.

No new stock option or stock grant plans had been approved as of the date of preparation of this document.

7.2.5 *Pro-forma consolidated statement of financial position as of December 31, 2012 and pro-forma consolidated income statement, pro-forma consolidated statement of comprehensive income and pro-forma statement of cash flows of the WDF Group for the year ended December 31, 2012.*

The tables that follow present the pro-forma adjustments, classified by type, made in order to show the significant effects of the Transactions.

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2012

In thousands of Euro	Consolidated statement of financial position of Autogrill Group as of December 31, 2012	Assets and liabilities remaining with Autogrill post-demerger Group	Combined statement of financial position of WDF Group as of December 31, 2012	Other effects resulting from the demerger	Advance payment to AENA and factoring of related VAT tax credit	Distribution to Autogrill	Acquisition of the US Retail Division	Existing loan extinguishment and Loan drawdown	Pro-forma consolidated statement of financial position of WDF Group as of December 31, 2012
	A	B	A+B	C	D	E	F	G	H=A+B+C+D +E+F+G
ASSETS									
CURRENT ASSETS	**746,857**	**(525,099)**	**221,758**	**130**	**10,694**	**-**	**31,152**	**-**	**263,734**
Cash and cash equivalents	154,562	(135,878)	18,684	130	-	-	152	-	18,966
Other financial assets	26,876	(26,604)	272	-	-	-	2,552	-	2,824
Tax assets	29,375	(21,577)	7,798	-	-	-	-	-	7,798
Other receivables	225,340	(199,710)	25,630	-	10,694	-	10,533	-	46,857
Trade receivables	53,599	(26,687)	26,912	-	-	-	103	-	27,015
Inventories	257,105	(114,643)	142,462	-	-	-	17,812	-	160,274
NON-CURRENT ASSETS	**3,168,201**	**(1,790,816)**	**1,377,385**	**-**	**295,557**	**-**	**72,153**	**-**	**1,745,095**
Property, plant and equipment	957,999	(870,713)	87,286	-	-	-	33,348	-	120,634
Goodwill	1,394,254	(789,137)	605,117	-	-	-	38,199	-	643,316
Other intangible assets	678,724	(55,850)	622,874	-	-	-	227	-	623,101
Investments	12,393	(3,257)	9,136	-	-	-	-	-	9,136
Other financial assets	19,319	(15,344)	3,975	-	27,318	-	76	-	31,369
Deferred tax assets	71,023	(43,146)	27,877	-	-	-	-	-	27,877
Other receivables	27,386	(13,369)	14,017	-	268,239	-	303	-	282,559
Defined benefit plan	7,103	-	7,103	-	-	-	-	-	7,103
TOTAL ASSETS	**3,915,058**	**(2,315,915)**	**1,599,143**	**130**	**306,251**	**-**	**103,305**	**-**	**2,008,829**
LIABILITIES AND EQUITY									
LIABILITIES	**3,066,379**	**(2,078,317)**	**988,062**	**3,091**	**306,939**	**220,000**	**107,122**	**3,455**	**1,628,669**
Current liabilities	**1,449,196**	**(1,073,313)**	**375,883**	**3,091**	**306,939**	**220,000**	**106,516**	**(674,648)**	**337,781**
Trade payables	643,958	(440,115)	203,843	4,503	983	-	13,512	-	222,841
Tax liabilities	25,164	(6,470)	18,694	(1,413)	(295)	-	(120)	(1,481)	15,385
Other payables	393,563	(323,744)	69,819	1	-	-	2,729	-	72,549
Due to banks	128,869	(65,030)	63,839	-	306,251	220,000	90,395	(673,167)	7,318
Other financial liabilities	31,627	(24,342)	7,285	-	-	-	-	-	7,285
Bonds	201,607	(201,607)	-	-	-	-	-	-	-
Provisions for risks and charges	24,408	(12,005)	12,403	-	-	-	-	-	12,403
Non-current liabilities	**1,617,183**	**(1,005,004)**	**612,179**	**-**	**-**	**-**	**606**	**678,103**	**1,290,888**
Other payables	37,354	34,646	72,000	-	-	-	606	(70,000)	2,606
Loans, net of current portion	1,194,393	(755,094)	439,299	-	-	-	-	748,103	1,187,402
Bonds	123,665	(123,665)	-	-	-	-	-	-	-
Deferred tax liabilities	146,528	(53,971)	92,557	-	-	-	-	-	92,557
Defined benefit plan	70,929	(69,460)	1,469	-	-	-	-	-	1,469
Provisions for risks and charges	44,314	(37,460)	6,854	-	-	-	-	-	6,854
EQUITY	**848,679**	**(237,598)**	**611,081**	**(2,961)**	**(688)**	**(220,000)**	**(3,817)**	**(3,455)**	**380,160**
attributable to owners of the parent	822,328	(213,904)	608,424	(2,961)	(688)	(220,000)	(7,152)	(3,455)	374,168
attributable to non-controlling interests	26,351	(23,694)	2,657	-	-	-	3,335	-	5,992
TOTAL LIABILITIES AND EQUITY	**3,915,058**	**(2,315,915)**	**1,599,143**	**130**	**306,251**	**-**	**103,305**	**-**	**2,008,829**

PRO-FORMA CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

In thousands of Euro	**Consolidated income statement of Autogrill Group for the year ended December 31, 2012**	**Costs and revenues remaining with Autogrill post-demerger Group**	**Combined income statement of WDF Group for the year ended December 31, 2012**	**Elimination of intercompany transactions (excluding financial charges)**	**Acquisition of the US Retail Division**	**Existing loan extinguishment and Loan drawdown**	**Pro-forma consolidated income statement of WDF Group for the year ended December 31, 2012**
	I	**L**	**I+L**	**M**	**N**	**O**	**P=I+L+M+N+O**
Revenue	6,686,721	(4,684,748)	2,001,973	-	189,603	-	2,191,576
Other operating income	130,089	(103,482)	26,607	(1,191)	-	-	25,416
Total revenue and other operating income	**6,816,810**	**(4,788,230)**	**2,028,580**	**(1,191)**	**189,603**	**-**	**2,216,992**
Raw materials, supplies and goods	2,774,764	(1,954,776)	819,988	-	71,296	-	891,284
Personnel expense	1,537,714	(1,331,823)	205,891	-	43,276	-	249,167
Leases, rentals, concessions and royalties	1,295,017	(679,547)	615,470	-	40,629	-	656,099
Other operating expense	619,372	(494,478)	124,894	(1,334)	23,057	-	146,617
Depreciation and amortization	313,632	(201,253)	112,379	-	9,107	-	121,486
Impairment losses on property, plant and equipment and intangible assets	24,391	(24,103)	288	-	1,790	-	2,078
Operating profit	**251,920**	**(102,250)**	**149,670**	**143**	**448**	**-**	**150,261**
Financial income	2,648	(1,831)	817	-	-	-	817
Financial expense	(92,239)	72,949	(19,290)	-	-	(34,127)	(53,417)
Impairment and revaluation of financial assets	(363)	2,207	1,844	-	-	-	1,844
Pre-tax profit	**161,966**	**(28,925)**	**133,041**	**143**	**448**	**(34,127)**	**99,505**
Income tax	(51,702)	21,673	(30,029)	(108)	672	10,238	(19,227)
Profit for the year	**110,264**	**(7,252)**	**103,012**	**35**	**1,120**	**(23,889)**	**80,278**
Profit for the year attributable to:		-	-			-	
- owners of the parent	96,753	3,974	100,727	35	(904)	(23,889)	75,969
- non-controlling interests	13,511	(11,226)	2,285	-	2,024	-	4,309
Earnings per share (in Euro cents)		-	-			-	
- basic	38.2		39.6				29.8
- diluted	38.2		39.6				29.8

PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

In thousands of Euro	**Consolidated statement of comprehensive income of Autogrill Group for the year ended December 31, 2012**	**Costs and revenues remaining with Autogrill post-demerger Group**	**Combined statement of comprehensive income of WDF Group for the year ended December 31, 2012**	**Elimination of intercompany transactions (excluding financial charges)**	**Acquisition of the US Retail Division**	**Existing loan extinguishment and Loan drawdown**	**Pro-forma consolidated statement of comprehensive income of WDF Group for the year ended December 31, 2012**
	I	**L**	**I+L**	**M**	**N**	**O**	**P=I+L+M+N+O**
Profit for the year	**110,264**	**(7,252)**	**103,012**	**35**	**1,120**	**(23,889)**	**80,278**
Effective portion of fair value change in cash flow hedges	(2,157)	(306)	(2,463)	-	-	-	(2,463)
Net change in fair value of cash flow hedges reclassified to profit or loss	24,965	(24,965)	-	-	-	-	-
Foreign currency translation differences for foreign operations	14,688	(7,275)	7,413	-	-	-	7,413
Gains (losses) on net investment hedge	(7,103)	343	(6,760)	-	-	-	(6,760)
Income tax on comprehensive income	(4,088)	6,855	2,767	-	-	-	2,767
Total comprehensive income for the year	**136,569**	**(32,600)**	**103,969**	**35**	**1,120**	**(23,889)**	**81,235**
- attributable to owners of the parent	114,164	(12,544)	101,620	35	(904)	(23,889)	76,862
- attributable to non-controlling interests	22,405	(20,056)	2,349	-	2,024	-	4,373

PRO-FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

In thousands of Euro	**Consolidated statement of cash flows of Autogrill Group for the year ended December 31, 2012**	**Cash flows remaining with Autogrill post-demerger Group**	**Combined statement of cash flows of WDF Group for the year ended December 31, 2012**	**Elimination of intercompany transactions (excluding financial charges)**	**Acquisition of the US Retail Division**	**Existing loan extinguishment and Loan drawdown**	**Pro-forma consolidated statement of cash flows of WDF Group for the year ended December 31, 2012**
	Q	**R**	**Q+R**	**S**	**T**	**U**	**V=Q+R+S+T+U**
Opening net cash and cash equivalents	**179,629**	**(134,272)**	**45,357**		**1,082**		**46,439**
Pre-tax profit and net financial expense for the year	251,557	(100,043)	151,514		527		152,041
Amortization, depreciation and impairment losses on non-current assets, net of reversals	338,024	(225,357)	112,667		10,897		123,564
Adjustments and (gains)/losses on disposal of financial assets	362	(2,206)	(1,844)				(1,844)
(Gains)/losses on disposal of non-current assets	(2,324)	3,293	969				969
Change in working capital	848	(8,121)	(7,273)	(868)	(2,958)		(11,099)
Net change in non-current non-financial assets and liabilities	(32,046)	26,324	(5,722)				(5,722)
Cash flows from / (used in) operating activities	**556,421**	**(306,110)**	**250,311**	**(868)**	**8,466**		**257,909**
Taxes paid	(77,312)	34,842	(42,470)	-	2,384	10,238	(29,848)
Net interest paid	(60,301)	41,952	(18,349)	-		(34,127)	(52,476)
Net cash flows from / (used in) operating activities	**418,808**	**(229,316)**	**189,492**	**(868)**	**10,850**	**(23,889)**	**175,585**
Acquisition of property, plant and equipment and intangible assets	(282,943)	254,536	(28,407)	-	(13,387)		(41,794)
Proceeds from sale of non-current assets	3,896	(3,779)	117	-			117
Acquisition of consolidation investments	(591)	591	-	-			0
Net change in non-current financial assets	(1,749)	160	(1,589)	-			(1,589)
Net cash flows from / (used in) investing activities	**(281,387)**	**251,508**	**(29,879)**	**-**	**(13,387)**	**-**	**(43,266)**
Repayments of bonds	-	-	-			-	
Repayments of non-current loans, net of new loans	914	(123,149)	(122,235)	116,553			(5,682)
Repayments of current loans, net of new loans	(144,057)	150,334	6,277				6,277
Dividends paid	(70,947)	(380)	(71,327)	70,000	(1,479)		(2,806)
Other cash flows	(4,752)	5,482	730				730
Net cash flows from / (used in) financing activities	**(218,842)**	**32,287**	**(186,555)**	**186,553**	**(1,479)**	**-**	**(1,481)**
Net increase / (decrease) in cash and cash equivalents	**(81,421)**	**54,479**	**(26,942)**	**185,685**	**(4,016)**	**(23,889)**	**130,838**
Effect of exchange rate fluctuation on net cash and cash equivalents	(1,373)	1,642	269	-	(21)		248
Closing net cash and cash equivalents	**96,835**	**(78,151)**	**18,684**	**185,685**	**(2,955)**	**(23,889)**	**177,525**

NOTES TO THE PRO-FORMA FINANCIAL INFORMATION AT DECEMBER 31, 2012

The pro-forma adjustments made to prepare the Pro-forma Financial Information at December 30, 2012 are described below.

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2012

Column A – Consolidated statement of financial position of Autogrill Group as of December 31, 2012

The data in this column show the consolidated financial position of the Autogrill Group as of December 31, 2012, derived from the consolidated financial statements of the Autogrill Group as of December 31, 2012.

Column B – Assets and liabilities remaining with Autogrill Post-Demerger Group

This column reflects the elimination of the contribution to the consolidated statement of financial position of the Autogrill Group as of December 31, 2012 by the consolidated assets and liabilities that the Autogrill Group will continue to hold after the Demerger. This column includes the adjustments made for the purpose of reopening in the statement of financial position of the intercompany positions outstanding as of December 31, 2012 between the WDF Group and the Autogrill Post-Demerger Group. The main intercompany transaction is the Intercompany Loan provided by Autogrill, with a balance of Euro 70,000 thousand as of December 31, 2012.

Column A+B – Combined statement of financial position of WDF Group as of December 31, 2012

The sum of Column A and Column B represents the combined position of the WDF Group (see Annex 2 to the Document) before pro-forma adjustments.

Column C – Other effects resulting from the Demerger

This column includes:

(i) the recognition of the incorporation of WDF on March 27, 2013. Please note that the statement of financial position shown in this column was taken from the statement of financial position of WDF at April 15, 2013, published on May 3, 2013 to meet disclosure requirements regarding the Demerger;

(ii) recognition of an estimate of the costs that WDF will incur in connection with the Demerger for various types of consulting services, including advisory, legal and tax services, estimated at a total of Euro 4,500 thousand. It also reflects the corresponding tax effect of Euro 1,413 thousand.

Column D – Advance payment to AENA and factoring of related VAT credit

This column reflects the effects of the advance payment of the concession fees made to AENA and the factoring of the related VAT credit, determined in the manner shown in the schedule that follows:

In thousands of Euro	**Advance payment to AENA**	**Factoring without recourse of the VAT credit related to AENA**	**Advance payment to AENA and factoring of related VAT credit**
	D1	**D2**	**D=D1+D2**
ASSETS			
CURRENT ASSETS	**10,694**	**-**	**10,694**
Other receivables	10,694	-	10,694
NON-CURRENT ASSETS	**354,133**	**(58,576)**	**295,557**
Other financial assets	27,318	-	27,318
Other receivables	326,815	(58,576)	268,239
TOTAL ASSETS	**364,827**	**(58,576)**	**306,251**
LIABILITIES AND EQUITY			
LIABILITIES	**364,827**	**(57,888)**	**306,939**
Current liabilities	**364,827**	**(57,888)**	**306,939**
Trade payables	-	983	983
Tax liabilities	-	(295)	(295)
Due to banks	364,827	(58,576)	306,251
EQUITY	**-**	**(688)**	**(688)**
attributable to owners of the parent	-	(688)	(688)
attributable to non-controlling interests	-	-	-
TOTAL LIABILITIES AND EQUITY	**364,827**	**(58,576)**	**306,251**

D1 – This column includes the recognition of the payment of an advance totaling Euro 364,827 thousand, including the related VAT of Euro 58,576 thousand, to AENA in February 2013 upon the execution of the AENA Agreements. The receivable recognized for the advance paid includes a portion that will be recovered within 12 months, amounting to Euro 10,694 thousand and a security deposit of Euro 27,318 thousand, both net of VAT.

D2 – This column reflects the effect of the factoring of the VAT credit of Euro 58,576 thousand, related to the advance paid to AENA described in Column D1. Please note that this sale was made on a non-recourse basis on March 26, 2013. Costs related to this sale, amounting to Euro 983 thousand, and the related tax effect of Euro 295 thousand, were also recognized.

Column E – Distribution to Autogrill

This column shows the accounting effects of the cash payment to Autogrill, on June 5, 2013, of the Distribution of Euro 220,000 thousand by WDFG.

Column F – Acquisition of the US Retail Division

This column includes the effects of the acquisition of the US Retail Division by the WDF Group, determined in the manner shown in the schedule that follows:

In thousands of Euro	**Assets and liabilities attributed to the US Retail Division**	**Consideration for the acquisition of the US Retail Division**	**Costs related to the acquisition of the US Retail Division**	**Acquisition of the US Retail Division**
	F1	**F2**	**F3**	**F=F1-1-F2-1-F3**
ASSETS				
CURRENT ASSETS	**31,152**	**-**	**-**	**31,152**
Cash and cash equivalents	152	-	-	152
Other financial assets	2,552	-	-	2,552
Other receivables	10,533	-	-	10,533
Trade receivables	103	-	-	103
Inventories	17,812	-	-	17,812
NON-CURRENT ASSETS	**72,153**	**-**	**-**	**72,153**
Property, plant and equipment	33,348	-	-	33,348
Goodwill	38,199	-	-	38,199
Other intangible assets	227	-	-	227
Other financial assets	76	-	-	76
Other receivables	303	-	-	303
TOTAL ASSETS	**103,305**	**-**	**-**	**103,305**
LIABILITIES AND EQUITY				
LIABILITIES	**16,447**	**90,395**	**280**	**107,122**
Current liabilities	**15,841**	**90,395**	**280**	**106,516**
Trade payables	13,112	-	400	13,512
Tax liabilities	-	-	(120)	(120)
Other payables	2,729	-	-	2,729
Due to banks	-	90,395	-	90,395
Non-current liabilities	**606**	**-**	**-**	**606**
Other payables	606	-	-	606
EQUITY	**86,858**	**(90,395)**	**(280)**	**(3,817)**
attributable to owners of the parent	83,523	(90,395)	(280)	(7,152)
attributable to non-controlling interests	3,335	-	-	3,335
TOTAL LIABILITIES AND EQUITY	**103,305**	**-**	**-**	**103,305**

F1 – This column includes the assets and liabilities of the US Retail Division as of December 31, 2012 that will be acquired by the WDF Group; the respective amounts were derived from Autogrill’s consolidated financial statements as of December 31, 2012. Please note that the abovementioned amounts reflect the full scope of the portfolio of contracts currently included in the US Retail Division. This scope could change depending on the outcome of the negotiations currently ongoing with the contractual counterparts, should any of the contractual counterparts fail to agree to transfer the corresponding contracts.

F2 – This column reflects the payment of the consideration by the WDF Group for the acquisition of the US Retail Division. For the purposes of this pro-forma exercise, the price was estimated at USD 120 million, based on the assumption that the division's entire scope of business will be transferred. If it should become impossible to transfer all of the contracts that constitute the US Retail Division, the Price will be adjusted accordingly. The price was converted at the most recent exchange rate at the date of preparation of the Pro-Forma Financial Information (July 31, 2013) and thus amounts to Euro 90,395 thousand. Please note that for the purposes of the pro-forma exercise, the portion of the Price withheld by the buyer (equal to 5% of the price, as stated in Paragraph 7.2.3) was deemed to have been paid in full.

It is worth mentioning that, because the transfer of the US Retail Division qualifies as a transaction between entities under common control, it was accounted for at carrying amount, therefore without generating any gain, in accordance with the relevant accounting principles and with the OPI 1 Guidelines (preliminary Assirevi guideline for IFRSs) for the "accounting treatment of business combinations of entities under common control in the separate and consolidated financial statements." In accordance with these guidelines, in the case of business combinations in which the acquired company (i.e., the US Retail Division) is controlled by the same entity both before and after the acquisition (i.e., by Schematrentaquattro S.r.l.), the net assets transferred must be recognized at the carrying amounts at which they were recorded in the financial statements before the transaction. If the transfer amounts are higher than these historical values, any excess is recognized as a reduction of the buyer's equity. For this reason, in the pro-forma exercise, the difference of Euro 6,872 thousand between the purchase price (Euro 90,395 thousand) and the carrying amount of the acquired net assets and liabilities (Euro 83,523 thousand) was recognized as a deduction from equity.

F 3 – This column reflects an estimate of the costs related to the acquisition of the US Retail Division that the WDF Group expects to incur, amounting to Euro 400 thousand, and the related tax effect of Euro 120 thousand.

Column G –Existing loans extinguishment and Loan drawdown

This column shows the effects on the statement of financial position of the drawdown of the Loan by the WDF Group on June 5, 2013 and the extinguishment of preexisting loans.

The adjustment of Euro 748,103 thousand of the “Loans, net of current portion” line item was determined as follows:

In thousands of Euro	
Repayment of the long-term portion of the Multicurrency Revolving Facility	(444,235)
Elimination from the statement of financial position of the ancillary charges related to the Multicurrency Revolving Facility	4,936
Use of Financing for the repayment of the long-term portion of the Multicurrency Revolving Facility	444,235
Use of Financing for the repayment of short-term portion of the Multicurrency Revolving Facility	56,521
Use of Financing for the advance payment to AENA, net of VAT	306,251
Use of Financing for the Distribution	220,000
Use of Financing for the repayment of the Intercompany Loan	70,000
Use of Financing for the payment of the acquisition price for the US Retail Division	90,395
Pro-forma adjustment to the item "Loans, net of current portion", included among the non-current liabilities	**748,103**

The adjustment of Euro 673,167 thousand of the “Due to banks” line item was determined as follows:

In thousands of Euro	
Repayment of the short-term portion of the Multicurrency Revolving Facility	(56,521)
Extinguishment of the liability related to the advance payment to AENA, net of VAT	(306,251) *
Extinguishment of the liability related to the Distribution	(220,000) *
Extinguishment of the liability related to the acquisition price for the US Retail Division	(90,395) *
Pro-forma adjustment to the item "Due to banks", included among current liabilites	**(673,167)**

* These amounts relate to reclassifications of short-term liabilities to long-term liabilities, see table above

The adjustment of Euro 70,000 thousand of the “Other payables” line item reflects the repayment of the Intercompany Loan.

The adjustment of Euro 3,455 thousand to equity reflects the cost of eliminating the remaining upfront fees related to the Multicurrency Revolving Facility included in financial liabilities and not yet recognized in profit or loss in accordance with the amortized cost method, net of the corresponding tax effect.

PRO-FORMA CONSOLIDATED INCOME STATEMENT AND PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

Column I – Consolidated income statement and consolidated statement of comprehensive income of Autogrill Group for the year ended December 31, 2012

This column includes the consolidated income statement and consolidated statement of comprehensive income of the Autogrill Group for the year ended December 31, 2012, derived from Autogrill’s consolidated financial statements as of December 31, 2012.

Column L – Costs and revenues remaining with Autogrill Post-Demerger Group

This column reflects the elimination of the contribution provided to the consolidated income statement and the consolidated statement of comprehensive income of the Autogrill Group for the year ended December 31, 2012 by the consolidated costs and revenues that will continue to be attributable to the Autogrill Group after the Demerger. Lastly, this column includes the reopening in the income statement of the intercompany figures in 2012 between the WDF Group and the Autogrill Post-Demerger Group, and the elimination of financial expense related to derivative financial instruments which are not allocated to the T&R division and the F&B division and whose effect in the income statement ended in the first half of 2013.

Column I+L – Combined income statement and combined statement of comprehensive income of WDF Group for the year ended December 31, 2012

The sum of Column I and Column L represents the combined position of the WDF Group (see Annex 2 to the Document) before pro-forma adjustments.

Column M – Elimination of intercompany transactions (excluding financial charges)

This column shows the effects of the elimination of costs and revenues for the year ended December 31, 2012 resulting from transactions executed between the WDF Group and the Autogrill Post-Demerger Group, under the assumption that, because of the Demerger, these transactions will end. The financial charges resulting from the Intercompany Loan was not included in these eliminations because it is eliminated in Column O.

Column N – Acquisition of the US Retail Division

In 2012, pro forma revenue of the US Retail Division amounts to Euro 189,603 thousand and represents 8.7% of total pro forma revenue of the WDF Group for the same period (Euro 2,191,576 thousand), while pro forma EBITDA amounts to Euro 11,345 thousand and represents 4.1% of total pro forma EBITDA of the WDF Group for the same period (Euro 273,825 thousand).

This column shows the effects of the acquisition of the US Retail Division, determined as shown in the schedule that follows. The statement of comprehensive income is not provided below because there was no impact on that statement:

In thousands of Euro	Costs and revenues attributed to the US Retail Division	Services provided by HMSHost	Acquisition of the US Retail Division
	N1	N2	N=N1+N2
Revenue	189,603		189,603
Other operating income	-		-
Total revenue and other operating income	**189,603**	**-**	**189,603**
Raw materials, supplies and goods	71,296		71,296
Personnel expense	43,276		43,276
Leases, rentals, concessions and royalties	40,629		40,629
Other operating expense	16,579	6,478	23,057
Depreciation and amortization	9,107		9,107
Impairment losses on property, plant and equipment and intangible assets	1,790		1,790
Operating profit	**6,926**	**(6,478)**	**448**
Financial income	-		-
Financial expense	-		-
Impairment and revaluation of financial assets	-		-
Pre-tax profit	**6,926**	**(6,478)**	**448**
Income tax	(1,790)	2,462	672
Profit for the year	**5,136**	**(4,016)**	**1,120**
Profit for the year attributable to:			
- owners of the parent	3,112	(4,016)	(904)
- non-controlling interests	2,024	-	2,024

N1 – This column includes the costs and revenues attributable to the US Retail Division for the year ended December 31, 2012, derived from the consolidated financial statements of the Autogrill Group at the same date. As explained in Note F1, these amounts represent the full scope of the portfolio of contracts currently included in the US Retail Division. This scope could change depending on the outcome of the negotiations currently ongoing with the contractual counterparts, should any of the contractual counterparts fail to agree to transfer the corresponding contracts.

N2 – This column reflects the recognition of the estimated cost of the services (amounting to approximately USD 8,600 thousand, equal to Euro 6,478 thousand) that HMS is expected to provide to the WDF Group, mainly concerning the operations of the administration and finance, corporate counsel and information systems departments for the activities of the US Retail Division. This column also shows the corresponding tax effect amounting to Euro 2,462 thousand.

Column O –Existing loans extinguishment and Loan drawdown

This column shows the effects on the financial expense of the WDF Group from the extinguishment of existing loans and the drawdown of the Loan signedon May 30, 2013. The financial expense recognized in the pro-forma exercise represent the financial expense that the WDF Group would have incurred in 2012 had the Loan Agreement been disbursed on January

1, 2012 and if the payments of the advance of the concession fees to AENA, the dividends and the purchase price of the US Retail Division had been disbursed on January 1, 2012. The financial expense for the current pro-forma exercise reflects: i) the replacement of the preexisting debt with debt at different contractual terms; and (ii) the increase in debt resulting from the abovementioned transactions.

The method applied to compute the pro-forma adjustments is described below:

The estimate of the financial expense for the Loan was determined:

(i) using the Libor and Euribor rates in effect at the most recent date available at the date of preparation of this document (July 31, 2013);

(ii) considering the entry spread for the new credit lines, computed consistently with the contractual terms for the May 2013 to April 2014 period, or about the next 12 months.

In thousands of Euro	Tranche 1 Term Loan 400€	Tranche 2 Term Loan 125€	Tranche 3 Revolving Credit Facility 375€	Tranche 4 Revolving Credit Facility 350€	Totale
Estimate of the Loan utilization, based on average indebtedness during 2012 and on the new loan balance	400,000	125,000	375,000	324,225	1,224,225
Financial expense	(15,512)	(5,428)	(13,093)	(9,338)	(43,371)
Ancillary charges					(7,444)
Total financial expense Loan					**(50,815)**
Financial expense actually accrued during 2012					16,688
Pro-forma adjustment to "financial expense"					**(34,127)**

The corresponding tax effect was also recognized.

PRO-FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

Column Q – Consolidated statement of cash flows of Autogrill Group for the year ended December 31, 2012

The data in this column show the consolidated statement of cash flows of Autogrill Group for the year ended December 31, 2012 derived from the consolidated financial statements of the Autogrill Group as of December 31, 2012.

Column R – Cash flows remaining with Autogrill Post-Demerger Group

This column reflects the elimination of the contribution to the statement of cash flows of the Autogrill Group for the year ended December 31, 2012 ofthe consolidated cash flows that the Autogrill Group will continue to hold after the Demerger.

Column R also includes the reopening in the consolidated statement of cash flows of intercompany positions outstanding as of December 31, 2012 between the WDF Group and the Autogrill Post-Demerger Group.

Column Q+R – Combined statement of cash flows of WDF Group for the year ended December, 2012

The sum of Column Q and Column R represents the combined statement of cash flows of WDF Group (see Annex 2 to the Document) before pro-forma adjustments.

Column S – Elimination of intercompany transactions (excluding financial charges)

This column shows the effects of the elimination of cash flows for the year ended December 31, 2012 resulting from transactions executed between the WDF Group and the Autogrill Post-Demerger Group, under the assumption that, because of the Demerger, these transactions will end. The financial charges resulting from the Intercompany Loan was not included in these eliminations because eliminated in Column U.

Column T – Acquisition of the US Retail Division

This column shows the effects of the acquisition of the US Retail Division, determined as shown in the schedule that follows:

(Valori in migliaia di Euro)	**Cash flows attributable to the US Retail Division**	**Services provided by HMSHost**	**Acquisition of the US Retail Division**
	T1	**T2**	**T=T1+T2**
Opening net cash and cash equivalents	1,082		1,082
Pre-tax profit and net financial expense for the year	7,005	(6,478)	527
Amortization, depreciation and impairment losses on non-current assets, net of reversals	10,897		10,897
Change in working capital	(2,958)		(2,958)
Net change in non-current non-financial assets and liabilities	-		
Cash flows from / (used in) operating activities	**14,944**	**(6,478)**	**8,466**
Taxes paid	(78)	2,462	2,384
Net cash flows from / (used in) operating activities	**14,866**	**(4,016)**	**10,850**
Acquisition of property, plant and equipment and intangible assets	(13,387)		(13,387)
Net cash flows from / (used in) investing activities	**(13,387)**		**(13,387)**
Dividends paid	(1,479)		(1,479)
Net cash flows from / (used in) financing activities	**(1,479)**		**(1,479)**
Net increase / (decrease) in cash and cash equivalents		**(4,016)**	**(4,016)**
Effect of exchange rate fluctuation on net cash and cash equivalents	(21)		(21)
Closing net cash and cash equivalents	**1,061**	**(4,016)**	**(2,955)**

T1 – This column includes the cash flows attributable to the US Retail Division for the year ended December 31, 2012, derived from the consolidated financial statements of the Autogrill Group at the same date. As explained in Note F, these amounts represent the full scope of the portfolio of contracts currently included in the US Retail Division. This scope could change depending on the outcome of the negotiations currently ongoing with the various contractual counterparts, should any of the contractual counterparts fail to agree to transfer the corresponding contracts.

T2 – This column reflects the cash flows of the estimated cost of the services (amounting to approximately USD 8,600 thousand, equal to Euro 6,478 thousand) that HMS is expected to provide to the WDF Group. This column also shows the corresponding payment of estimated taxes amounting to Euro 2,462 thousand.

Column U – Existing loan extinguishment and Loan drawdown

The cash flows recognized in this column represent the higher financial charges that the WDF Group would have incurred in 2012 if the Loan Agreement had been disbursed on January 1, 2012 and if the payments of the advance of the concession fees to AENA, of the dividends and of the acquisition price of the US Retail Division had been disbursed on January 1, 2012. The cash flows for the current pro-forma exercise reflects: (i) the replacement of the preexisting debt with debt at different contractual terms; and (ii) the increase in debt resulting from the abovementioned transactions.

Refer to the Note O above for the calculation of the pro forma adjustment.

Other issues

Earnings per share

Pro-forma earnings per share were computed by dividing the pro-forma profit attributable to the owners of the Parent Autogrill (amounting to Euro 75,969 thousand) by the number of shares of which WDF's share capital will be comprised after the Demerger, i.e., 254,520,000 shares.

Acquisition of the US Retail Division

The price adjustment mechanism (as described in Paragraph 7.2.3) that may be applied depending on the value of the working capital actually transferred on the acquisition date was not taken into account for the purposes of the current pro-forma reporting period because it could not be estimated on the preparation date of the Pro-Forma Financial Information at December 31, 2012.

Non-recurring income and costs directly attributable to the Transactions

In accordance with the provisions of Consob Communication No. DEM/1052803 of July 5, 2001, the pro-forma consolidated income statement does not reflect non-recurring economic effects that are directly related to the Transactions, such as:

(i) costs relating to the cancellation of the residual amount of upfront fees for outstanding loans, recorded as a reduction of the related liabilities, net of the related tax effect, amounting to Euro 3,455 thousand (see the comments to Column G above);

(ii) costs related to the factoring without recourse of the VAT credit related to the advance payment of the concession fees to AENA, net of the related tax effect, amounting to Euro 688 thousand (see the comments to Column D above);

(iii) estimate of the costs that will be incurred by the WDF Group in connection with the acquisition of the US Retail Division, net of the related tax effect, amounting to Euro 280 thousand (see the comments to Column F above).

The table below shows the profit for the pro-forma period, which includes non-recurring economic effects, directly related to the Transactions, described above:

In thousands of Euro	
Profit for the pro-forma period	**80,278**
Costs relating to the cancellation of the residual amount of the loans up-front fees, recorded as a reduction of the related liabilities, net of the related tax effect	(3,455)
Costs relating to the factoring without recourse of the VAT credit related to the advance payment to AENA, net of the related tax effect	(688)
Estimate of the additional costs to be incurred by the WDF Group relating to the acquisition of the US Retail Division, net of the related tax effect	(280)
Profit for the pro-forma period, including non-recurring economic effects	**75,855**

Non-recurring cash flows directly attributable to the Transactions

In accordance with the provisions of Consob Communication No. DEM/1052803 of July 5, 2001, the pro-forma cash flows do not reflect non-recurring cash flows that are directly related to the Transactions. The main nonrecurring cash flows include the following:

(i) payment of Euro 306,251 thousand by the WDFG SAU Group to AENA as an advance of a portion of future concession fees and as a security deposit (net of VAT);

(ii) payment in cash by WDFG SAU of the Distribution of Euro 220,000 thousand to Autogrill;

(iii) payment of the purchase price of the US Retail Division, estimated in Euro 90,395 thousand.

Please note that the effects on the cash flows from financial transactions executed in 2012 between companies of the Autogrill Post-Demerger Group and those of the WDF Group were eliminated in the pro-forma statement of cash flows. The main transactions included:

(i) the partial net repayment of the Intercompany Loan by the WDF Group to Autogrill, for Euro 116,553 thousand; and

(ii) the payment of a dividend of Euro 70,000 thousand by the WDF Group to Autogrill.

Management incentive plans

The Pro-Forma Financial Information at December 31, 2013 does not reflect the effects of the amendments to the management incentive plans, as approved by Autogrill’s Shareholders’ Meeting on June 6, 2013, because these effects cannot currently be determined and, in any event, are not expected to be material.

No new stock option or stock grant plans had been approved as of the date of preparation of this document.

7.2.6 *Report of the Independent Auditors on the pro-forma consolidated statement of financial position at June 30, 2013 and the pro-forma consolidated income statement, pro-forma consolidated statement of comprehensive income and pro-forma statement of cash flows of the WDF Group for the six-months ended June 30, 2013.*

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

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Examination report

To the board of directors of
World Duty Free S.p.A.

1 We have examined the pro forma consolidated statement of financial position, pro forma consolidated income statement, pro forma consolidated statement of comprehensive income, pro forma consolidated statement of cash flows and notes thereto of the World Duty Free Group as at and for the six months ended 30 June 2013 (the "pro forma financial information").

The pro forma financial information is derived from the historical figures of the condensed interim consolidated financial statements of the Autogrill Group as at and for the six months ended 30 June 2013, the condensed interim combined financial statements of the World Duty Free Group at and for the six months ended 30 June 2013, the US Retail division's financial figures at 30 June 2013 and the pro forma adjustments made thereto which we have examined.

We reviewed the condensed interim consolidated financial statements of the Autogrill Group at 30 June 2013 and issued our report thereon on 6 August 2013.

We reviewed the condensed interim combined financial statements of the World Duty Free Group at 30 June 2013, which have been drawn up solely for their inclusion in the information document prepared as part of the procedures for listing the ordinary shares of World Duty Free S.p.A. on the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A., and issued our report thereon on 30 August 2013.

The review consisted primarily of the collection of information about the captions of the financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such financial statements. The review excluded such audit procedures as tests of controls and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, we did not express an audit opinion on the condensed interim consolidated financial statements of the Autogrill Group and condensed interim combined financial statements of the World Duty Free Group at 30 June 2013 mentioned above.

We have examined the US Retail division's financial figures at 30 June 2013, which are extrapolated from the above-mentioned condensed interim consolidated financial statements of the Autogrill Group, to the extent we have deemed to be necessary for the purposes of this report.

These pro forma financial information has been prepared based on the assumptions disclosed in the notes thereto, in order to reflect, on a retroactive basis, the effects of the following transactions:

- partial proportionate demerger approved by the shareholders in their meeting of 6 June 2013, whereby Autogrill S.p.A. will transfer the Travel Retail & Duty Free business to World Duty Free S.p.A. by assigning thereto the entire share capital of World Duty Free Group S.A.U.;
- the acquisition of the US Retail division from the HMSHost Corporation Group, controlled by Autogrill S.p.A., to be carried out in September 2013 as per the preliminary agreement signed on 30 July 2013.

together the "Transactions".

2 These pro forma financial information has been prepared for the purposes of their inclusion in the Information document prepared pursuant to article 57.1 of the Regulation adopted by Consob (the Italian Commission for Listed Companies and the Stock Exchange) with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, as part of the procedures for listing the ordinary shares of World Duty Free S.p.A. on the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A..

The pro forma financial information has been prepared with the objective of showing the effects, stated in accordance with accounting policies consistent with those applied in the past and in compliance with relevant legislation, of the Transactions on the World Duty Free Group's financial position, as if they had occurred on 30 June 2013 and on its results of operations and cash flows, as if they had occurred on 1 January 2013. Had the Transactions actually occurred on such dates, the outcome may not necessarily have been that presented.

The pro forma financial information is the responsibility of the directors of World Duty Free S.p.A.. Our responsibility is to express an opinion as to whether, in preparing the pro forma financial information, the directors have made reasonable assumptions and adopted a correct approach and correct accounting policies.

3 Our examination was conducted in accordance with the standards recommended by Consob in Recommendation no. DEM/1061609 of 9 August 2001 which regulates the examination of pro forma financial reporting. We have carried out all the procedures which we have deemed to be necessary for the purposes of our engagement.

4 Based on our review, nothing has come to our attention that causes us to believe that the underlying assumptions made by World Duty Free S.p.A. in preparing the pro forma financial information in order to reflect, on a retroactive basis, the effects of the Transactions are not reasonable, the approach adopted in preparing the above pro forma

World Duty Free Group
Examination report
30 June 2013

financial information has not been correctly applied for the disclosure purposes described above and the accounting policies adopted in preparing the above pro forma financial information are not correct.

Milan, 18 September 2013

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director

3

7.2.7 *Report of the Independent Auditors on the pro-forma consolidated statement of financial position at December 31, 2012 and the pro-forma consolidated income statement, pro-forma consolidated statement of comprehensive income and pro-forma statement of cash flows of the WDF Group for the year ended December 31, 2012.*

KPMG

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

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Examination report

To the board of directors of
World Duty Free S.p.A.

1 We have examined the pro forma consolidated statement of financial position, pro forma consolidated income statement, pro forma consolidated statement of comprehensive income, pro forma consolidated statement of cash flows and notes thereto of the World Duty Free Group as at and for the year ended 31 December 2012 (the "pro forma financial information").

The pro forma financial information is derived from the historical figures of the consolidated financial statements of the Autogrill Group as at and for the year ended 31 December 2012, the combined financial statements of the World Duty Free Group at and for the year ended 31 December 2012, the US Retail division's financial figures at 31 December 2012 and the pro forma adjustments made thereto which we have examined.

We audited the consolidated financial statements of the Autogrill Group at 31 December 2012 and issued our report thereon on 20 March 2013.

We audited the combined financial statements of the World Duty Free Group at 31 December 2012, which have been drawn up solely for their inclusion in the information document prepared as part of the procedures for listing the ordinary shares of World Duty Free S.p.A. on the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A., and issued our report thereon on 30 August 2013.

We have examined the US Retail division's financial figures at 31 December 2012, which are derived from the above-mentioned consolidated financial statements of the Autogrill Group, to the extent we have deemed to be necessary for the purposes of this report.

These pro forma financial information has been prepared based on the assumptions disclosed in the notes thereto, in order to reflect, on a retroactive basis, the effects of the following transactions:

- partial proportionate demerger approved by the shareholders in their meeting of 6 June 2013, whereby Autogrill S.p.A. will transfer the Travel Retail & Duty Free business to World Duty Free S.p.A. by assigning thereto the entire share capital of World Duty Free Group S.A.U. ("WDFG SAU");

KPMG

World Duty Free Group
Examination report
31 December 2012

- payment of an advance on the concession fees to AENA on 14 February 2013, following the awarding in December 2012 of the tenders for the duty free and duty paid concessions for the airport retail operations in 26 airports in the Iberian Peninsula and the Canary Islands until 2020;
- payment of the €220 dividend approved by WDF SAU on 30 April 2013 to Autogrill S.p.A.;
- acquisition of the US Retail division from the HMSHost Corporation Group, controlled by Autogrill S.p.A., to be carried out in September 2013 as per the preliminary agreement signed on 30 July 2013;
- drawdown of the loan for a maximum principal amount of €1,250 million obtained on 30 May 2013 and the consequent extinguishment of the World Duty Free Group's existing loans.

together the "Transactions".

2 These pro forma financial information has been prepared for the purposes of its inclusion in the Information document prepared pursuant to article 57.1 of the Regulation adopted by Consob (the Italian Commission for Listed Companies and the Stock Exchange) with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, as part of the procedures for listing the ordinary shares of World Duty Free S.p.A. on the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A..

The pro forma financial information has been prepared with the objective of showing the effects, stated in accordance with accounting policies consistent with those applied in the past and in compliance with relevant legislation, of the Transactions on the World Duty Free Group's financial position, as if they had occurred on 31 December 2012 and on its results of operations and cash flows, as if they had occurred on 1 January 2012. Had the Transactions actually occurred on such dates, the outcome may not necessarily have been that presented.

The pro forma financial information is the responsibility of the directors of World Duty Free S.p.A.. Our responsibility is to express an opinion as to whether, in preparing the pro forma financial information, the directors have made reasonable assumptions and adopted a correct approach and correct accounting policies.

3 Our examination was conducted in accordance with the standards recommended by Consob in Recommendation no. DEM/1061609 of 9 August 2001 which regulates the examination of pro forma financial reporting. We have carried out all the procedures which we have deemed to be necessary for the purposes of our engagement.

4 In our opinion, the underlying assumptions made by World Duty Free S.p.A. in preparing the pro forma financial information in order to reflect, on a retroactive basis, the effects of the Transactions are reasonable and the approach adopted in preparing the above pro forma financial information has been correctly applied for the disclosure purposes

KPMG

World Duty Free Group
Examination report
31 December 2012

described above. Furthermore, we believe that the accounting policies adopted in preparing the above pro forma financial information are correct.

Milan, 18 September 2013

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director

8. PROJECTIONS OR ESTIMATES

8.1 Introduction

On July 31, 2013, the projected revenue and EBITDA of the WDF Group, excluding the US Retail Division, for 2013 (the "**Projections**") were officially presented in a press release available on the website www.autogrill.com.

The accounting policies adopted for the preparation of the Projections are consistent with those used in the preparation of the Combined Condensed Interim Financial Statements as of June 30, 2013 and of the Combined Financial Statements as of December 31, 2012, 2011 and 2010.

The Projections are based on a series of assumptions concerning future events and actions that the WDF Group intends to undertake, including assumptions about future events and actions that may not actually occur. Therefore, the Projections include inherent elements of subjectivity and uncertainty, particularly the risk that expected events and actions dependent on such events may not occur or that the degree or timing may differ from expectations, while, conversely, events and actions may occur that were not foreseeable at the time the Projections were made. Consequently, variations between actual results and the Projections could be significant, particularly in relation to the hypothetical assumptions described below, which are highly dependent on factors outside of the Company's control.

8.2 Projections

For year ending on December 31, 2013 the Projections for the WDF Group are as follows [(54)]:

(i) Revenues of approximately Euro 2,050 million;

(ii) EBITDA of between Euro 250 million and Euro 260 million;

(iii) investments of approximately Euro 70 million.

The information contained in Paragraph 8.2 is in line with the 2013 guidance provided by Autogrill on July 31, 2013, at the announcement of the results of the Autogrill Group at June 30, 2013. At that date there was no certainty concerning the finalization of the sale of the US Retail Division to the WDF Group, since at that time the minimum threshold of the grantors to such transfer had not been reached, which was a condition for the completion of the sale (please refer to Chapter 12, Paragraph 12.3.1 for further details). Therefore, as has already been communicated to the market, even in this Paragraph the forecasts for the Travel Retail & Duty Free sector have been indicated without including the contribution of the transfer of the US Retail Division to WDFG US, whose prospective data were instead included in the forecasts of the Food & Beverage sector of Autogrill.

(54) This information does not include the projections for the US Retail Division

As described in this Document, on September 6, 2013, the WDF Group completed the acquisition of a significant part of the US Retail Division, for a purchase price of about USD 105 million, corresponding to 87.8% of the price of USD 120 million agreed for the transfer of the entire US Retail Division.

As a result of this acquisition, the WDF Group will begin to consolidate the results of the businesses acquired starting from the fourth quarter of 2013. In accordance with applicable accounting standards, the results of the US Retail Division for the first three quarters of 2013 will still be consolidated within the Food & Beverage sector and, therefore, included in the Autogrill Group's consolidated financial statements.

Provided that this Paragraph does not contain data and/or forecasts different to those communicated to the market on July 31, 2013 with the 2013 guidance, for information purposes only and considering the transfer of the US Retail Division to WDFG US, such transfer does not change the substance of the expected results of the WDF Group made by Autogrill on July 31, 2013 and, therefore, a review of the guidance is not necessary.

8.3 General considerations

Projected revenues for 2013 are up 2.4% compared to 2012 and projected EBITDA for 2013 is substantially in line with 2012.

In the first half of 2013 the Group achieved about 45% of revenues and 43% of EBITDA expected for the full year. Both percentages are substantially in line with those achieved in the first half of 2012 compared to that full year.

8.4 General assumptions

Revenues

The increase in revenues expected for the 2013 fiscal year versus last year is due to the increase in average spending per passenger (calculated as the overall average for all geographical areas), to the increase in passenger traffic in the United Kingdom, in the Americas and in Asia and Middle East areas, as well as to the beginning of operations in airports where the WDF Group was awarded new concession contracts during the past year.

The increase in average spending per passenger foreseen for 2013 will result mainly from activities focused on reshaping store commercial layouts and effective marketing strategies targeting passengers travelling to non-EU destinations, in line with trends observed during the first half of 2013 and the previous year.

The main assumptions regarding the change, by geographical area, of the number of passengers in 2013 compared to 2012 are the following:

(i) United Kingdom: increase of about 1%;

(ii) Rest of Europe: decrease of about 10%, mainly due to the discontinuation of operations at the Rome airport at the end of 2012 and, to a lesser extent, to an expected unfavorable traffic trend in Spain. These effects were partially offset by the start-up of operations at the Düsseldorf airport;

(iii) Americas: increase of about 2.5%, benefiting from new operations in Los Cabos (Mexico) and Montego Bay (Jamaica) that offset the shutdown of operations at Atlanta and Orlando International airports;

(iv) Asia and Middle East: increase of about 7%.

The Projections are based on the assumption that the positive trend in revenue from the new WDF Group operations at the Düsseldorf, Los Cabos (Mexico) and Montego Bay (Jamaica) airports observed in the first half of 2013 will continue in the second half of 2013. In addition, the expected revenues for 2013 partially benefit from the effects of the planned openings of new stores at Spanish airports, following the signing of the AENA Agreements.

Ebitda

The Projections include an EBITDA for 2013 (in absolute value) in line with the EBITDA achieved in 2012, with a decline in EBITDA as a percentage of revenues from 13.1% in 2012 to 12.2% - 12.7% in 2013.

The expected slight decrease in EBITDA as a percentage of revenues is mainly due to the effects of the start-up phase of the newly opened stores (especially in Dusseldorf, Germany), as well as to increases in concession fees related to the signing of new contracts with AENA and to the above-mentioned new openings. It is expected that such effects will be partially offset by the reduction in the operating expenses, primarily resulting from a process aimed at improving operational efficiency.

8.5 Hypothetical Assumptions

In the preparation of the Projections, the WDF Group has assumed an unfavorable trend, compared to 2012, of the average expected exchange Euro / GBP rate (estimated to be 0.85 for 2013 compared to 0.8109 in 2012) and Euro / USD rate (estimated to be 1.32 for 2013 compared to 1.2842 in 2012).

8.6 Developments in the business of the WDF Group between 30, June 2013 and the Date of the Document and 2014 - 2015 strategic guidelines

2013 Guidance

In the period between June 30, 2013 and the Date of the Document, the performance of the WDF Group's sales, in the airports located in the United Kingdom was positive, in line with WDF Group's expectations.

The Rest of Europe area, where the WDF Group was expecting a decrease in sales compared to 2012, mainly due to the group leaving some points of sales in Rome and Spain (stores specialized in the so-called "luxury, fashion, accessories & other" category) and the estimated downturn of traffic in Spain, showed a slight improvement, due to a gradual stabilization of traffic in Spain and also the effect of reopening of some stores that were refurbished in the first half of 2013.

Sales in other geographic areas (America, Asia and Middle East) do not present any significant discontinuity from the WDF Group's estimates. Therefore, the WDF Group believes that, at the moment, there is no reason to adjust the 2013 guidance related to targeted sales.

Similarly in relation to profitability in the period following 30 June 2013 there were no unexpected events, or different trends in the sales mix or in the cost structure that could lead to material differences compared with the estimates made in 2013 guidance.

2014 - 2015 Strategic guidelines

During the reference period, the WDF Group intends to focus on (i) growth; and (ii) reducing financial indebtedness.

The goal of enhancing growth will be pursued by:

(i) developing the businesses managed through the concession contracts currently in force;

(ii) integrating the US Retail Division, in order to strengthen and expand the presence of the WDF Group in North America;

(iii) obtaining new concessions in markets that are strategically significant for the WDF Group (i.e. Europe, North America and emerging markets).

For further information, please see Chapter 6, Paragraph 6.2.3.9.

WDF expects that revenue growth the may contribute to the reduction of indebtedness, thus increasing the financial flexibility of the WDF Group and allowing it to pursue opportunities for external growth. The latter can also be pursued through transactions aimed at integration with other leading market operators.

8.7 Report of the independent auditors on the Projections

The report of the Independent Auditors related to the examination of the Projections is reported below.

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

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Examination report

To the board of directors of
World Duty Free S.p.A.

1 We have examined the prospective financial information of the World Duty Free Group (the "Projections"), as well as the assumptions and elements on which basis they have been prepared, which are set out in chapter 8 ("Projections or estimates") of the information document relating to World Duty Free S.p.A. (the "Information document"). The Projections and the relevant underlying assumptions and elements are the responsibility of the parent's board of directors.

2 The Projections are based on a set of assumptions, comprising those disclosed in chapter 8 of the Information document, that include general and hypothetical assumptions about future events and management actions that are not necessarily expected to occur.

3 We have examined the Projections in accordance with International Standard on Assurance Engagements 3400 "The examination of prospective financial information" issued by the International Auditing and Assurance Standards Board (IAASB).

4 Based on our examination of the evidence supporting the assumptions and elements on which basis the Projections have been prepared, nothing has come to our attention which currently causes us to believe that the above-mentioned assumptions and elements do not provide a reasonable basis for the Projections, assuming that the general and hypothetical assumptions about future events and management actions referred to in paragraph 2 will actually occur. Further, in our opinion, the Projections are properly prepared on the basis of the assumptions and elements mentioned above and are presented using consistent accounting policies with respect to those applied by World Duty Free S.p.A. in preparing its combined financial statements as at and for the year ended 31 December 2012. We issued our audit report on such combined financial statements on 30 August 2013.

5 Even if the events anticipated under the general and hypothetical assumptions referred to in paragraph 2 occur, actual results are still likely to be different from the Projections since other anticipated events frequently do not occur as expected and the variation may be material.

KPMG

World Duty Free Group
Examination report
18 September 2013

6 This report has been prepared for the sole purposes of Consob Regulation no. 11971 of 14 May 1999, as subsequently amended and supplemented, for its inclusion in the Information document and cannot be used, in whole or in part, for any other purposes.

7 We have not undertaken to update this report for events or circumstances occurring after its issue.

Milan, 18 September 2013

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director

9. SHARE OWNERSHIP, CORPORATE GOVERNANCE AND EMPLOYEES

9.1 Relevant Shareholders and Control

As at the Date of the Document, Autogrill owns the Beneficiary Company's entire share capital.

By virtue of the Demerger, the Beneficiary Company's share capital will amount to Euro 63,720,000 and will be divided into 254,520,000 shares. By virtue of the Demerger, all Autogrill's shareholders will receive shares of the Beneficiary Company in proportion to their interest in Autogrill, pursuant to the ratio of one share of the Beneficiary Company to one share of the Assigning Company.

Therefore, assuming that the composition of Autogrill's shareholders will not change, upon the effective date of the Demerger, the shareholders who will hold a shareholding greater than 2% of WDF's share capital will be the same indicated with reference to Autogrill's shareholders and will hold a corresponding number of shares of the Issuer:

Shareholder	No. of shares	% of the share capital
Schematrentaquattro S.r.l.(*)	150,815,000	59.283%

(*) Schematrentaquattro S.r.l. is a company entirely hold by Edizione S.r.l., which refers to shareholders ascribable to the Benettons' families, none of whom individually controlling it.

Source: Consob's website, issuers' shareholding.

Furthermore, Autogrill will hold No. 1,124,934 shares of the Beneficiary Company based on the treasury shares it had held in the portfolio before the effective date of the Demerger, in addition to the 120,000 shares that currently represent WDF's initial share capital.

9.2 Listing of Beneficiary Company's Shares

Simultaneously with the implementation of the activities required for the perfection of the Demerger, the Issuer has applied to list its Shares on the MTA.

The date of commencement of trading of such Shares will be determined by Borsa Italiana with a notice and will fall on the effective date of the Demerger, which will be a trading day.

9.3 Corporate Governance

9.3.1 By-laws

The Issuer's by-laws currently in force are enclosed to the Document as Annex 3. On June 6, 2013, when approving the Demerger, WDF shareholders' meeting also resolved to adopt, effective from the Demerger's effective date, new by-laws in compliance with the provisions on corporate governance that apply to the companies listed on the MTA.

These by-laws, enclosed to this Document as Annex 4, is essentially the same as the post-Demerger Autogrill by-laws.

However, unlike the post-Demerger Autogrill's by-laws, post-Demenger WDF's by-laws shall provide:

(i) in Article 7 ("*Notice, Right to Intervene and Representation in the Shareholders' Meeting*"), that the shareholders' meeting shall be convened in single call, unless the Board of Directors deems that the said meeting should be convened in multiple calls;

(ii) in Article 7 ("*Notice, Right to Intervene and Representation in the Shareholders' Meeting*"), that the shareholders' meeting may validly be convened in Italy or in another EU Member State;

(iii) in Article 10 ("*Board of Directors*"*),* in line with the provisions of Article 147-ter, third paragraph, of the TUF), only one of the members of the Board of Directors must be elected from the minority list;

(iv) in Article 10 ("*Board of Directors*"), the shareholders shall resolve on the confirmation and replacement of the directors appointed by the Board of Directors according to the terms established by Article 10 with the majorities required by law; provided that only the minority shareholders are entitled to confirm or replace the director taken from the minority list, and the majority shareholders are not entitled to cast their vote in this regard. As opposed to the by-laws of Autogrill effective after the Demerger, the by-laws of WDF effective after the Demerger will not contain the right of shareholders representing at least 1.5% of the share capital, or any other percentage, if less, provided by the law, to propose their own candidate as the replacement of the director appointed by the Board of Directors;

(v) in Article 20 *("Board of Statutory Auditors*"), the shareholders shall resolve on the appointment of the new members of the Board of Auditors, where the vacancy is a result of replacement or ceasement of any of its members, according to the majorities required by law;

(vi) some minor changes relating, in particular, to the rephrasing of the corporate purpose (Article 2), the secondary office of the company (Article 3), the duration of the company (Article 4) and the minimum number of components for the Board of Directors (Article 10), as well as certain other changes intended to clarify some of the characteristics of the shares issued and the consequences connected by becoming shareholders (Article 5).

9.3.2 Administrative, Management or Supervisory Bodies

The Board of Directors

Upon the establishment of WDF on March 27, 2013, a Board of Directors was created and composed of the following members:

First name and surname	Office	Date and place of birth
Gianmario Tondato da Ruos	Chairman	Oderzo (TV), 12/02/1960
Gianni Mion	Director	Vo' (PD), 06/09/1943
Paolo Roverato	Director	Padua, 04/04/1963

Article 10 of the By-laws provides that WDF's Board of Directors be composed of a minimum of five and a maximum of fifteen directors and that the members of the Board of Directors be appointed a meeting on the basis of lists submitted by the shareholders, in compliance with the applicable statutory and regulatory framework, also with respect to the regulations concerning the presence of independent directors and gender balance. In particular, it provides that candidates be elected from the two lists having obtained the most votes according to the following criteria: *(i)* from the list that obtained the majority of the votes cast is taken a number of directors equal to the total number of members to be elected, minus one; *(ii)* a director is taken from the second list who obtained the largest number of shareholders' votes, who is not connected in any way, even indirectly, with the shareholders who submitted or voted for the list which turned out to have the highest number of votes.

WDF's shareholders' meeting held on July 18, 2013 – when the company was wholly owned by Autogrill and the provisions relating to the voting slates were inapplicable – resolved to increase, starting September 16, 2013, the number of directors from three to nine, in view of the listing of the Shares. At the same meeting, the number of members of the Board of Directors was increased and six new directors were appointed, namely Lynda Christine Tyler-Cagni, Jose María Palencia Saucedo, Gilberto Benetton, Alberto De Vecchi, Laura Cioli and Carla Cico, who assumed office starting September 16, 2013. The composition of this Board of Directors is consistent with the statutory and regulatory framework concerning gender balance, as well as the legal provisions and the Borsa Italiana Corporate Governance Code in terms of independent directors. The Board of Directors, as supplemented as of September 16, 2013, will remain in office for three financial years until the shareholders' meeting approving the financial statements for the year ending December 31, 2015. The provisions of the By-laws which guarantee – in accordance with Article 147-*ter*, Paragraph 3, of TUF – that a director be selected from the minority list who obtained the most votes (and is not connected in any way, even indirectly, with the shareholders who submitted or voted for the slate which obtained the highest number of votes) will apply only starting on the date of the abovesaid shareholders meeting.

Therefore, starting September 16, 2013, the Board of Directors is composed of the following members:

First name and surname	Office	Date and place of birth
Gianmario Tondato da Ruos	Chairman	Oderzo (TV), 12/02/1960
Gianni Mion	Director	Vo' (PD), 06/09/1943
Paolo Roverato	Director	Padua, 04/04/1963
Lynda Christine Tyler-Cagni	Director	Bushey (United Kingdom), 06/03/1956
Jose María Palencia Saucedo	Executive Director (*)	Madrid (Spain), 01/06/1963
Gilberto Benetton	Director	Treviso, 19/06/1941
Alberto De Vecchi	Director	Milan, 06/06/1955
Laura Cioli	Director	Macerata, 10/07/1963
Carla Cico	Director	Verona, 21/02/1961

(*) The office of executive director has been conferred by the Board of Directors in the meeting of September 20, 2013.

On September 20, 2013, the Board of Directors appointed Jose Marìa Palencia Saucedo as executive director of the Issuer, pursuant to Article 2389 of the Civil Code, conferring him powers to manage the ordinary course of business within certain limits of expense.

All members of the Board of Directors are domiciled for their office at the head office of WDF.

Below follows a brief *curriculum vitae*, showing the skills and experience acquired in business management, of each of the members of the Board of Directors.

Gianmario Tondato Da Ruos – Chairman of the Board of Directors. Born in Oderzo (Treviso) in 1960, after graduating in Economics and Commerce at the University Cà Foscari of Venice, he began his professional career in 1985 at Nordica S.p.A., then continuing in several companies of relevant dimension. He joined the Autogrill Group in 2000, when he moved to the United States to manage the incorporation of the American subsidiary HMS. He became Chief Executive Officer of Autogrill in April 2003, Lead Independent Director of GTECH S.p.A. (formerly Lottomatica Group S.p.A.), Chairman of HMS, Chairman of the Board of Directors of WDF and member of the Board of Directors of WDFG SAU.

Gianni Mion – Director. Born in 1943 in Vo' (PD), he graduated in Economics and Commerce at the University Cà Foscari of Venice. Certified Accountant and Auditor, he became Chief Executive Officer of Edizione S.r.l. starting from 1986, a company in which in June 2012 he became the Vice President. His professional career began at KPMG as Auditor and continued at Mc Quay Europe S.p.A. as Controller. In 1974 he joined Gepi S.p.A. and became Deputy General Director in 1980. From 1983 to 1985 he was Managing Director at Fintermica S.p.A., and continued to work at Marzotto S.p.A. as Finance Manager until 1986.

Paolo Roverato – Director. Born in Padua in 1963, he graduated in Business Administration at the University Ca' Foscari of Venice. He is a Certified Accountant and Auditor. He began his professional career as accountant and in 1989 joined Arthur Andersen S.p.A., becoming manager in 1994. In 2002 he became the Manager of Edizione S.r.l. He served on the Board of Directors at numerous companies including Telecom Italia Media S.p.A., Gemina S.p.A., Aeroporti di Roma S.p.A., Investimenti Infrastrutture S.p.A., Leonardo S.r.l., Schemaventotto S.p.A., Sagat-Aeroporto di Torino S.p.A., Aeroporto di Firenze S.p.A. and Chief Executive Officer at Aeroporti Holding S.p.A. Currently he is member of the Board of Directors and Member of the Audit Committee and Corporate Governance and the Human Resources Committee at Autogrill, member of the Board of Directors of WDF and Edizione Property S.p.A. and Chief Executive Officer of Edizione Alberghi S.r.l. In addition, he is a standing auditor of Alì S.p.A. and Elvox S.r.l.

Lynda Christine Tyler-Cagni – Director. Born in Bushey (United Kingdom) in 1956, she studied in France (at the Institut d'Etudes Politiques), in the United Kingdom (earning a bachelor's degree in Arts, Languages, Economics and Politics at Kingston University) and in the United States. After having served as Human Resources Director in France at Air Products & Chemicals Inc. from 1979 to 1988, she served at Mortimer Leman International as a Human Resources Consultant. From 1990 to 1994 she worked at Cummins Engine Company Inc. as Human Resources Director in Europe and as Director of Marketing and Sales in Europe, the Middle East and Africa. From 1995 to 2000 she was Vice President of Human Resources in Europe at Stanley Black & Decker, and from 2000 to 2010 was the Central Manager Human Resources in Ermenegildo Zegna. Currently she is Senior Vice President of Human Resources at Fast Retailing (holding Uniqlo, Comptoir des Cotonniers, Princesse tam.tam, Theory, G.U., J Brand, etc.).

Jose María Palencia Saucedo – Managing Director. Born in Madrid (Spain) in 1963, he graduated in Economics at the Universidad Complutense de Madrid and subsequently earned a Master in Business Administration from University L. Bocconi in Milan. He began his professional career in 1988 in the sector of Strategy and Development at Acerinox and continued the same at Mitsui & Co. (1993 to 1995) and Arthur Andersen (1996). He held the position of General Manager at SEPPA (Sociedad Estatal de Participaciones Patrimoniales) from 1996 to 1999 and from 1999 to 2001 at Eurocofin. In 2001 he joined Aldeasa as General Director and as member of the Board of Directors. From 2006 he has held the position of Chief Executive Officer of WDFG SAU.

Gilberto Benetton – Director. Born in 1941 in Treviso, he directed the diversification of Benetton family's investments into the retail, real estate and infrastructure sectors over the past 20 years, after having started in 1965, with his siblings Giuliana, Luciano and Carlo, the Benetton Group business. He is Chairman of Edizione S.r.l., the financial holding of the Benetton family, Chairman of Autogrill and a Director of the Atlantia group. He is a Director of Mediobanca S.p.A. where he has been member of the Surveillance Committee since 2007 and at Pirelli S.p.A. Since 1988 he has been the President of Verde Sport S.p.A. and at the Asolo Golf Club S.r.l..

Alberto De Vecchi – Director. Born in Milan in 1955, he graduated in Social and Economic Sciences at the University "L. Bocconi" in Milan. He began his professional career at Banca Commerciale Italiana. In 1985 he worked at Montedison, where he was appointed Director of Financial Planning. In 1995 he joined Esaote S.p.A. as Chief Financial Officer, leading the company to its IPO on the Milan Stock Exchange in 1996. From 2003 to 2006 he was Chief Financial Officer at Bracco S.p.A. He has been in Autogrill since 2006 as Chief

Financial Officer. In Autogrill he participated especially in the acquisitions of Aldeasa, Alpha and WDF Europe. Since 2006 he has been a member of the Board of Directors of WDFG SAU.

Laura Cioli – Director. Born in Macerata in 1963, she graduated in Electronic Engineering at the University of Bologna. She obtained a Master's degree in Business Administration from SDA Bocconi in Milan in 1990. She began her career at ITP Automation and from 1991 to 1998 she was manager at Bain & Company for development and project management at large industrial and service companies, mainly relating to strategy, organisation and operational improvement. She joined Vodafone Italia in 1999 as a member of the Executive Committee, holding various positions in operations and management and remained there until 2006, when she became Senior Vice President of ENI Gas & Power. From 2008 to 2012 she became General Manager of SKY Italy (News Corporation group). Currently she is an independent member of the Board of Directors and Executive Committee of Impregilo S.p.A., Chairman of the Strategic Agreement Committee of Impregilo/Salini, independent member of the Board of Directors and the Nominating and Remuneration Committee of Cofide - Gruppo De Benedetti S.p.A., member of the International Advisory Board of MIP – Milan Polytechnical, and member of the Alumni Advisory Board of Bocconi University.

Carla Cico – Director. Born in Verona in 1961, after receiving a degree in Oriental Languages at the University Ca' Foscari of Venice, she received an MSE from the University of London and an MBA from the London Business School. She began her career at Italtel, in Beijing and ChongQing in 1987. After having served as Chief Director at IRI in Beijing from 1993 to 1994, she worked for the Telecom Italia Group in Rome from 1995 to 1999 as Director of International Business at Stet International. From 1999 to 2001, she worked as a consultant for the identification and evaluation of possible investment opportunities in telecommunications and in the internet area at CVC/Opportunity Fund in Brazil. Later, she took over the role of Chief Executive Officer in both listed and private companies (Brasil Telecom S.A. from 2001 to 2005, Ambrosetti China – part of the Ambrosetti group – from 2007 to 2009, Rivoli S.p.A from 2010 to 2012).

Powers of the Board of Directors

Pursuant to Article 15 of the By-laws, "*the Board of Directors is responsible for the governance of WDF*". "*The Board of Directors is also responsible for adopting resolutions with regard to the following:*

(i) mergers in circumstances envisaged by Articles 2505 and 2505-bis of the Civil Code;
(ii) the reduction of the share capital in the event of withdrawal of a Shareholder;
(iii) the creation or suppression of secondary establishments;
(iv) amendments of the by-laws for compliance with the law;
(v) the transfer of the registered office within Italian territory;
(vi) subject to Article 18 below, the designation of the Directors vested with representative powers";

Pursuant to Articles 12 and 17 of the By-laws, "*the Board of Directors appoints a Chairman if not appointed by the Shareholders' Meeting, and a Secretary. The Board may also appoint one or more Deputy Chairman and, as prescribed by law, one or more Chief Executive Officers, with joint and/or separate powers. It may also attribute special powers to the other Directors*" and "*appoint one or more General Manager, Deputy General Manager, Attorneys for individual acts or categories of acts and determine the powers thereof including powers of representation of the company and also any remuneration*".

Article 16 of the By-laws provides that the Board of Directors may also appoint an executive committee pursuant to Article 2381 of the Civil Code, determine the number of members and the duration of their offices.

Article 18 of the By-laws provides that, upon a proposal by the Managing Director, and prior compulsory advice (albeit, non-binding) of the Board of Statutory Auditors, the Board of Directors appoints the manager in charge of drafting the company's accounting documents. Such manager must have a university degree and professional experience in the accounting, economic and financial sector of at least five years, in addition to any additional requirements established by the Board of Directors and pursuant to the laws and regulations in force.

The following table shows the offices the members of WDF's Board of Directors have held in the five years before the Date of the Document and/or they currently hold.

Full name	Company in which the individual has held or holds office	Office held	State of the office at the Date of the Document
Gianmario Tondato Da Rous	AUTOGRILL S.P.A.	Managing Director	ongoing
	AUTOGRILL HOLDINGS UK	Chairman	expired
	GTECH S.P.A. (FORMERLY KNOWN AS LOTTOMATICA GROUP S.P.A.)	Independent Director, Chairman of the Committee of independent, directors, Chairman of the Committee for Remuneration and Appointments	ongoing
	GUALA CLOSURES S.P.A.	Independent Director, member of the Committee for Remuneration	expired
	HMSHOST CORPORATION	Chairman	ongoing
	WORLD DUTY FREE GROUP, S.A.U.	Director	ongoing
	WORLD DUTY FREE GROUP ESPAÑA, S.A.	Director	ongoing
Gianni Mion	AUTOGRILL S.P.A.	Director	ongoing
	AUTOGRILL GROUP INC.	Director	expired
	AEROPORTI DI ROMA S.P.A.	Director	ongoing
	ATLANTIA S.P.A.	Director	expired
	BENETTON GROUP S.P.A.	Director	ongoing
	BRENVEY	Director	expired
	BURGO GROUP S.P.A.	Director	expired
	EDIZIONE S.R.L.	Vice-Chairman	ongoing
	EDIZIONE HOLDING S.P.A.*	Managing Director	expired
	EUROSTAZIONI S.P.A.	Director	ongoing
	FEDERMANAGER	Director	ongoing
	FONDAZIONE CASSA DI RISPARMIO DI VENEZIA	Director	ongoing
	GEMINA S.P.A.	Director	expired

Full name	Company in which the individual has held or holds office	Office held	State of the office at the Date of the Document
Gianni Mion	LUXOTTICA GROUP S.P.A.	Director	expired
	IL GAZZETTINO S.P.A.	Director	ongoing
	IMMOBILIARE CEWA S.R.L.	Director	ongoing
	INVESTIMENTI INFRASTRUTTURE S.P.A.	Director	expired
	SCHEMAVENTOTTO S.P.A.	Director	expired
	SINTONIA S.P.A. *	Managing Director	expired
	SINTONIA S.P.A. (FORMERLY KNOWN AS SINTONIA S.A.)	Chairman of the Board of Directors	ongoing
	SPACE HOLDING S.R.L.	Director	ongoing
	TELECOM ITALIA S.P.A.	Director	expired
Paolo Roverato	ADR AEROPORTI DI ROMA S.P.A.	Director	expired
	AEROPORTI HOLDING S.R.L.	Managing Director	expired
	AEROPORTO DI FIRENZE S.P.A.	Director	expired
	ALÌ S.P.A.	Standing Auditor	ongoing
	ALÌ GROUP S.P.A.	Standing Auditor	expired
	AUTOGRILL S.P.A.	Director	ongoing
	CAREL INDUSTRIES S.P.A.	Alternate Auditor	ongoing
	EDIZIONE ALBERGHI S.P.A.	Managing Director	ongoing
	EDIZIONE PROPERTY S.P.A.	Director	ongoing
	ELVOX S.P.A.	Standing Auditor	ongoing
	GEMINA S.P.A.	Director	expired
	INVESTIMENTI INFRASTRUTTURE S.P.A.	Director	expired
	SAGAT S.P.A.	Director	expired
	TELECOM ITALIA MEDIA S.P.A.	Director	expired
	UNIX S.P.A.	Standing Auditor	expired
Lynda Christine Tyler-Cagni	FAST RETAILING CO. LTD. (JAPAN)	Group Officer & senior Vice-President	ongoing
Jose María Palencia Saucedo	AUTOGRILL HOLDINGS UK LTD.	Director	expired
	ITDC-ALDEASA INDIA PVT. LTD.	Director	ongoing
	SOCIEDAD DE DISTRIBUCIÓN COMERCIAL AEROPORTUARIA DE CANARIAS, S.L.	Director	ongoing
	WDFG INTERNATIONAL LTD.	Director	expired
	WDFG UK LTD.	Director	expired
	WDFG UK HOLDINGS LTD.	Director	expired
	WORLD DUTY FREE GROUP, S.A.U.	Managing Director	ongoing
	WORLD DUTY FREE GROUP ESPAÑA, S.A.	Chairman of the Board of Directors	ongoing
	WORLD DUTY FREE GROUP GERMANY GMBH	Managing Director	ongoing
Gilberto Benetton	ALLIANZ S.P.A.	Director	expired
	ASOLO GOLF CLUB S.R.L.	Chairman of the Board of Directors	ongoing
	ATLANTIA S.P.A.	Director	ongoing
	AUTOGRILL S.P.A.	Chairman of the Board of Directors	ongoing
	BENETTON GROUP S.P.A.	Director	expired
	EDIZIONE S.R.L.	Chairman of the Board of Directors	ongoing
	EDIZIONE HOLDING S.P.A. *	Chairman of the Board of Directors	expired
	IMMOBILIARE MARCA S.R.L.	Sole Director	expired
	LLOYD ADRIATICO HOLDING S.P.A.	Director	expired
	MEDIOBANCA S.P.A.	Director	ongoing
	PIRELLI S.P.A.	Director	ongoing
	REGIA S.R.L.	Sole Director	ongoing

Full name	Company in which the individual has held or holds office	Office held	State of the office at the Date of the Document
Gilberto Benetton	SCHEMAVENTOTTO S.P.A.	Director	expired
	SINTONIA S.P.A.	Director	ongoing
	SINTONIA S.P.A. *	Chairman of the Board of Directors	expired
	TELECOM ITALIA S.P.A.	Director	expired
	VERDE SPORT S.P.A.	Chairman of the Board of Directors	ongoing
Alberto De Vecchi	AUTOGRILL S.P.A.	Chief Financial Officer	ongoing
	AUTOGRILL EUROPE NORD OUEST S.A.	Director	expired
	AUTOGRILL HOLDINGS UK P.L.C.	Director	cessato
	AUTOGRILL S.P.A.	Director	expired
	DMS- DUNAMIS MANAGEMENT SOLUTIONS S.R.L.	Sole Director	ongoing
	HMSHOST CORPOPRATION	Director	ongoing
	MYSOCIALPET S.R.L.	Sole Director	ongoing
	WORLD DUTY FREE GROUP, S.A.U.	Director	ongoing
	WORLD DUTY FREE GROUP ESPAÑA, S.A.	Director	ongoing
Laura Cioli	COFIDE – GRUPPO DE BENEDETTI S.P.A.	Director, member of the Committee for Remuneration and Appointments	ongoing
	IMPREGILO S.P.A.	Director, member of the Executive Committee	ongoing
	SKY ITALIA S.R.L.	Director	expired
	SKY ITALIA NETWORK SERVICES S.R.L.	Director	expired
Carla Cico	ALCATEL LUCENT	Independent Director	ongoing
	EPTA	Independent Director	ongoing
	RIVOLI S.P.A.	Managing Director / Director	expired

(*) Edizione Holding S.p.A. and Sintonia S.p.A. have merged in Edizione S.r.l. (formerly known as Ragione S.a.p.A. di Gilberto Benetton & C.).

In the five years preceding the Date of the Document, none of the members of the Board of Directors of WDF has held major shareholdings in listed companies or in company of relevant dimensions or in companies belonging to the Autogrill Group.

To the best of WDF's knowledge and understanding, in the last five years, none of the members of the Board of Directors has been found criminally liable of fraud nor have they been associated, in the performance of their office, with bankruptcy proceedings, administration or liquidation. Finally, none of the directors has been subject to criminal charges and/or has been sanctioned by public or regulatory authorities (including professional associations) or subject to court orders prohibiting them from holding office as a member of management, directory or supervisory bodies of WDF nor from the management or direction of any issuer.

Board of Statutory Auditors

Pursuant to Article 20 of the By-laws, the Board of Statutory Auditors is composed of three standing auditors and two alternate auditors.

The Board of Statutory Auditors is composed as follows:

First name and surname	Office	Date and place of birth
Marco Giuseppe Maria Rigotti	Chairman	Milan, 16/06/1967
Patrizia Paleologo Oriundi	Standing auditor	Milan, 24/01/1957
Massimo Catullo	Standing auditor	Venice, 25/06/1953
Antonella Campus	Alternate auditor	Milan, 09/04/1956
Cinzia Cravagna	Alternate auditor	Udine, 11/04/1966

The current standing members and alternate members of the Board of Statutory Auditors were appointed upon the establishment of WDF, on March 27, 2013, and will remain in office until the date of the meeting convened to approve the financial statements for the financial year closing December 31, 2015. The provisions of the By-laws that – pursuant to Article 148, Paragraph 2, of TUF – ensure that a member of the Board of Statutory Auditors be selected from the minority list who obtained the most votes (and is not connected in any way, even indirectly, with the shareholders who submitted or voted for the list which turned out to be first by number of votes) will apply only starting on the date of the abovementioned general meeting.

Article 20 of the By-laws provides that the minority has the right to appoint one statutory auditor and one alternate auditor. In particular, the Board of Statutory Auditors is elected by the general meeting on the basis of the lists submitted by the shareholders in compliance with the legal and regulatory framework in force from time to time, also with regard to the requisites of the auditors and the regulations concerning gender balance. The auditors are elected as follows: *(i)* from the list that obtained the highest number of shareholders' votes, two standing auditors and one alternate auditor are taken; *(ii)* the remaining standing auditor and the remaining alternate auditor will be drafted from the second list that obtained the highest number of votes at the meeting and is not connected in any way, even indirectly, with the shareholders who submitted or voted for the list that turned out to be first by number of votes.

The Chairman of the Board of Statutory Auditors is appointed at the shareholders' meeting in accordance with the regulations in force. The member of the Board of Statutory Auditors appointed by the minority shareholders shall be appointed Chairman of the Board of Auditors in accordance with Article 148, Paragraph 2-*bis* of TUF.

The Board of Statutory Auditors in office is compliant with the statutory and regulatory framework relating to gender balance.

The possession by the auditors in office of the requirements of honourability and professionality, as well as the respect of the limit to multiple appointments provided by law and the regulatory framework with respect to listed companies, will be ascertained by the Board of Directors at its meeting to be held on the date of commencement of Shares trading.

All auditors are domiciled for their office at the head office of WDF.

The following states in summary the information of the members of the Board of Statutory Auditors.

Marco Giuseppe Maria Rigotti – Chairman of the Board of Statutory Auditors. Born in Milan on June 16, 1967, he graduated in Business Economics from the University “L. Bocconi” in Milan in 1992. He has been registered in the List of Certified Accountants of Milan since 1993 and in the Register of Certified Auditors since 1999. Leaving Consob in 1998, where he carried out research on insider trading and stock price manipulation, he began his professional activity in Milan conducting research at the Department of Legal Studies A. Sraffa at Bocconi University, where he is a Professor of Commercial Law. He is the author of several scientific publications on the subject of corporate law and financial markets.

Patrizia Paleologo Oriundi – Standing Auditor. Born in Milan on January 24, 1957, she graduated in Business Administration at the University “L. Bocconi” in Milan in 1980. She has been registered in the List of Certified Accountants of Milan since 1983, and has been an Official Auditor since 1992 and Certified Auditor since 1995. After collaborating with the Legal Tax Firm Luigi Biscozzi-Augusto Fantozzi in Milan from 1986 to 1997 she collaborated with Palumbo Law Associates of Milan. In 1998 she founded Paleologo - Tabone Tax and Legal Firm, whose business is aimed both at direct clients and lawyers/accounting firms. She is a member of the AODV231 Association, participating in the drafting of position papers concerning money laundering. For nearly thirty years, she has worked in auditing activities with title of Chairman of the Board of Statutory Auditors, Standing Auditor or member of supervisory bodies *ex* Legislative Decree No. 231/01 in several companies, including multinationals.

Massimo Catullo – Standing Auditor. Born in Venice on June 25, 1953, he graduated in Economics and Business at the University Ca’ Foscari of Venice. He is registered in the List of Certified Accountants and is a Certified Auditor. He worked at Arthur Andersen S.p.A. from 1979 to 1995 becoming director in 1984 and partner in 1991. From 1996 to 2001 he was partner in charge of Italy for business consulting in the financial sector of Arthur Andersen MBA. In September 2001 he became Chief Executive Officer of ACBGroup from its inception up to the establishment of ACB Consulting S.r.l. in 2004 (ACB Consulting S.r.l. offers business consulting to enterprises, while the ACB Group remains focussed on enhancing the network of integrated offices that constitute its corporate structure). He conducted his work as President and Chief Executive Officer of ACB Consulting S.r.l. until 2009. In 2010 he founded Catullo & Partners S.r.l. (where he is Sole Director) with the main purpose of offering professional advisory services in corporate strategy, corporate finance and M&A, in particular for small-medium enterprises.

Antonella Campus – Alternate Auditor. She graduated in Law at the University of Milan and has been registered in the Bar Association since 1984. She interned in legal tax firms of major importance before beginning her career as sole practicioner. She specialises in tax litigation. Registered in the List of Certified Auditors, she is a member and Chairman of numerous Boards of Statutory Auditors in leading companies, pension funds and professional associations among enterprises. Moreover, she has been working with the legislation concerning the protection of personal data since its adoption, with particular reference to the scope of international relations and issues related to remote sales, the industry for which she also provides consultancy on contractual matters and consumer relations.

Cinzia Cravagna – Alternate Auditor. Born in Udine on April 11, 1966, she graduated in Economics and Commerce from the University of Trieste in 1990. She was admitted to the List of Certified Accountants of Treviso and is a Certified Legal Auditor. After working at Arthur Andersen S.p.A. (Treviso) in 1991, from 1993 to 1996 she began working as a consultant in the corporate finance division and was involved in business consulting work mainly oriented to the organisational analysis at Arthur Andersen MBA S.r.l. of Treviso. From September 1996 through April 2005 she has held the position of senior manager at Deloitte & Touche S.p.A. (formerly Arthur Andersen). Alongside her auditing activities, she was also involved in corporate finance transactions, as well as business development and analysis of financial plans and company assessments. From 2005 to July 2012 she was associated with the Duodo & Associates Law Firm and was involved in business consulting services. From July 2012 she has provided advisory services to clients of the Duodo & Associates Law Firm and assignments in appraisals, business assessments, business plans and due diligence.

None of the members of the WDF's Board of Statutory Auditors has any kinship relationship with another members of the Board of Statutory Auditors, with the members of the Board of Directors or managers with strategic responsibilities.

The following table shows the positions held by the members of the WDF's Board of Statutory Auditors currently and in the five years preceding the Date of the Document.

Full name	Company in which the individual has held or holds office	Office held	State of the office at the Date of the Document
Marco Giuseppe Maria Rigotti	AIR ITALY S.P.A.	Chairman of the Board of Directors	ongoing
	AIR ITALY HOLDING S.P.A.	Chairman of the Board of Directors	ongoing
	ARKIMEDICA S.P.A.	Chairman of the Board of Statutory Auditors	expired
	BANCA SINTESI S.P.A.	Director	expired
	CAIROLI S.P.A.	Liquidator	ongoing
	DELTAFIN S.P.A. IN LIQUIDAZIONE	Liquidator	expired
	EUNICE SIM S.P.A.	Liquidator	expired
	GIANFRANCO FERRÈ S.P.A.	Chairman of the Board of Statutory Auditors	expired
	GREY & GREY S.R.L. IN LIQUIDAZIONE	Standing Auditor	expired
	HENDRIX S.P.A.	Standing Auditor	expired
	IT HOLDING S.P.A.	Standing Auditor	expired
	MERIDIANA S.P.A.	Director	ongoing
	MERIDIANA FLY S.P.A.	Chairman of the Board of Directors	ongoing
	MERIDANA MAINTENANCE S.P.A.	Director	ongoing

Full Name	Company in which the individual has held or holds office	Office Held	State of the Office at the Date of the Document
Marco Giuseppe Maria Rigotti	MONCLER S.P.A.	Standing Auditor	expired
	NUOVA ANDREA FASHION	Chairman of the Board of Statutory Auditors	expired
	POLARIS SGR S.P.A.	Standing Auditor	expired
	RECORDATI S.P.A.	Standing Auditor	ongoing
	TAS S.P.A.	Chairman of the Board of Statutory Auditors	expired
	TASNCH HOLDING S.P.A.	Chairman of the Board of Statutory Auditors	expired
	TROUW NUTRITION S.P.A.	Standing Auditor	expired
	ZAGLIANI DAL 1943 S.P.A.	Chairman of the Board of Statutory Auditors	expired
Patrizia Paleologo Oriundi	ADESPAN S.R.L.	Standing Auditor	ongoing
	AEP ITALIA S.R.L. IN LIQUIDAZIONE	Standing Auditor	expired
	AGILITY LOGISTICS S.R.L.	Alternate Auditor	expired
	ALBERTO BIANI S.P.A.	Standing Auditor	expired
	APSA S.R.L.	Chairman of the Board of Statutory Auditors	ongoing
	AVERY DENNISON ITALIA S.R.L.	Standing Auditor	ongoing
	AVERY DENNISON OFFICE PRODUCTS ITALIA S.R.L.	Standing Auditor	expired
	BALESTRINI CHIMICA S.R.L.	Standing Auditor	expired
	BANCA FARMAFACTORING S.P.A.	Alternate Auditor	ongoing
	BEL ITALIA S.P.A.	Standing Auditor	expired
	BNP PARIBAS CARDIF VITA S.P.A.	Alternate Auditor	ongoing
	CARDIF ASSICURAZIONE S.P.A.	Alternate Auditor	ongoing
	CARLO GAVAZZI S.P.A.	Alternate Auditor	ongoing
	CARLO GAVAZZI AUTOMATION S.P.A.	Alternate Auditor	ongoing
	CARLO GAVAZZI CONTROLS S.P.A.	Alternate Auditor	ongoing
	CARLO GAVAZZI LOGISTICS S.P.A.	Alternate Auditor	ongoing
	CGT LOGISTICA SISTEMI S.P.A.	Alternate Auditor	ongoing
	CHIARA ASSICURAZIONI S.P.A.	Standing Auditor	ongoing
	CHIARA VITA COMPAGNIA DI ASSICURAZIONI SULLA VITA S.P.A.	Chairman of the Board of Statutory Auditors	ongoing
	DEKRA CLAIMS SERVICES ITALIA S.R.L.	Standing Auditor	expired
	ESARC S.P.A.	Standing Auditor	expired
	EUROPA BENEFITS S.R.L.	Alternate Auditor	ongoing
	FAHR SERVIZI AZIENDALI INTEGRATI S.R.L.	Alternate Auditor	expired
	FF HOLDING S.P.A.	Standing Auditor	ongoing
	FOCUS MILANO 1 S.R.L. IN LIQUIDAZIONE	Liquidator	ongoing
	F & B S.P.A.	Alternate Auditor	ongoing
	G.A. INTERNATIONAL S.P.A.	Alternate Auditor	expired
	HELVETIA VITA COMPAGNIA ITALO-SVIZZERA DI ASS. SULLA VITA S.P.A.	Chairman of the Board of Statutory Auditors	ongoing
	ICIM S.p.A.	Standing Auditor	ongoing
	IMMOBILIARE D.A.M.A. S.R.L.	Director	expired
	MARTESANA S.P.A.	Standing Auditor	expired
	MAVER S.R.L.	Alternate Auditor	expired
	NUOVA BAIM S.R.L.	Standing Auditor	ongoing
	O.M.A. S.r.l.	Alternate Auditor	expired
	PADANA ASSICURAZIONI S.P.A.	Chairman of the Board of Statutory Auditors	ongoing
	PANEM S.P.A.	Chairman of the Board of Statutory Auditors	expired
	PICARD I SURGELATI S.P.A. WITH A SOLE SHAREHOLDER	Alternate Auditor	ongoing
	POMINI RUBBER & PLASTICS S.R.L.	Alternate Auditor	ongoing
	QUISI S.N.C. DI PATRIZIA PALEOLOGO & C.	Managing Partner	ongoing
	SERRATURE MERONI S.P.A.	Alternate Auditor	ongoing
	SIMORO S.R.L.	Sole Auditor	ongoing
	SIOLO NUOVA S.P.A.	Chairman of the Board of Statutory Auditors	ongoing
	SPEKTRA S.P.A.	Alternate Auditor	expired

Full name	Company in which the individual has held or holds office	Office held	State of the office at the Date of the Document
Patrizia Paleologo Oriundi	SUPERCOLORI S.P.A.	Alternate Auditor	ongoing
	SVILUPPO AREA TERZIARIA AEROPORTO CASELLE S.P.A.	Standing Auditor	expired
	VIRGIN ACTIVE ITALIA S.P.A.	Standing Auditor	ongoing
	WOLFORD ITALIA S.R.L.	Standing Auditor	ongoing
	ZURICH CONSORTIUM S.C.A.R.L.	Standing Auditor	ongoing
	ZURICH INVESTMENTS LIFE S.P.A.	Standing Auditor	expired
	ZURICH LIFE INSURANCE ITALIA S.P.A.	Standing Auditor	expired
	ZURICH LIFE & PENSION S.P.A.	Standing Auditor	expired
	ZURICH SERVIZI ITALIA S.P.A.	Standing Auditor	expired
	ZURITEL S.P.A.	Standing Auditor	expired
Massimo Catullo	ACB CONSULTING S.R.L.	Managing Director	expired
	CATULLO & PARTNERS S.R.L.	Sole Director	ongoing
	EUROPLASTICA GROUP S.P.A.	Standing Auditor	expired
	GRECA S.R.L.	Director	ongoing
Antonella Campus	DATASYS S.R.L.	Standing Auditor	expired
	EIDOS MEDIA S.P.A.	Standing Auditor	expired
	EINHELL ITALIA S.R.L.	Standing Auditor	ongoing
	EMPLOYEES ASSISTANCE FUND – AGILENT TECHNOLOGIES ITALIA	Member of the Accounting Auditors Board	expired
	EMPLOYEES ASSISTANCE FUND – HEWLETT PACKARD ITALIANA	Member of the Accounting Auditors Board	ongoing
	EMPLOYEES ASSISTANCE FUND – AGILENT TECHNOLOGIES ITALIA	Member of the Accounting Auditors Board	expired
	EMPLOYEES ASSISTANCE FUND – HEWLETT PACKARD ITALIANA	Chairman and then Member of the Accounting Auditors Board	expired
	EMPLOYEES ASSISTANCE FUND – HEWLETT PACKARD ITALIANA	Chairman of the Board of Directors	expired
	MANAGERS PENSION FUND – HEWLETT PACKARD ITALIANA	Member of the Accounting Auditors Board	expired
	MAPAL ITALIA S.R.L.	Standing Auditor	ongoing
	PARLY ITALIA S.P.A.	Standing Auditor	expired
	PAY TIPPER S.P.A.	Standing Auditor	ongoing
	SCHMIDT ITALIA S.R.L.	Standing Auditor	ongoing
	SE MOTORS S.P.A.	Standing Auditor	expired
Cinzia Cravagna	ATTINIA S.R.L. IN LIQUIDAZIONE	Alternate Auditor	ongoing
	BLU META S.P.A.	Alternate Auditor	ongoing
	CESAR ARREDAMENTI S.P.A.	Standing Auditor	ongoing
	DF AUDTI S.P.A.	Alternate Auditor	ongoing
	DOPLA S.P.A.	Alternate Auditor	ongoing
	ESSIM S.P.A.	Standing Auditor	ongoing
	EST RETI ELETTRICHE S.P.A.	Alternate Auditor	ongoing
	EUROBAGS HOLDING S.P.A. IN LIQUIDAZIONE	Standing Auditor	ongoing
	EUROBAGS S.R.L. IN LIQUIDAZIONE	Standing Auditor	expired
	MOBIL RECORD S.R.L.	Standing Auditor	ongoing
	NASTROFLEX S.P.A.	Standing Auditor	ongoing
	NORDIC METALBLOK S.R.L.	Standing Auditor	ongoing
	POLIEND 2000 S.R.L.	Standing Auditor	expired
	UNICOL S.R.L.	Alternate Auditor	ongoing
	UNIGAS DISTRIBUZIONE S.R.L.	Alternate Auditor	ongoing
	VERNO COSTRUZIONI S.R.L.	Alternate Auditor	ongoing

In the five years preceding the Date of the Document, the members of the Board of Statutory Auditors of WDF have not held major shareholdings in listed companies, in company of relevant dimensions or in companies belonging to the Autogrill Group.

To the best of WDF's knowledge and understanding, in the last five years, none of the members of the Board of Statutory Auditors has been found criminally liable of fraud nor have they been associated, in the performance of their office, with bankruptcy proceedings, administration or liquidation. Finally none of the members of the Board of Statutory Auditors has been subject to criminal charges and/or has been sanctioned by public or regulatory authorities (including professional associations) nor subject to court orders prohibiting them from holding office as a member of management, directory or supervisory bodies of WDF or from the managment or direction of any issuer, with the exception of the Chairman of the Board of Statutory Auditors Marco Giuseppe Maria Rigotti who, while performing his duties, was associated to the procedure of "*amministrazione straordinaria*" of IT Holding S.p.A. where he served as standing auditor.

Managers with strategic responsibilities

At the Date of the Document, WDF has no managers.

At the effective date of the Demerger, the WDF Group managers with strategic responsibilities will be as follows:

Full name	Office	Company	Place and date of birth
Pablo Olivera Massó	General Counsel	WDFG, S.A.U.	Madrid (Spain), 03/05/1962
Carlos Grande Prieto	Internal Audit Director	WDFG, S.A.U.	Madrid (Spain), 24/10/1975
Aurora de Rato Salazar-Simpson	Social Communications and Innovation Director	WDFG, S.A.U.	Madrid (Spain), 28/05/1973
Pablo Bas Lostao	Chief Financial Officer	WDFG, S.A.U.	Alicante (Spain), 14/09/1968
Sarah Purkis	Human Resources and Organisation Director	WDFG Holdings Ltd.	Truro (United Kingdom), 19/06/1970
Maria Isabel Zarza García	Corporate Strategy and Development Director	WDFG España, S.A.	Salamanca (Spain), 10/05/1970
Pedro José Castro Benitez	International Operations Director	WDFG España, S.A.	Las Palmas de Gran Canaria (Spain), 14/09/1967
Eugenio M. Andrades Yunta	Chief Commercial Officer	WDFG España, S.A.	Madrid (Spain), 16/04/1968
Daniel Montero Tallón	Operations Director – Spain	WDFG España, S.A.	Madrid (Spain), 25/01/1956
Frederick Robert Creighton	Operations Director – United Kingdom	WDFG Ltd.	Belfast (Northern Ireland) 06/03/1958
Padraig Damian Drennan	President – North-America	WDFG US Inc.	Dublin (Ireland), 01/12/1966
David Jiménez-Blanco	Global Chief Officer	WDFG, S.A.U.	Granada (Spain) 31/5/1963

Below is a brief *curriculum vitae* of each of the WDF Group managers with strategic responsibilities, stating the skills and experience acquired in business management.

Pablo Olivera Massó. Born in Madrid (Spain) in 1962, he graduated in Law at the University CEU of Madrid in 1985 and became a solicitor in 1989. In 1996 he obtained a Master's degree in Law at Georgetown University, Washington DC (United States). He began his professional career as a solicitor (*Abogado del Estado*) in 1989. He held the position of

Chief Executive Officer at SEPPA (agency for privatisation) from 1996 to 1999 and at the General Directorate of State from 1999 to 2001. After filling the position of Vice President of SEPI (Sociedad Estatal de Participaciones Industriales) from 2001 to 2004, he became a partner at the Garrigues Law Firm. He started at the WDFG SAU Group in 2009 as General Counsel and Secretary of the Board of Directors.

Carlos Grande Prieto. Born in Madrid (Spain) in 1975, he graduated in Business Administration in Madrid in 1997. He began his professional career in 1997 as an auditor at Coopers & Lybrand. In 1998 he joined Aldeasa, working in accounting until 2000 and then as Financial Director (from 2000 to 2005) and Deputy Finance Director (from 2005 to 2010). In 2011 he became Internal Audit Director of WDFG SAU.

Aurora de Rato Salazar-Simpson. Born in Madrid (Spain) in 1973, she graduated in Art History at the University of Rome La Sapienza and in Modern History at the Universidad Complutense de Madrid. She obtained a Master's degree in Internet Business at ISDI-Universidad Complutense de Madrid and a Master's degree in Business Administration. She began her professional career at Aldeasa as Manager of Marketing and Advertising (from 1997 to 2003) and later as Marketing Director (from 2003 to 2005). After a few years (from 2005 to 2011) as Chief Executive Officer at Tatana Deco, she returned to work in the WDFG SAU Group as Manager of Communications and Innovation (from 2011 to 2012) and as Director of Communications and Innovation (since 2012).

Sarah Purkis. Born in Truro (United Kingdom) in 1970, she began her professional career at Marks & Spencers Plc. as Personnel Management Trainee in 1988. From 1991 to 1993 she was the Multi-site Staff Manager at Texas Homecare, Ladbrokes Group, and from 1993 to 1996 was Human Resources Manager at Wallis, the Sears Group Plc. She was the Human Resources Manager of Warehouse, Sears Group Plc from 1996 to 1999. From 1999 to 2000 she served as Director of Personnel in the Arcadia Group. From 2000 to 2002 she was manager for personnel and development at MVC Entertainment Ltd., Kingfisher Group. From 2002 to 2005 she was the Director of Personnel and Development at Virgin Retail Ltd. From 2005 to 2006 she held the position of Director of Human Resources at Britvic Plc. From 2006 to 2008 she was Executive Director of Human Resources at MCPS-PRS Alliance Ltd. In 2008 she joined Alpha Group Plc. as Director of Human Resources of the group (until 2011) and since 2011 she has been the Director of Human Resources and Organisation at WDFG Holdings Ltd.

Maria Isabel Zarza García. Born in Salamanca (Spain) in 1970, she graduated in Law at the University of Salamanca with the certificate in Legal Studies "Erasmus" at the University of Nancy II (France) and obtained an MBA from the University of Houston (United States). She began her professional career in 1995 in the Accounting Department of Blue Cross/Blue Shield and Comcast Metrophone. From 1997 to 1999 she was the Director for International Development at Aldeasa. After three years (from 1999 to 2002) at Accenture as the strategy project manager, she returned to Aldeasa where she worked first as Investor Relations Manager (from 2002 to 2005), later as Deputy Director for Strategy & Corporate Development (2005 to 2008) and starting from 2008 as Director for Corporate Strategies and Development.

Pedro José Castro Benitez. Born in Las Palmas in the Grand Canary Islands (Spain) in 1967, he graduated in Political Science and Public Administration in Madrid and later earned an MBA in International Business – Ministry of Foreign Affairs in Madrid and an MBA in International Business in Malaga. He began his professional career at the Spanish Embassy in Chile as a Consultant (from 1995 to 1996) and as Commercial Analyst in the Commercial Department (from 1996 to 1998). In 1998 he joined Aldeasa as General Director of Chile (until 2000); then assumed the position of General Operations Manager in the Canary Islands (from 2000 to 2003), General Manager in Jordan (from 2003 to 2006) and Operations Director in Spain (2007 to 2010). From 2011 he has been the International Director of Retail Operations at WDFG España.

Eugenio M. Andrades Yunta. Born in Madrid (Spain) in 1968, he graduated in Mining Engineering in Madrid. He obtained an MBA in Economics and Mining Studies and Energy in the United States and a mini MBA from McKinsey in Denmark. He began his professional career as an engineer at Carboex in 1992. From 1995 to 1996 he was a consultant at McKinsey. In 1996 he joined Aldeasa as Director of Strategy and Development (from 1996 to 2001), Chief Executive Officer in Jordan (from 2001 to 2002), Director of Strategy, Development and Investor Relations (from 2002 to 2006), Director of Sales and Operations Coordinator (2007 to 2010) and since 2011 he has been the Chief Commercial Officer of WDFG España.

Daniel Montero Tallón. Born in Madrid (Spain) in 1956, he graduated in Marketing at ESIC in Madrid. He obtained an MBA in Business Studies in Madrid. He began his professional career with management positions in Carrefour, REPSOL (Socamp) and Toys R Us. He joined Aldeasa in 1997 where worked as Deputy Director of the Palaces and Museums Division until 2001, when he was called to fill the position of General Manager in Chile and Latin America. From 2005 to 2010 he was Director of International Operations at Aldeasa and in 2011 became Operations Director in Spain at WDFG España.

Frederick Robert Creighton. Born in Belfast (Northern Ireland) in 1958, he graduated in Psychology at Queens University Belfast. He began his professional career at Woolworth Plc. Belfast in 1980 as a management trainee and became the Floor Manager there in 1982 and Deputy General Manager in 1984. From 1986 to 1991 he conducted activities at Strong Retail Services as Deputy General Manager of the Belfast International Airport Tax & Duty Free Shops (from 1986 to 1988) and as Director General T1 Tax & Duty Free (from 1988 to 1991). From 1991 to 1998 he was Retail Director for UK Duty & Tax Free Shops at Alpha Retail Trading Ltd. In 1998 he joined WDF Europe as Director of Retail Operations, United Kingdom (until 2008) and he is still in the WDFG SAU Group, as Director of Retail Operations and Logistics in the United Kingdom at WDFG Ltd.

Padraig Damian Drennan. Born in Dublin (Ireland) in 1966, he studied Economics and became a Certified Auditor in 1989. He began his professional career in 1989 at Arthur Andersen as a Senior Auditor. In 1991 he joined Courtaulds as Financial Controller and from 1993 to 1997 he worked as European Finance Reporting Manager at Walt Disney. After a few years (from 1997 to 2004) at GAP Inc. as Director of European Finance and IT and a few years (from 2004 to 2008) at Marks & Spencer as Finance Manager, from 2008 to 2010 he worked as the Finance Director at the Alpha Group and WDF UK Group. He was Chief Executive Officer of WDFG UK in 2010, and from 2011 to 2012 was Chief Executive Officer at WDFG UK in the United Kingdom and North America. Since 2012 he has been Chairman at WDFG US in North America.

David Jiménez Blanco. Born in Granada (Spain) on May 31, 1963 and graduated in Economics at *Colegio Universitario de Estudios Financieros* (CUNEF) in Madrid. After a long experience in Salomon Bothers (1989 – 1995) and Goldman Sachs (1995 – 2006), during which he served as Head of European Industrial Group, between 2006 and 2009 he was CEO of Merrill Lynch for Spain and Portugal and, from 2009, partner of BK Partners. From August 1, 2013 he is Global Chief Financial Officer of WDFG SAU Group.

To the best of the knowledge of WDF, none of the WDF Group's executives with strategic responsibilities has kinship relationships with any members of the Board of Directors or the members of the Board of Statutory Auditors of WDF, nor do any kinship relationships exist between the executives with strategic responsibilities.

The following table shows the offices held by managers with strategic responsibilities of the WDF Group currently and in the five years preceding the Date of the Document.

Full name	Company in which the individual has held or holds office	Office held	State of the office at the Date of the Document
Pablo Olivera Massó	SOCIEDAD DE DISTRIBUCIÓN COMERCIAL AEROPORTUARIA DE CANARIAS, S.L.	Director	ongoing
	WDFG, SAU	Director and Secretary	ongoing
	WDFG ESPAÑA, S.A.	Director and Secretary	ongoing
Carlos Grande Prieto	-	-	-
Aurora de Rato Salazar-Simpson	AVANWEB TATANA DECO FUNDACIÓN PADRE ARRUPE	Director	ongoing
Sarah Purkis	AUTOGRILL HOLDINGS UK PENSION TRUSTEES	Director	expired
	WDFG UK LTD.	Director	ongoing
	WDFG HOLDINGS LTD.	Director	ongoing
Maria Isabel Zarza García	CREUERS DEL PORT DE BARCELONA	Director	ongoing
Pedro José Castro Benitez	ALDEASA ATLANTA LLC	Director	ongoing
	ALDEASA CABO VERDE, S.A.	Chairman of the Board of Directors	ongoing
	ALDEASA CHILE LIMITADA	Chairman of the Board of Directors	ongoing
	ALDEASA CURAÇAO N.V.	Director	ongoing
	ALDEASA ITALIA S.R.L.	Director	ongoing
	ALDEASA JAMAICA LTD.	Director	ongoing
	ALDEASA JORDAN AIRPORTS DUTY FREE SHOPS LTD.	Director	ongoing
	ALDEASA MEXICO S.A. DE C.V.	Chairman of the Board of Directors	ongoing
	ASA CHILE LTDA.	Chairman of the Board of Directors	ongoing
	ASUTIL	Director	ongoing

Full name	Company in which the individual has held or holds office	Office held	State of the office at the Date of the Document
Pedro José Castro Benitez	AUTOGRILL LANKA PVT. LTD.	Director	ongoing
	CANCOUVER UNO S.L.	Director	ongoing
	ITDC-ALDEASA INDIA PVT. LTD.	Director	ongoing
	PRESTADORA DE SERVICIOS EN AEROPUERTOS, S.A.	Director	ongoing
	SOCIEDAD DE DISTRIBUCIÓN COMERCIAL AEROPORTUARIA DE CANARIAS, S.L.	Director	expired
	WDFG CANADA INC.	Director	ongoing
	WDFG GERMANY GMBH	Director	ongoing
	WDFG INTERNATIONAL LTDA.	Director	ongoing
	WDFG ITALIA S.R.L. (ALPHA RETAIL ITALIA S.R.L.)	Director	ongoing
	WDFG US INC. (FORMERLY KNOWN AS ALDEASA USA, INC.)	Director	ongoing
	WDF US INC.	Director	ongoing
Eugenio M. Andrades Yunta	SOCIEDAD DE DISTRIBUCIÓN COMERCIAL AEROPORTUARIA DE CANARIAS, S.L.	Director	ongoing
	WDFG UK LTD.	Director	ongoing
Daniel Montero Tallón	ASUTIL	Director	expired
	AETRE	Chairman of the Board of Directors	ongoing
	IAADFS	Director	expired
	SOCIEDAD DE DISTRIBUCIÓN COMERCIAL AEROPORTUARIA DE CANARIAS, S.L.	Director	ongoing
	WDFG ESPAÑA, S.A.	Director	ongoing
Frederick Robert Creighton	WDFG JERSEY LTD.	Director	ongoing
	WDFG UK HOLDINGS LTD.	Director	ongoing
Padraig Damian Drennan	AIRPORT CATERING SERVICES (NORTHERN IRELAND) LTD.	Director	expired
	AIRPORT CATERING SERVICES (SCOTLAND) LTD.	Director	expired
	AIRPORT DUTY FREE SHOPS LTD.	Director	expired
	ALPHA AIRPORT HOLDINGS BV	Director	expired
	ALPHA AIRPORT SERVICES LTD.	Director	expired
	ALPHA AIRPORTS (FURBS) TRUSTEES LTD.	Director	expired
	ALPHA ASD LTD.	Director	ongoing
	ALPHA-ATS PTY LTD.	Director	expired
	ALPHA ESOP TRUSTEE LTD.	Director	expired
	ALPHA EUROSERVICES LTD.	Director	expired
	ALPHA FLIGHT GROUP LTD.	Director	expired
	ALPHA FLIGHT IRELAND LTD.	Director	expired
	ALPHA FLIGHT UK LTD.	Director	expired
	ALPHA IN-FLIGHT RETAIL LTD.	Director	expired
	ALPHA RETAIL IRELAND LTD.	Director	ongoing
	ALPHA SERVICES GROUP LTD.	Director	expired
	AUTOGRILL HOLDINGS UK LTD.	Director	expired
	PRATT & LESLIE JONES LTD.	Director	expired
	RESTAIR UK LTD.	Director	ongoing
	WDFG INTERNATIONAL LTD.	Director	expired
	WDF US INC.	Director	ongoing
	WDFG UK LTD.	Director	expired
	WDFG UK HOLDINGS LTD.	Director	expired
	WDFG US INC.	Director	ongoing

Full Name	Company in which the individual has held or holds office	Office Held	State of the Office at the Date of the Document
David Jiménez-Blanco	GAWA FUND MANAGEMENT S.A.R.L.	Director	in essere
	GAWA CAPITAL PARTNERS, S.L.	Director	in essere
	MERRILL LYNCH CAPITAL MARKETS ESPANA, S.A.	Director	cessata
	BK RENEWABLES LTD.	Director	cessata
	BK PARTNERS HOLDINGS, SPC	Director	cessata
	ATENTO INVERSIONES Y TELESERVICIOS, S.A.U.	Director	cessata

To the best of WDF's knowledge and understanding, in the last five years, none of the above managers: *(i)* has held material interests in listed companies, or in companies of relevant dimension or in companies belonging to the Autogrill Group in the five years preceding the Date of the Document; *(ii)* has been found criminally liable of fraud nor have theybeen associated in the performance of his/her office with bankruptcy proceedings, administration or liquidation in the last five years. Finally none of the managers has been subject to criminal charges and/or has been sanctioned by public or regulatory authorities (including professional associations) nor subject to court orders prohibiting them from holding office as a member of management, directory or supervisory bodies of WDF or from management or direction of any issuer.

Fouding shareholders

WDF was incorporated on March 27, 2013 by Autogrill. WDF was registered in the Companies Registry of Novara on April 3, 2013

Conflict of interests of the members of the Board of Directors and of the Board of Statutory Auditors

Neither the members of WDF's Board of Directors nor Board of Statutory Auditors have any personal interests or interests on behalf of third parties in potential conflict with WDF's interests or with their duties towards WDF.

9.3.3 Remuneration and benefits

Board of Directors

When WDF was incorporated, the shareholders' meeting did not resolve to compensate the members of the Board of Directors.

WDF's ordinary shareholders' meeting, held on July 18, 2013, which approved the increase – effective from September 16, 2013 – in the number of members of the Board of Directors and appointed six new members who took office effective September 16, 2013, established the remuneration of the Board of Directors for financial years 2013, 2014 and 2015. This renumeration amounting to gross of Euro 450,000 per year for the entire Board (being excluded from such amount the compensation for special offices, to be determined pursuant to Article 2389, Paragraph 3, of the Civil Code). Subsequently, on September 20, 2013, the shareholders meeting resolved to split such amount in Euro 50,000 gross per year for each director and to assign a lump sum payment of Euro 600 for each attendance at a meeting of the Board of Directors, on top of the expenses incurred for participating to the meeting.

The following table shows the remuneration paid for the financial year ending December 31, 2012 to the members of the Board of Directors of WDF which – as at the same date of December 31, 2012 – held the office of members of the Board of Directors in companies that, by virtue of the Demerger, will be controlled by the Beneficiary Company.

Full name	Office held in the Issuer	Expiry of the office	Remuneration from the Issuer (Euro)	Remuneration from other companies in the Group of the Beneficiary Company (Euro)	Total remuneration (Euro)
Jose María Palencia Saucedo	Director	Approval of the financial statements as of December 31, 2015	-	Euro 655,920.26	Euro 655,920.26

Gianmario Tondato da Ruos, in his capacity as Chief Executive Officer of Autogrill, Alberto De Vecchi, in his capacity as Group Chief Financial Officer of Autogrill benefits from the Stock Option Plan and the Stock Grant Plan of Autogrill and benefited from a cash settled incentive plan of Autogrill, expired in 2012, whose settlement has been made in 2013.

José María Palencia Saucedo, in his capacity as Chief Executive Officer of WDFG SAU, benefits from the Stock Option Plan and the Stock Grant Plan of Autogrill and benefited from a cash settled incentive plan of Autogrill, expired in 2012, whose settlement has been made in 2013 (the cost of the Stock Grant Plan and the cash settled incentive plan being borne by WDFG SAU). For more information on incentive plans in force, see Chapter 5, Paragraph 5.4.

José María Palencia Saucedo, in his capacity as Chief Executive Officer of WDFG SAU, is entitled also to the following fringe benefits: life and disability insurance, company car, pension and health plan.

Board of Statutory Auditors

When WDF was incorporated and the board was appointed, on March 27, 2013, the gross annual remuneration of the Board of Statutory Auditors was Euro 15,000 for the Chairman of the Board of Directors and Euro 10,000 for each of the other standing auditors. The shareholders' meeting may modify this remuneration, if certain corporate events occur - such as the listing on regulated markets - which materially change the type of activities to be performed by the auditors. The shareholders' meeting, in light of the upcoming floatation of the WDF's shares, which would entail an increased commitment, exercised such right and in the meeting of July 18, 2013 resolved to increase the compensation of the Chairman of the Board of Statutory Auditors to Euro 82,500 and the compensation of the standing auditors to Euro 55,000 each.

Managers with strategic responsibilities

Remuneration granted to the strategic managers mentioned in this Chapter by the WDF Group during the financial year ended on December 31, 2012 amounts to Euro 3,435,743. It includes monetary quantification of the fringe benefits granted to the same managers (*e.g.*, life and disability insurance, company car, pension and health plan).

Managers with strategic responsabilities benefit from a cash settled Long Term Incentive Plan based on annual individual targets which started in 2011. According to the Plan, payments are made to the beneficiaries three years after the achievement of the targets. Consequently, the incentives regarding years 2011 and 2012 will be paid, respectively, in 2014 and 2015.

Total amount WDF has provided, provisioned or accumulated to pay pensions, indemnities for termination of employment relationships or similar benefits

WDF was set up on March 27, 2013 and has not carried out any provision to pay pensions, indemnities for termination of employment relationships or similar benefits.

As of December 31, 2012, the WDFG SAU Group has provided, provisioned or accumulated a total of Euro 7,233,034 to pay pensions, indemnities for termination of employment relationships or similar benefits for managers with strategic responsibilities.

Provisions applicable in case of termination of employment

The employment relationship with the eleven managers with strategic responsibilities described in Paragraph 9.3.2 above are governed by Spanish law as for the eight managers with strategic responsibilities hired by WDFG SAU and WDFG España (the "**Spanish Managers**"), while are governed by English law as for the three strategic managers with strategic responsibilities hired by WDFG US Inc., WDFG Ltd. and WDFG Holdings Ltd (the "**UK Managers**").

Among the Spanish Managers, six are entitled to receive an indemnity – in case of termination without cause or null termination or termination due to economic, technical, organizational or productive reasons – equal to from six to twelve months of annual salary (annual salary shall be considered inclusive of the fixed component and the variable one) depending on the manager and the circumstances of the termination. Applicable Spanish labor law provisions will prevail in case the indemnity calculated according to the agreement is lower than the amount calculated according to statutory provisions.

The remaining two Spanish Managers of WDFG SAV and WDFG España are not entitled to any indemnities in case of termination of their employment relationship other than those provided by Spanish labor law.

Maximum indemnities provided by Spanish labor law provisions are: *(i)* if the employment relationship terminates because of economic, technical, organizational or productive reasons, the maximum amount to which the manager would be entitled would be equal to twelve months of salary and *(ii)* in case of termination without cause or null termination: *(a)* the seven Spanish Managers whose employment agreements were entered into before February 12, 2012 (when an amendment in statutory provisions concerning labor matters occurred) would be entitled to a maximum amount equal to twentyfour months of salary if the severance compensation accrued taking into account the services rendered before February 12, 2012 is lower than twentyfour months of salary, but if the severance compensation accrued taking into account the services rendered before February 12, 2012 is higher than twentyfour months of salary they would be entitled to a maximum amount equal to fortytwo months of salary (and the period of services beyond the February 12, 2012 would not be taken into account); and *(b)* the Spanish Manager whose employment agreement was entered into after February 12, 2012 would be entitled to a maximum amount equal to twentyfour months of salary.

Moreover, as an additional severance compensation some Spanish Managers are entitled to 3 more months of salary (salary shall be considered inclusive of the fixed component and the variable one) in case of termination of their employment relationship for any reason.

In case of termination of their employment agreement, seven Spanish Managers are prohibited from carrying on activities in competition with such companies for a 1-year period. In relation to the mentioned restriction, five managers would be entitled to receive an amount equal to six months of fixed salary to be paid in six monthly installments following the termination, one manager would be entitled to receive an amount equal to one year of fixed salary to be paid in twelve monthly installments following the termination and one manager's compensation is paid as an increase of his annual salary. A Spanish Manager is bound by a 2-year non-compete clause, which entitles him to receive an amount equal to six months of fixed salary to be paid following the termination of his employment relationship.

For what concerns the UK Managers, in case of the termination of their employment, a twelve months' notice from both the employer and the employee will apply for two of them, whereas for the remaining one a six months' notice from the employee and twelve months' notice from the employer will apply. The UK Managers are entitled to benefits which include an annual executive bonus of up to 50% of their base salaries, private medical, group personal pension, death in service, car allowance and participation in the Long Term Incentive Plan (see Chapter 9, Paragraph 9.4.2). In the case of termination of the UK Managers by reason of redundancy, enhanced redundancy terms apply. If the UK Managers have been employed for up to two years they are paid four weeks basic salary inclusive of a statutory redundancy sum and if they have been employed for more than two years, the managers are paid three weeks basic pay for each completed year of employment capped at one year's basic salary. Where the UK Managers contractual notice period exceeds the enhanced redundancy sum available to them, the equivalent of their contractual notice will be paid to them.

The UK Managers' contractual terms include confidentiality obligations but do not include post termination restrictive covenants which would prevent them from acting in a competitive capacity for a third party, or soliciting employees or customers. The UK Managers are not subject to any collective or trade union agreements that could provide for any further enhanced severance terms to apply to them.

In relation to the labor relationship of José María Palencia Saucedo, see Paragraph 9.3.4.2 below.

9.3.4 Board practices

9.3.4.1 Expiry of the office

On July 18, 2013, WDF's ordinary shareholders' meeting increased the number of directors from three to nine, effective as of September 16, 2013 in view of the listing of the Shares on the MTA. Therefore, WDF' shareholders' meeting appointed six new directors, who took office from September 16, 2013. The Board of Directors, supplemented as above, will remain in office until the shareholders' meeting approving the financial statements for the financial year ending as at December 31, 2015.

9.3.4.2 Employment contracts or commercial services agreements entered into by the members of the Board of Directors and of the Board of Statutory Auditors with WDF or other companies in the WDF Group providing for an indemnity for termination

At the Date of the Document José María Palencia Saucedo is a director of WDF. He has had an employment relationship with WDFG España since January 1, 2001 that was suspended - by mutual consent - on July 22, 2005, when José María Palencia Saucedo's WDFG España Chief Executive Officer's commercial services agreement was executed. According to Spanish law, the relationship between an executive director and the company in which it is a director has not an employment nature but a commercial one. Therefore, when José María Palencia Saucedo was appointed Chief Executive Officer of WDFG España, José María Palencia Saucedo and the said company entered into a commercial services agreement, at the moment in force with WDFG SAU. If the commercial services agreement terminates without cause or by any reason other than agreement with WDFG SAU or voluntary decision of José María Palencia Saucedo, José María Palencia Saucedo is entitled to receive an amount equal to two years of his year 2010 annual salary (inclusive of the fixed component and the variable one). In addition, upon termination of the commercial services agreement by any reason other than agreement with WDFG SAU or voluntary decision of José María Palencia Saucedo, he will be entitled to request that the suspended employment agreement becomes effective again or, alternatively, to be paid an amount equal to two years of his 2005 annual salary (inclusive of the fixed component and the variable one). José María Palencia Saucedo is bound by a 2-year non-compete covenant in relation to which he is entitled to receive an amount equal to one year of fixed salary to be paid following the termination of the commercial services agreement.

Rafael Arias-Salgado, chairman of the Board of Directors of WDFG SAU, has also entered into a commercial services agreement with WDFG SAU, which if terminated confers Rafael Arias-Salgado the right to receive an amount equal to one year of salary (inclusive of the fixed component and the variable one). He is also bound by a 2-year non-compete clause, which entitles him to receive an amount equal to six months of salary to be paid following the termination.

Except for what stated above, at the Date of the Document there are no employment agreements between any member of the Board of Directors and of the Board of Statutory Auditors and WDF or other companies belonging to WDF Group, providing for severance indemnities.

9.3.4.3 Representation on the compliance with the corporate governance provisions

On September 20, 2013 WDF's Board of Directors adopted a Corporate Governance Code (the "**WDF Corporate Governance Code**") substantially corresponding to the Borsa Italiana Corporate Governance Code, save for certain non material differences. The provision of the WDF Corporate Governance Code are aimed at align WDF's corporate governance system to the recommendations of the Borsa Italiana Corporate Governance Code to the maximum possible extent taking into account the features of WDF and the WDF Group

9.3.4.4 Compliance with the corporate governance provisions

(A) <u>Committees within the Board of Directors</u>

In order to comply with the recommendations contained at Article 9 (*Internal Committees*), 10 (*Human Resources Committee*), and 12 (*Risk Control and Corporate Governance Committee*) of WDF's Corporate Governance Code, on September 20, 2013, the Board of Directors of WDF created a human resources committee (the "**Human Resources Committee**") and a risks control and corporate governance committee (the "**Risks Control and Corporate Governance Committee**"), and defined their tasks, manner of operation and composition criteria.

At the same meeting, the Board of Directors appointed the members to such committees in compliance with the applicable legislation and the recommendations of the WDF Corporate Governance Code.

The Human Resources Committee is composed of the following three non-executive directors: Paolo Roverato, Lynda Christine Tyler-Cagni and Laura Cioli. Upon their appointment, the Board of Directors affirmed that at least one member of the Human Resources Committee has adequate skills and experience in the financial sector.

The Risks Control and Corporate Governance Committee is composed of the following three non-executive directors: Paolo Roverato, Laura Cioli and Carla Cico. Upon the appointment, the Board of Directors verified that at least one member of the committee has adequate skills and experience in the financial and accounting sector or in risk management.

On September 20, 2013, the Board has also appointed the manager in charge of drafting accounting and corporate documents (Mr. David Jemenez-Blanco) and the person responsible for the internal audit function (Mr. Carlos Grande Prieto).

A brief description of the tasks and of the operation rules of the above committees is presented here inbelow.

Human Resources Committee

WDF's Human Resources Committee comprises of three to five non-executive directors. The Board of Directors appoints the members of the Human Resources Committee and determines the number of its members. Upon the appointment, the Board of Directors verifies that at least one member of the Human Resources Committee has adequate skills and experience in the financial sector.

The Human Resources Committee's functions include investigation, consultation and proposals to the Board of Directors. In particular, the committee is in charge of:

(i) presenting proposals to the Board of Directors: to define a general policy for the remuneration of the chairman, of the executive directors, of WDF's directors holding specific offices and the managers with strategic responsibilities, as well as WDF's and the WDF's Group's top management-also for the purposes of the Board's drafting of the report on remuneration to be presented to the shareholders' meeting annually-to periodically assess the adequacy, overall consistency and actual implementation of the general remuneration policy to be approved by the Board of Directors and subjected to the advisory vote of the shareholders' meeting;

(ii) presenting proposals to the Board of Directors for the overall remuneration of the chairman, the managing director, WDF's directors holding specific offices and the managers with strategic responsibilities (as regards the latter on the basis of using the information provided by the managing director) and, upon proposal by the managing director, formulating proposals to determine the criteria for the remuneration of WDF's and the WDF's Group's top management, including their related performance targets with regard to the variable component of their remuneration;

(iii) monitoring the implementation of the Board of Directors' resolutions, verifying, in particular, whether the performance targets are actually achieved;

(iv) examining any share or cash based incentive plan for WDF's and the WDF Group's employees, the composition criteria of the strategic controlled companies' managing bodies and the strategic development of human resources.

To perform its activities, the Human Resources Committee may appoint external consultants at WDF's expenses.

A director may not participate in the meetings of the Human Resources Committee when the Committee is called to examine and draft proposals on the remuneration of the concerned director to the Board of Directors.

The Human Resources Committee meets whenever it deems it appropriate or upon request of any of its members.

As of the Date of the Document, WDF still has to define its remuneration policies. These policies will be adopted by the Board of Directors, upon a proposal by the Human Resources Committee and submitted to the shareholders' meeting for its non-binding vote at the meeting convened to approve the financial statements for the financial year ending on December 31, 2013.

Risks Control and Corporate Governance Committee

The Risks Control and Corporate Governance Committee comprises of three to five non-executive directors. At least one member of the committee must have adequate experience in the financial and accounting field or in risk management. The Board of Directors evaluates this experience when appointing the committee.

The Risks Control and Corporate Governance Committee is in charge of supporting, after an adequate investigation, the Board of Directors' assessments and decisions on the internal and risks control system as well as those systems concerning the approval of periodical financial reports. In particular, the committee is in charge of:

(i) assisting the Issuer's Board of Directors in carrying out its tasks, by providing advice on the following matters: *(a)* defining the guidance for the internal and risks control system which shall provide for the assessment – at least once per year – of the system's adequacy considering the company's characteristics and its risk profile, as well as of the system's effectiveness. The committee shall entrust the Director in Charge (as defined below) with the task of establishing and keeping an effective Internal and Risks Control System (as defined below); *(b)* approving – at least once every year – the working plan drafted by the Head of Internal Audit (as defined below), after consulting the Board of Statutory Auditors and the Director in Charge; *(c)* after consulting with the Board of Statutory Auditors, evaluating the results presented by the auditors in its letter of advice (if any) and in the report on the main issues that will arise during the legal audit; *(d)* appointing and removing the Head of Internal Audit; *(e)* ensuring that the Head of Internal Audit has sufficient resources to carry out its tasks; *(f)* defining the remuneration of the Head of Internal Audit, consistently with the company's policies and with the legislation in force;

(ii) upon request of the Director in Charge, deliver opinions on specific matters concerning the identification of the main company's risks as well as the design, implementation and management of the Internal and Risks Control System;

(iii) evaluating the working plan and examine the periodical reports drafted by the Head of Internal Audit and monitor the independence, adequacy, effectiveness and efficiency of the internal audit function;
(iv) together with the director in charge of drafting corporate and accounting documents, and after consulting the external accounting auditor and the Board of Statutory Auditors, evaluate the adequacy of the accounting principles used, their correct use and their consistency when drafting the financial statements and the consolidated financial statements;
(v) report to the Board of Directors, at minimum on a bi-annual basis, upon the approval of the annual and bi-annual financial report, on the activity carried out and on the adequacy of the Internal and Risks Control System;
(vi) request the internal audit to perform audits on specific operating areas, simultaneously informing the chairman of the Board of Statutory Auditors;
(vii) performing the tasks it is entrusted by the Board of Directors;
(viii) supporting with adequate investigations the Board of Directors' resolutions concerning the approval of the periodical financial reports;
(ix) deliver its opinion to the Board of Directors on the corporate governance report, in order to describe the features of the Internal and Risks Control System and the assessment concerning its adequacy.

The Risks Control and Corporate Governance Committee meets once every two months upon request of one of its members.

The chairman of the Board of Directors (or another standing auditor, upon request by the chairman) participates in the meetings of the Risks Control and Corporate Governance Committee. When deemed appropriate due to the matters to be addressed, the chairman of the Board of Directors, the managing director, the manager in charge of drafting corporate and accounting documents, the Head of Internal Audit and the managers may be invited to participate in the meeting.

(B) Independent directors

On July 18, 2013 the shareholders' meeting resolved to increase, effective September 16, 2013 the number of directors from three to nine and, therefore, appointed six new directors, who took office effective September 16, 2013. The Board of Directors, as supplemented, is comprised of an adequate number of non-executive and independent directors, and complies both with the applicable legal provisions (in particular, Article 147-ter, Paragraph 4 of the TUF) and the corporate governance principles laid by the Borsa Italiana Corporate Governance Code and WDF Corporate Governance Code.

In particular, according to the representations made at the shareholders' meeting of July 18, 2013, as of September 16, 2013, the Board of Directors will be composed by a chairman without management powers (Mr. Gianmario Tondato Da Ruos), an executive director (Mr. José Maria Palencia Saucedo) and seven "non-executive" directors (Gianni Mion, Paolo Roverato, Lynda Christine Tyler-Cagni, Gilberto Benetton, Alberto De Vecchi, Laura Cioli and Carla Cico), as defined by Article 2 of WDF Corporate Governance Code, of which three qualify as independent directors pursuant to Article 3 of the Borsa Italiana Corporate Governance Code and of WDF Corporate Governance Code as well as pursuant to the joint provisions of Articles 147-ter and 148, Paragraph 3 of the TUF (namely Lynda Christine Tyler-Cagni, Laura Cioli e Carla Cico). The Board of Directors shall also assess whether the above requirements are complied with at the meeting that will be held at the date of commencement of trading of the Shares and whenever specific circumstances occur that may compromise one or more of the directors' independence requirements.

The presence of an adequate number of non-executive and independent directors is aimed at ensuring that the resolutions taken are duly discussed and are (also) subject to the examination of directors that, by definition, are not involved in WDF's operational management ("non-executive") and, moreover, have no relevant relations with the management and with the reference shareholders ("independent").

(C) Internal Risks and Control System

On September 20, 2013, WDF's Board of Directors adopted a series of rules, procedures and organisational structures aimed at ensuring a sound, correct corporate management, consistent with its objectives, through an adequate process for identifying, measuring and monitoring the main risks (the "**Internal and Risks Control System**").

The Risk and Internal Control System contributes to: *(i)* monitor the efficiency, disclosure and verifiability of the company's operation and, in general, verification and monitoring the correctness and reliability of WDF's and the WDF Group's corporate and business governance; *(ii)* ensure and verify of the quality and reliability of management and accounting data, also by auditing the recording and information flow exchange systems thereof; *(iii)* ensure and monitor compliance with the provisions of the code of ethics WDF may adopt and, in general, with the applicable laws and regulations; *(iv)* ensure the implementation and compliance with the organisational, management and control model pursuant to Legislative Decree 231/2001 as well as the provisions of the Supervisory Body (as defined below); *(v)* ensure that corporate integrity is safeguarded to prevent fraud against the company and the financial markets.

The Risks and Internal Control System includes several functions and competences, which involve:

(i) the Board of Directors;

(ii) the director in charge of the Risks and Internal Control System (the "**Director in Charge**");

(iii) the head of the internal audit function (the "**Head of Internal Audit**"); and

(iv) the Risks Control and Corporate Governance Committee.

In particular, upon prior favourable opinion of the Risks Control and Corporate Governance Committee, the Board of Directors:

(i) defines the guidelines for the Internal and Risks Control System and evaluates – at least once per year – whether it is adequate and effective, considering the characteristics of the company and its risk profile. It then entrusts the Director in Charge with the task of establishing and keeping an adequate Internal and Risks Control System;

(ii) approves – at least once every year – the working plan drafted by the Head of Internal Audit, after consulting the Board of Statutory Auditors and the Director in Charge;

(iii) after consulting with the Board of Statutory Auditors, evaluates the results that will be presented by the legal auditor in its letter of advice (if any) and in the report on the main issues that will arise during the legal audit.

The Head of Internal Audit, appointed by the Board of Directors (upon proposal of the Director in Charge and prior favourable opinion of the Risks Control and Corporate Governance Committee and after consulting with the Board of Statutory Auditors):

(i) on a continuous basis and when specific needs arise or for specific operational areas, in compliance with the international standards, verifies the adequacy and operation of the Internal and Risks Control System, considering the characteristics of the company and its risk profile and, after having consulted the Risks Control and Corporate Governance Committee, the Board of Statutory Auditors and the Director in Charge, shall prepare an audit plan, to be approved by the Board of Directors, based on a structured process of analysis, evaluation of the main risks, which shall include the budget and the necessary resources;

(ii) is not responsible for any operational area and reports directly to the the Board of Directors;

(iii) has direct access to all useful information to perform his job;

(iv) drafts all periodical reports including adequate information on his activity, on the way risk management is carried out and on the compliance with the plans designed to contain the risks. The periodical reports contain an assessment on the adequacy and effectiveness of the Internal and Risks Control System, having regard to the characteristics of the company and the assumed risk profile;

(v) timely drafts reports on particularly significant events;

(vi) transmits the above reports to the members of the Board of Directors, of the Risks Control and Corporate Governance Committee, of the Board of Statutory Auditors and to the Director in Charge;

(vii) in the framework of the audit plan, verifies the reliability of the information systems, including the accounting record systems.

The Director in Charge defines the instruments and the manner of implementation of the Internal and Risks Control System, in compliance with the Board of Directors guidelines. He ensures that the Internal and Risks Control System is adequate overall, is actually functional and is adjusted on the basis of changes of the operational conditions and to laws and regulations. He proposes to the Board of Directors the appointment or removal of the Head of Internal Audit. To perform his functions, the Director in Charge may resort to the

Risks Control and Corporate Governance Committee, the Head of Internal Audit, as well as WDF's internal audit function.

(D) Organisation, management and control model pursuant to Legislative Decree 231/01

It is envisaged that WDF's Board of Directors, in the first meeting following the admission to listing of WDF, will adopt an organisation, management and control model pursuant to Legislative Decree 231/01 and to the Guidelines for adopting the model in Italian companies of the WDF Group.

On September 20, 2013, WDF also appointed a Supervisory Body (the "**Supervisory Body**") composed by the standing auditors. The Supervisory Body will take office from the commencement date of trading of the Shares on the MTA, will be governed by an internal regulation, will report to the Board of Directors and to the Board of Statutory Auditors.

(E) Investors relationships

In compliance with Article 14 (*Investors Relationships*) of WDF Corporate Governance Code, at the meeting of September 20, 2013, the Board of Directors appointed the director in charge of managing the relations with the shareholders (known as the investor relator), in the person of Marina Marini.

(F) Procedure for processing corporate information and internal deling procedure

On July 31, 2013, WDF's Board of Directors adopted a procedure for the internal management and disclosure to the market of inside information, pursuant to Articles 114 and 181 of the TUF.

This procedure includes all the rules for setting up and managing the register of the persons having access to privileged or potentially privileged information. The procedure defines the "privileged" and "potentially privileged" information and lists the rules concerning: *(i)* the functioning of the register; *(ii)* tasks and role of the persons in charge of managing privileged information; *(iii)* the dissemination of privileged information and the modes for processing and publishing such information.

This procedure is also aimed at regulating the dissemination, inside or outside the WDF Group, of inside information, and makes reference to the sanctions applicable where disclosure or use of inside information is in breach of the applicable laws and regulations. This procedure is available in the Issuer's website at the address www.wdfg.com .

On July 31, 2013, the Board of Directors of WDF also adopted a procedure on the internal dealing concerning transactions on financial instruments carried out by relevant individuals (known as the "insiders") and by the persons directly connected to them. This procedure aims at regulating disclosure requirements and certain other obligations that must be observed and complied with by such relevant individuals towards the market. This procedure is available on the Issuer's website at www.wdfg.com.

(G) Regulation governing shareholders' meetings

On July 18, 2013, the WDF shareholders' meeting adopted a regulation having the aim of encouraging the well-ordered and efficient carrying out of shareholders' meetings, pointing out rights and duties of all the participants and establishing clear and unambiguous rules of conduct enabling each shareholder the right to participate actively to the meetings.

(H) Procedures concerning transactions with Related Parties

On September 20, 2013 WDF Board of Directors created a committee for transactions with Related Parties (the "**Related Parties Transactions Committee**") and adopted, following the recommendation of the Related Parties Transactions Committee itself, the procedures concerning transactions with Related Parties under Article 2391-bis of the Civil Code and under the Related Parties Regulation (the "**Related Parties Transactions Procedures**").

The Related Parties Transactions Committee consists of three members who are independent directors, Carla Cico, Lynda Christine Tyler-Cagni and Laura Cioli, and its duty is to carry out the functions and activities concerning transactions with Related Parties as provided for under the Related Parties Transactions Procedures.

The Related Parties Transactions Procedures describe the most and the least relevant transactions. The most relevant ones are those identified where at least one of the following relevance indexes, applicable depending on the different transactions, is higher than 5%:

(i) consideration relevance index, meaning: *(a)* the ratio between the consideration of the transaction and the net assets as resulting from the most recent consolidated financial statement published by the Issuer; or, if higher, *(b)* the capitalisation of the Issuer at the end of the last trading day in the period covered by the latest financial statement that was published (annually or semi-annually or quarterly report);

(ii) income relevance index, meaning the ratio between the total assets of the target entity and the total assets of the Issuer, as indicated in the latest consolidated financial statement published by the Issuer;

(iii) liabilities relevance index, meaning the ratio between the overall liabilities of the purchased entity and the total assets of the Issuer, as indicated in the latest consolidated financial statement published by the Issuer.

The following are principles to be followed if the Issuer begins negotiations concerning a transaction with Related Parties: *(i)* both the Related Parties Transactions Committee and the corporate body that will decide the transaction must be provided in advance with complete and adequate information concerning the transaction with Related Parties; *(ii)* the supplied information must allow both the Related Parties Transactions Committee and the body that will decide on the transaction to conduct a thorough and documented examination during the assessment and decision of the reasons underlying the transaction, including the convenience and substantial appropriateness of the conditions therein. Such documents must include objective definitions of the conditions of the transaction with Related Parties as equivalent to market values or standards; *(iii)* the transaction with Related Parties will be resolved by the competent corporate body only after the Related Parties Transactions Committee issues a reasoned opinion concerning the interest of WDF in the transaction as well as the convenience and substantial appropriateness of the conditions therein; *(iv)* the Related Parties Transactions Committee has the right to be assisted by one or more independent experts of its choice, at the WDF's expenses; *(v)* delegated bodies will supply complete information, on a quarterly basis at minimum, to the Board of Directors and to the Board of Statutory Auditors concerning the performance of the transaction with Related Parties; *(vi)* the Board of Directors may at its discretion approve a less material transaction despite of the negative opinion of the Related Parties Transactions Committee. In this case, within fifteen days before the end of each quarter, WDF shall communicate to the public, as provided under the governing laws and regulations, a document indicating the identity of the other party, the object and the consideration of the transactions, and the reasons why it decided not to follow the opinion of the Related Parties Transactions Committee. If the opinion of the Related Parties Transactions Committee is negative and concerns a material transaction, the Board of Directors may at its discretion decide to engage in such transaction, provided that the decision is ratified the shareholders' meeting under Article 2364 Paragraph 1, no. 5) of the Civil Code (without prejudice to the provisions in the by-laws). A specific procedure is to be followed if the Related Parties Transactions Committee issues a negative opinion and the transaction has to be approved by the shareholders' meeting; *(vii)* the minutes of the shareholders' meeting must include sufficient reasoning concerning the interest of WDF in the transaction, as well as the convenience and substantial appropriateness of the conditions involved.

In addition, the Related Parties Transactions Procedures, in compliance with Related Parties Regulations, indicates certain transactions that fall out of the scope of the Related Parties Transactions Procedures; in particular, the following transactions are excluded: *(i)* "minimun value" transactions; *(ii)* "ordinary transactions"; *(iii)* transactions carried out "with subsidiaries, between subsidiaries and with related companies" (only if in the subsidiaries or the related companies being the other parties in the transaction there are no "significant" interests of other Related Parties to the Issuer); *(iv)* transactions based on orders given by supervisory authorities; *(v)* consideration plans based on financial instruments, unless they are approved by the shareholders' meeting under Article 114-bis TUF, and the related implementing transactions; *(vi)* resolutions of the shareholders' meeting concerning the remuneration of the members of the Board of Directors and the Executive Committee under Article 2389, Paragraph 1 of the Civil Code, remuneration to the auditors, and resolutions concerning the remuneration of directors vested with specific powers, where the amount of remuneration falls within the overall amount previously determined by the shareholders' meeting under Article 2389, Paragraph 3 of the Civil Code; *(vii)* decisions, different from those under the preceding point, concerning remuneration of the directors and other managers with strategic responsibilities under certain conditions. In urgent situations, transactions that are not within the competence or fall beyond the scope of authority of the shareholders' meeting may be concluded without complying with the general rules, provided that certain conditions are met.

9.4 Employees

9.4.1 Number of employees

The following table shows the evolution of the total number of human resources the WDF Group [58] employed in the first semester of 2013 and at December 31, 2012, 2011 and 2010, broken down into the major categories. The number of workers is represented in FTE (full time equivalents), calculating part-time workers proportionally to full time workers.

Employees	June 30, 2013	December 31, 2012	December 31, 2011	December 31, 2010
Employees	6,309.93	6,115.39	5,837.73	5,639.04
Project workers	695.47	674.69	708.16	696.07
Total	**7,005.40**	**6,790.08**	**6,545.89**	**6,335.11**

As at June 30, 2013 the US Retail Division employed 1,666 associates.

Please note that between June 30, 2013 and the Date of the Document there were no significant changes.

9.4.2 Stock options

At the Date of the Document WDF has not resolved upon the adoption of stock option plans in favor of its employees and members of its corporate bodies.

Gianmario Tondato da Ruos, in his capacity as Chief Executive Officer of Autogrill, Alberto De Vecchi, in his capacity as Group Chief Financial Officer of Autogrill, benefit from the Stock Option Plan and the Stock Grant Plan of Autogrill and benefited from a cash settled incentive plan of Autogrill, expired in 2012, whose settlement has been made in 2013.

José María Palencia Saucedo, in his capacity as Chief Executive Officer of WDFG SAU, benefits also from the Stock Option Plan and the Stock Grant Plan of Autogrill and benefited from a cash settled incentive plan of Autogrill, expired in 2012, whose settlement occurred in 2013 (the cost of the Stock Grant Plan and the cash settled incentive plan being borne by WDFG SAU).

For further information on incentive plans in force, see Chapter 5, Paragraph 5.4.

Managers with strategic responsibilities benefit from a cash settled Long Term Incentive Plan based on annual individual targets which started in 2011. According to the Plan, payments are made to the beneficiaries three years after the achievement of the targets. Consequently, the incentives regarding years 2011 and 2012 will be paid in 2014 and 2015.

9.4.3 Employee share capital participation agreements

As of the Date of the Document there are no arrangements for employees participation in WDF's share capital.

(58) Excluding the US Retail Division.

10. RELATED PARTY TRANSACTIONS

10.1 Introduction

As of the Date of the Document, the WDF Group entertains – and during financial year 2012 and the first semester of 2013 has entertained – commercial and financial relationships with Related Parties. Among these relationships, inter-group relationships are mostly related to services that are centralized within the WDF Group, while other transactions with Related Parties are connected to services performed and loans made by Autogrill to the WDF Group.

Transactions with Related Parties have been, and still are, carried out under terms and conditions in line with market standards.

10.2 Intra-group relationships

Below is a description of the most relevant intra-group transactions that were carried out during 2012 and the first semester of 2013. Please note that it is envisaged that by 30 September 2013 WDFG SAU and WDF will execute the service agreement described, for completeness, in the following section (A).

(A) Service Agreement between WDFG SAU and WDF

It is envisaged that by 30 September 2013, WDFG SAU and WDF will execute an agreement for the supply by WDFG SAU to WDF of support and back office services relating to the following areas of operations: *(i)* drafting of the consolidated financial statement and compliance with Law no. 262/2005; *(ii)* reporting, *ad hoc* analysis and budget planning of WDF; *(iii)* analysis of specific business opportunities and assistance in participation to tenders; *(iv)* enterprise risk management analysis; *(v)* compliance activities related to mandatory disclosure requirements and preparation of materials for meetings with investors and analysts; *(vi)* processing of information required for determining the management remuneration and incentives; *(vii)* treasury and financial risk management.

Said agreement has a term of one year, renewable; WDF, however, is entitled both to terminate the whole agreement and discontinue one or more services provided thereunder, with 60 days prior notice.

The fees that WDF will pay to WDFG SAU are determined, for each services, on an arms' length basis, on the basis of the criteria indicated in the schedules to the agreement. The other terms and conditions of the agreement are in line with market practice developed for contracts of this type.

(B) Other inter-group services

During 2012 and the first semester of 2013, WDFG España and WDFG UK performed certain services for companies of the WDF Group. These services included services for the development and update of commercial strategies, management of relationships with suppliers, retail space planning, procurement and management of assortments, logistics, treasury and finance management, human resources management and IT.

WDFG España and WDFG UK also granted to companies of the WDF Group the right to use trademarks, know-how and commercial practices.

These services are performed under standard agreements entered into by and between either WDFG España or WDFG UK, on the one side, and WDF Group's subsidiaries operating the retail areas of the airports on which the WDF Group carries out its activities. These agreements contain terms and conditions in line with market standards and are open-ended agreements.

The consideration paid to WDFG España or WDFG UK for performing these services, licensing the trademarks and transferring know-how and commercial practices was determined at arms' length and is in line with policies in place within the WDF Group for determining transfer prices.

As consideration for the above-mentioned performances, licenses and transfers, the companies of the WDF Group paid WDFG España and WDFG UK, respectively, Euro 51.8 million and Euro 18.7 million during 2012 and Euro 28.7 and Euro 10.7, during the first semester of 2013.

During 2012, the WDF Group filed with the competent Spanish and British authorities its new policies for determining transfer prices to receive their approval. Pending the authorities' approval of these new policies, the WDF Group has begun to apply them to the above-mentioned services and to other intra-group transactions.

In connection with the fees paid under the above referred intra-group services agreements, WDFG España and WDFG UK entered into a compensation agreement on 14 February 2013 by virtue of which fees paid to either of them by the other companies of the WDF Group for the supply of the above services and intellectual property rights will be contributed into a "fees pool" and shared between WDFG España and WDFG UK according to the above referred transfer price policies.

(C) Intra-group financing

The WDF Group uses a centralized treasury system whereby intra-group loans are made available to support the WDF Group's companies financial needs. The loans granted thereunder have been used to meet temporary cash needs. Terms and conditions governing these intra-group loans are in line with market standards.

The main intra-group loans and credit facilities in force as of the Date of the Document are:

(i) Euro 15 million (approximately) loan granted by Cancouver Uno, S.L. to WDFG España;

(ii) Euro 20 million (approximately) loan granted by WDFG España to WDFG US;

(iii) Euro 300 million revolving facility granted by WDFG España to WDFG SAU;

(iv) GBP 200 million revolving facility granted by WDFG SAU to WDFG UK.

(D) 2012 Reorganization of the WDFG SAU Group

During December 2012, WDFG International Ltd. and WDFG UK Holdings implemented a reorganization of the ownership structure of a number of their subsidiaries. The objective of the reorganization was to simplify the structure of a the WDFG SAU Group. In the context of such reorganization WDFG UK Holdings acquired the entire issued share capital of the following WDFG SAU Group companies from WDFG International Ltd: Aldeasa Jordan Airports Duty Free Shops Ltd; Aldeasa Curacao NV; Cancouver Uno S.L.; Alpha Airport Retail Holdings Pvt Ltd.; Airport Retail Pvt; Alpha ASD Ltd; and Alpha Airports Group Channel Islands Limited.

In addition to the above and in connection with such reorganization, WDFG UK Holdings acquired from Alpha Airport Holdings BV 50% of the issued share capital of Alpha-Kreol India Pvt Ltd and the 99.95% of the issued share capital of Autogrill Lanka Pvt Ltd.

Further, in connection with 2012 reorganization, certain guarantees and indemnities were provided by WDFG UK Holdings in respect of existing obligations and liabilities of Autogrill Holdings UK Ltd and the share capital of Autogrill Holdings UK Ltd. and WDFG International Ltd. respectively was reduced. Alpha Airport Holdings BV was subsequently liquidated and dissolved.

10.3 Related Party Transactions

Below you find a description of the transactions, considered material for the WDF Group, occurred between the WDF Group and its Related Parties during 2012 and during the first semester of 2013. Please note that it is envisaged that by 30 September 2013 WDF and Autogrill will execute the service agreement described, for completeness, in the following Section (A).

(A) Service agreement between Autogrill and WDF

It is envisaged that, by 30 September 2013 Autogrill and WDF will execute an agreement for the supply by Autogrill to WDF of certain services, required for the conduct by WDF of its business and due to its status of listed company.

Said agreement provides for a limited duration, since it is aimed at ensuring that WDF is supplied with such services for the time strictly necessary to allow the Issuer to put together all the means, facilities, technologies, *know-how* and personnel necessary for the autonomous performance by WDF of the activities rendered under the agreement. More precisely the agreement will expire on 30 June 2014, and renewal is expressly excluded. Moreover, the agreement grants WDF the right (also in the absence of cause) to cancel the whole agreement or to discontinue one or more services provided under the same, with 30 days prior notice.

The agreement provides for the supply of the following services by Autogrill: *(i)* administrative services; *(ii)* services related to the compliance with tax and pension obligations and human resources services; *(iii)* support to WDF to comply with financial requirements; *(iv)* IT services; and *(v)* legal and corporate services.

The fees for the supply of the above services are determined for each category on an arms' length basis, based on criteria identified in the schedules to the agreement. The agreement stipulates that, if the services are not rendered in compliance with the quality levels agreed upon between the parties, WDF will be entitled to an equitable reduction of the fees due or the termination of the contract. In the event that the parties are not able to reach an agreement as to said reduction of the fees due, the issue will be deferred to the decision of an expert appointed by the Court of Milano (Italy).

Should the agreement be terminated or the supply of one or more services be discontinued, Autogrill shall continue to supply, pursuant to terms and conditions set forth therein, the remaining services for the term requested by WDF. The agreement shall not be assigned to third parties, nor will Autogrill be allowed to subcontract the performance of the services in favor of WDF, in whole or in part, to third parties.

The other terms and conditions are in line with the market practice developed with reference to similar agreement.

(B) Other transactions with Related Parties

Below are two tables that summarize the impact that the transactions with the WDF Group's Related Parties had on the consolidated financial statements of the same group during the financial year 2012 and during the first semester of 2013 (the tables include the relative impact of the transactions on the income statement and on the balance sheet).

Information listed under the following tables was taken from: *(i)* the combined condensed interim financial statement of the WDF Group for the semester that closed on 30 June 2013, subject to limited auditing by the External Auditor; and *(ii)* the combined financial statement of the WDF Group for the financial year that closed on 31 December 2012, subject to auditing by the External Auditor.

Value in EUR thousand	Revenues and other operating income		Operating costs (*)		Net financial expenses/(income)	
Income Statement	**Semester closed 30 June 2013**	**Fiscal year closed 31 December 2012**	**Semester closed 30 June 2013**	**Fiscal year closed 31 December 2012**	**Semester closed 30 June 2013**	**Fiscal year closed 31 December 2012**
Autogrill S.p.A.	320	1,191	(340)	1,335	654	2,256
Autogrill Catering Uk Ltd.	-	-	-	(45)	-	-
HMS	-	-	8	44	-	-
ADR Tel S.p.A.	-	-	8	7	-	-
Aeroporti di Roma S.p.A.	-	-	90	1,159	-	-
ADR Mobility S.r.l.	-	-	3	9	-	-
Total related parties	**320**	**1,191**	**(231)**	**2,509**	**654**	**2,256**
Financial statement value	934,739	2,028,580	824,930	1,766,243	13,566	18,473
Effect of related parties on the financial statement value	**0.0%**	**0.1%**	**0.0%**	**0.1%**	**4.8%**	**12.2%**

(*) The item "Operating costs" includes the item "Raw materials, supplies and goods", the item "Personel expense", the item "Leases, rentals, concessions and royalties" and the item "Other operating expense".

Value in EUR thousand	Other receivables - current share		Commercial receivables		Commercial payables		Other payables - current share		Other financial payables - current and non-current share	
Balance sheet	**On 30 June 2013**	**On 31 December 2012**	**On 30 June 2013**	**On 31 December 2012**	**On 30 June 2013**	**On 31 December 2012**	**On 30 June 2013**	**On 31 December 2012**	**On 30 June 2013**	**On 31 December 2012**
Autogrill S.p.A.	297	235	29	-	122	-	191	1,384	-	70,079
Autogrill Catering Uk Ltd.	-	-	2	3	-	-	-	-	-	-
HMS	-	-	-	-	56	-	-	54	-	-
ADR Tel S.p.A.	-	-	-	-	1	5	-	5	-	-
Edizione S.r.l.	211	164	-	-	-	-	-	-	-	-
ADR Mobility S.r.l.	-	-	-	-	5	-	-	-	-	-
Aeroporti di Roma S.p.A.	-	-	34	34	(59)	4	-	4	-	-
Total related parties	**508**	**399**	**65**	**37**	**125**	**9**	**191**	**1,447**	**-**	**70,079**
Financial statement value	63,567	25,630	28,595	26,912	276,350	203,843	71,170	69,819	6,743	77,285
Effect of related parties on the value of the financial statement	**0.8%**	**1.6%**	**0.2%**	**0.1%**	**0.0%**	**0.0%**	**0.3%**	**2.1%**	**0.0%**	**90.7%**

The main transactions indicated in the above charts relate to:

(i) For transactions affecting the item Revenues and Other Operating Income, primarily to IT services performed by WDFG UK in favour of Autogrill for an overall consideration of Euro 1,191 thousand in 2012 and Euro 320 thousand in the first semester 2013;

(ii) For transactions affecting the item Operating Costs, to: *(a)* services (mainly IT and insurance) performed by Autogrill in favour of WDFG UK Holdings and WDFG España for an overall consideration of Euro 1,335 thousand in 2012 and Euro 232 thousand in the first semester 2013; the costs sustained in the first semester 2013 are, however, more than set off by the rebates paid by Autogrill to WDFG SAU Group for certain costs (equal to Euro 572 thousand), chargeable to the former but sustained by the latter in connection with Alpha Retail Italia S.r.l.'s personnel; and *(b)* fees and other expenses for the use of certain spaces at the Roma Fiumicino and Ciampino airports paid by WDFG Italia S.r.l. in favour of Aeroporti di Roma S.p.A. (a company in which Edizione S.r.l., the company that indirectly controls WDF, has a significant influence) in the amount of Euro 1,159 thousand in 2012 and Euro 90 thousand in the first semester 2013;

(iii) For transactions affecting the item <u>Net Financial Income and Expenses</u>, to interests paid by WDFG SAU to Autogrill on the amounts made available under the Intercompany Loan, amounting to Euro 2,256 thousand in 2012 and Euro 654 thousand in the first semester 2013;

(iv) For transactions affecting the item <u>Other payables – current share</u>, to IT services provided by Autogrill in favour of WDFG España and WDFG UK Holdings, for an overall amount of Euro 1,384 thousand in 2012 and Euro 191 thousand in the first semester 2013;

(v) For transactions affecting the item <u>Other financial payable – current and non-current share</u>, to the portion of the Intercompany Loan that was actually used, amounting to Euro 70,079 thousand in 2012 and repaid in June 2013. See also point (a) below.

For the relationships with the WDF Group's Related Parties, please note that:

(a) in August 2011 Autogrill granted the Intercompany Loan to WDFG SAU. As of 31 December 2012 the drawn-down portion of the Intercompany Loan was equal to Euro 70 million out of a maximum amount made available of Euro 200 million. During 2013, the Intercompany Loan was used to finance part of the advance payment of fees to AENA under the AENA Agreements (See. Chapter 12, Paragraph 12.1.4). The Intercompany Loan was fully repaid and cancelled on 5 June 2013, in part by using funds derived from the Loan (See Chapter 7, Paragraph 7.1.3);

(b) on 1st January 2013, WDFG España acquired from Autogrill a 100% interest in the share capital of WDFG Italia S.r.l., for the consideration of Euro 900 thousand;

(c) during 2012, WDFG SAU paid Autogrill an overall amount of Euro 70 million for dividends. In addition, on 30 April 2013 Autogrill, (the then sole shareholder of WDFG SAU) approved the cash payment of the Distribution, for the overall amount of Euro 220 million which was paid on 5 June 2013.

Finally, we point out that, after 30 June 2013, the following transactions were carried out:

(i) on 6 September 2013 WDFG US acquired the US Retail Division from HMS (a company that following the Demerger will belong to the of the Autogrill Post- Demerger Group) and its subsidiaries (See Chapter 12, Paragraph 12.3.1);

(ii) on 6 September 2013, as part of the acquisition of the US Retail Division, WDFG US and WDFG NA entered into an agreement for the temporary supply of services (Transition Services Agreement) with HMS (See Chapter 12, Paragraph 12.3.2).

Please note that, following the effective date of the Demerger, the WDF Group will continue to benefit from the insurance policies provided under the International Insurance Program of Autogrill Group, until 31 December 2013, by virtue of an extension to the existing policies entered into between Autogrill and the group's insurer. The premiums for the coverage of WDF Group for such period will be charged to WDF Group.

10.4 Related Parties procedures

Information concerning the WDF's Related Parties procedures are set out in Chapter 9, Paragraph 9.3.4.4.

11. LEGAL AND ARBITRATION PROCEEDINGS

As of the Date of the Document, certain WDF's subsidiaries are parties (either as plaintiff or defendant) to several governmental, legal or tax proceedings. A ruling against any of the WDF Group's companies involved in one or more of these proceedings could result in the company being ordered to pay damages or make some other type of payment.

Below is a summary of the most relevant governmental, legal or tax proceedings, including those that are pending or threatened of which WDF is aware, and that could negatively impact WDF's or the WDF Group's financial situation or profitability.

11.1 Tax Proceedings in Spain

WDFG España is currently undergoing tax assessments in Spain related to the application of the Spanish Corporate Income Tax ("**CIT**") for financial years 2006, 2007 and 2008. The Spanish Tax Authorities are challenging:

(i) the applicability of specific tax deductions to avoid double taxation on domestic dividends, generated by Retail Airport Finance, S.L. (currently WDFG España after the merger of Retail Airport Finance, S.L. with Aldeasa) in the context of a dividend distribution paid by Aldeasa to Retail Airport Finance, S.L., which resulted in the depreciation of the shareholding in WDFG España acquired by Retail Airport Finance, S.L. from Sociedad Estatal de Participaciones Patrimoniales

(ii) the calculation of tax effectiveness percentage of the merger difference arisen in 2006 from the merger between Retail Airport Finance, S.A. and certain subsidiaries incorporated in Spain.

Tax liability and interest due according to the assessments *(actas en disconformidad)* issued by the Spanish Tax Authorities amount to Euro 41.2 million.

WDFG España's tax statements regarding CIT for 2009 and subsequent financial years remain subject to verification by the Spanish Tax Authorities. If the criteria held by the Spanish Tax Authorities were deemed applicable to those financial years, WDFG España could incur in contingent tax liabilities amounting to Euro 55.8 million, excluding potential delay interest.

The WDF Group believes that the two matters challenged by the Spanish Tax Authorities have been correctly and lawfully executed and that, therefore, the referred audits will not result in obligations giving rise to an outflow of resources from WDFG España. Consequently, WDFG España has decided not to record a provision regarding the above described tax proceedings in Spain.

11.2 Legal Proceedings in India

This sub-section describes the on-going tax litigation and customs assessments in India to which Alpha Airport Retail Pvt. Ltd. ("**Alpha India**"), a company belonging to the WDF Group, is subject.

As of 30 June 2013, the WDF Group has provisioned Euro 11.7 million to face all the liabilities in India regarding the pending litigation and customs assessments described below.

11.2.1 Indian Service Tax Proceeding

On 9 November 2006, Alpha India entered into a license agreement ("**Delhi Agreement**") with Delhi International Airport Pvt. Ltd. ("**Delhi Airport**") under which, for setting up and operating duty-free stores in designated areas in Terminal 1 of the Delhi Airport, Alpha India agreed to pay Delhi Airport a fee composed of *(i)* a fixed rent; and *(ii)* a variable rent set as a percentage of the sales. The Delhi Agreement expired in July 2010.

In 2007, the Indian Government introduced the Indian Service Tax, a tax to be levied on services relating to the leasing of real property for commercial purposes. According to the Indian Tax Authorities' interpretation, the tax should apply to the entire consideration paid by Alpha India to the Delhi Airport under the Delhi Agreement.

Following a petition filed by Alpha India against the Indian Tax Authorities and the Delhi Airport (to whom Alpha India should have paid the tax under the Delhi Agreement), the Court of Delhi held that the services rendered under the Delhi Agreement could not be regarded as services related to the leasing of real property for commercial purposes and, consequently, the consideration was not subject to the Indian Service Tax.

By virtue of the Indian Finance Amendment Act of 2010, the levy of the Indian Service Tax was amended *(i)* to include the act of "renting" within the meaning of services and *(ii)* to levy the applicable Indian Service Tax retroactively from 1 June 2007. Alpha India filed another petition with the Court of Delhi challenging the constitutionality of the Indian Finance Amendment Act of 2010 (retroactively levying the Indian Service Tax). Alpha India argued that the Indian Service Tax should not be levied on the amounts payable by Alpha India since the Delhi Agreement is not an agreement for leasing real property, but rather a revenue-sharing agreement, because the consideration consists of a fixed amount plus a percentage-on-sales fee.

Although the final judgment has yet to be issued, the Court of Delhi granted an interim injunction that prohibited the Delhi Airport and the Indian Tax Authorities from levying the Indian Service Tax on Alpha India until a ruling on the second petition is issued.

Moreover, on 30 May 2012, pursuant to Delhi Airport's interlocutory motions, the Court of Delhi ordered Alpha India to secure its potential payment obligations of the Indian Service Tax with a bank guarantee of INR 250,000,000 (about Euro 3.2 million).

The maximum potential liability in this proceeding could amount to Euro 6 million (including principal, interest as at 30 June 2013 and penalties). The WDF Group has provisioned Euro 3.6 million (i.e. the principal and interest amount that it might have to pay). The penalties potentially due (Euro 2.4 million) were not provisioned because the WDF Group believes probable that it will not owe this amount.

11.2.2 Indian Custom Cases

Indian Customs Authorities have issued against Alpha India three orders to produce evidence as they dispute specific customs liabilities related to activities carried out between March 2007 and October 2008.

The first and second orders to produce evidence were issued in connection with alleged violations of customs regulations related to certain allegedly unlawful duty-free sales of goods in specific Alpha India stores and warehouses. After these orders to produce evidence were issued, Alpha India filed its defence documents on 20 December 2011. However, based on the resolution the Indian Commissioner of Customs issued on 21 August 2012, Alpha India can be subject to the seizure of its assets (redeemable by paying an administrative penalty), and to the payment of duties, penalties and interests. Alpha India appealed this ruling to the Indian Customs Excise Tax Appellate Tribunal. The appellate hearing remains pending.

The third order to produce evidence was issued on 26 March 2012 to verify the validity of specific bills of sale allegedly issued in violation of the Indian Customs Act. On 17 January 2013 Alpha India filed its defence documents. However, based on the resolution issued by the Indian Commissioner of Customs on 17 May 2013, Alpha India can be subject to the seizure of its assets (redeemable by paying an administrative penalty), and to payment of duties, penalties and interests. Alpha India has appealed this ruling to the Indian Customs Excise Tax Appellate Tribunal. The appellate hearing remains pending.

The total amount claimed by the Indian Custom Authorities in the above proceedings is Euro 8.1 million (including principal, interest as at 30 June 2013 and penalties). This amount has been totally provisioned.

12. SIGNIFICANT AGREEMENTS

Below is a description of the most important agreements the WDF Group entered into during the 12 months preceding the Date of the Document, as well as the agreements that were entered into before this date that are still in effect and that are considered material.

12.1 Concession agreements

12.1.1 Introduction

As of 30 June 2013, through concession agreements, the WDF Group manages retail shops in 97 airports[59]. As indicated under the preceding Chapter 6, Paragraph 6.2, the WDF Group also operates in the Cochin (India) airport through a joint venture agreement with a local partner and in the airports of Jeddah, Riyadh and Damman (Saudi Arabia) through a management agreement.

The most significant concession agreements (in terms of contributions to revenues of the WDF Group) are: *(i)* the UK Framework Agreement under which the WDF Group manages retail shops in the London Heathrow, Gatwick and Stansted airports and in the Southampton, Edinburgh, Glasgow and Aberdeen airports; and *(ii)* the AENA Agreements under which the WDF Group manages retail shops in Spanish airports.

Excluding the revenues of the US Retail Division, the revenues from the retail shops that are the subject of these concession agreements amounted to 65.8% of the WDF Group's overall revenue during financial year 2012.

12.1.2 Standard terms and conditions of the concession agreements

See Chapter 6, Paragraph 6.2.

12.1.3 UK Framework Agreement

On 28 May 2008, WDFG UK Holdings (formerly WDF Europe) and Autogrill entered into the UK Framework Agreement with the UK Airports Operators. During 2010, the UK Framework Agreement, the Individual Concession Agreements (as defined below) and all other agreements entered into under the UK Framework Agreement were novated from WDFG UK Holdings to WDFG UK (formerly Autogrill Retail UK Limited).

(59) Including the US Retail Division.

The UK Framework Agreement provides the terms and conditions under which WDFG UK manages – and the UK Airport Operators deal with – certain retail shops ("**UK Retail Shops**") located in the commercial areas of the London Heathrow, Gatwick and Stansted airports and of the Southampton, Edinburgh, Glasgow and Aberdeen airports ("**UK Airports**") for the sale of certain categories of goods (e.g. "Beauty", "Tobacco", "certain Food" and "Liquor" categories).

The UK Framework Agreement is supplemented by specific attachments providing additional rules that govern the relationships between WDFG UK and Autogrill and each UK Airport Operator for each UK Airport ("**Individual Concession Agreements**"), including WDFG UK's use of certain areas to stock its products and carry out advertisements. Each Individual Concession Agreement incorporates the terms of the UK Framework Agreement.

As of the Date of the Document, Autogrill is still party to the UK Framework Agreement and the Individual Concession Agreements. In particular, WDFG UK's correct performance of its contractual obligations is granted by a guarantee issued by Autogrill in favor of the UK Airport Operators, according to which Autogrill promised to perform in place of WDFG UK or to cause WDFG UK to perform, in case of WDFG UK's failure to perform. As of the Date of the Document, negotiations are underway with the UK Airports Operators in order to have WDFG SAU replace Autogrill as party to the above agreements, which are expected to positively end shortly.

The UK Framework Agreement will expire upon expiration or termination of the last Individual Concession Agreement. Each Individual Concession Agreement has a specific effective date and initial duration of 12 years after its entry into force (except for the agreements for the pop-up retail shops that have a shorter duration). The Individual Concession Agreements will expire on 21 May 2020 with WDFG UK's right to benefit from a three-year extension subject to certain conditions being met.

The charges payable by WDFG UK under each Individual Concession Agreement is equal to the greater of: *(i)* a variable fee that is calculated by applying to the revenue a percentage provided under each Individual Concession Agreement for every category of product and tax regime; and (ii) yearly minimum guaranteed fee provided under each Individual Concession Agreement. The minimum guaranteed charges are also calculated in relation to the number of outgoing international passengers.

Under the UK Framework Agreement, the main duties of WDFG UK can be summarised in the following three categories:

(i) duty to inform (such as, for example, the duty to keep correct and complete accounting to be made available to the UK Airport Operators for verification, also through independent experts, as well as duty to the deliver monthly sales statements);

(ii) duties related to the management of the UK Retail Shops (e.g. in relation to compliance with set service levels, maintenance, operating times, compliance with the applicable labour laws, payment methods and acceptance of different currency, advertisement and products substitution); If WDFG UK fails to operate the UK Retail Shops in accordance with the prescribed service levels it shall be required to pay liquidated damages to the relevant UK Airport Operator in accordance with the terms of the UK Framework Agreement;

(iii) duties related to airport regulations (WDFG UK must comply with airport safety regulations and with the airport rules and assist if airport safety problems arise).

In turn, the UK Airport Operators primarily must make the UK Retail Shops available and carry out maintenance work on the airport structure, as well as provide notice of their intent to do work that could negatively impact WDFG UK's activities. With regard to this last point, the UK Framework Agreement gives UK Airport Operators the right to order the UK Retail Shops to relocate or close, without prejudice to WDFG UK's right to receive compensation in most cases when the UK Retail Shops are modified or closed, unless said modifications and closure are already foreseen under the Individual Concession Agreements.

Under the UK Framework Agreement, WDFG UK must at its cost refurbish the UK Retail Shops at least once every five years in accordance with pre-agreed timetables and must spend the following minimum amounts in relation to such refurbishment commitments: Heathrow (Years 0 – 5 GBP 3,876,000; Years 6 – 10 GBP 3,986,000); Gatwick (Years 0 – 5 GBP 2,215,000; Years 6 – 10 GBP 1,551,000); and Stansted (Years 0 – 5 GBP 513,000; Years 6 – 10 GBP 729,000). Any alterations to the UK Retail Shops require the prior approval of the relevant UK Airport Operator.

Under the terms of the UK Framework Agreement, WDFG UK may apply to close one or more UK Retail Shops (included in certain given categories) and the relevant UK Airport Operator may accept or reject such application at its discretion.

WDFG UK's liability under the UK Framework Agreement is not limited by reference to a financial cap and further WDFG UK may be liable for indirect and consequential losses arising from breach of the UK Framework Agreement.

The UK Framework Agreement can be terminated in case of WDFG UK's material breach of its contractual obligations (*e.g.* lack of payment of the amounts due under the agreement) if not remedied within 30 days. In addition each UK Airport Operator may terminate the UK Framework Agreement in certain circumstances where WDFG UK is at fault, including but not limited to: where WDFG UK acts dishonestly, fraudulently or criminally, is in violation of the airport safety procedures as well as the occurrence of repeated breaches by WDFG UK that individually would not be considered material. Moreover, each UK Airport Operator that is controlled by Heathrow Airport Holding Limited (previously BAA Limited), including Heathrow Airport Limited, has the right to terminate its Individual Concession Agreement if there is a change of control of WDFG UK and such UK Airport Operator believes that the new controlling entity of WDFG UK does not provide appropriate guarantees, for example, as to the financial standing of the acquiring entity. WDFG UK must communicate to such UK Airport Operators controlled by Heathrow Airport Holding Limited any change of control at least 60 days before it occurs.

12.1.4 AENA agreements

As mentioned, the WDF Group manages retail shops in 26 Spanish airports under the AENA Agreements.

All the AENA Agreements have the same structure and same content and, therefore, will be described together below.

Each AENA Agreement grants the right to manage retails shops in one of the following groups of Spanish Airports:

(i) Group 1: La Coruña, Almería, Asturias, Bilbao, FGL Granada – Jaén, Jerez, Madrid-Barajas, Málaga – Costa del Sol, Santander, Santiago and Sevilla;

(ii) Group 2: Barcelona-El Prat, Alicante, Girona – Costa Brava, Ibiza, Menorca, Murcia-San Javier, Palma de Mallorca, Valencia and Reus;

(iii) Group 3: Fuerteventura, Lanzarote, La Palma, Gran Canaria, Tenerife Norte, Tenerife Sur.

The AENA Agreements for Groups 1 and 2 were entered into between AENA and WDFG España, while the one for Group 3 was entered into between AENA and Canariensis (WDFG España and Canariensis, together "**AENA Licensee**").

Under the AENA Agreements, the WDF Group has the right to manage certain retail shops in the commercial areas of the above-mentioned airports ("**Spanish Retail Shops**") for the sole purpose of selling specific categories of goods under both duty-free and duty-paid regimes, as well as using certain warehouses to be used in connection with the operation of the Spanish Retail Shops. In addition, the AENA Agreements provide that the AENA Licensees have the right to, with prior AENA's consent, perform sales activities to the public outside the Spanish Retail Shops with the purpose of selling their products to the airline crews or to passengers in the limited access waiting areas.

In addition, the AENA Agreements provide that the parties can agree to expand the area occupied by the Spanish Retail Shops up to 35% of the area originally granted under each AENA Agreement (with an adjustment of the yearly minimum guaranteed fee)[60].

The AENA Agreements do not grant an exclusive right to manage the commercial areas of the Spanish airports where the WDF Group operates.

The AENA Agreements will expire on 31 October 2020. Each AENA Licensee may request to extend the AENA Agreements to which it is a party – provided that such Licensee is not in default of its obligations under the relevant agreement – by providing at least six months' notice, a period that will be used by the parties to negotiate the duration and the consideration due for the new concession agreements. AENA has the right to decide whether to grant or not an extension of the agreements. In any event, the AENA Licensees will continue to manage the Spanish Retail Shops under the same conditions until the new concession agreements related to the same shops are finalised, which will be for a maximum of six months after the original AENA Agreements has expired.

(60) To this end and within the mentioned limit, AENA and the AENA Licensees can agree on may decide to granting the AENA Licensees the right to manage retail areas of other Spanish airports (Badajoz, Ceuta, Córdoba, León, Logroño, Melilla. Pamplona, Salamanca, San Sebastián, Burgos, Valladolid, Vigo and Vitoria for Group 1; Albacete, Sabadell, Huesca—Prineos, San Bonet and Zaragoza for Group 2; and El Hierro and La Gomera for Group 3).

Under the AENA Agreements, AENA has the right to intervene in the Spanish Retail Shops if they are affected by maintenance, modernisation, and/or expansion activities or if other justified reasons exist. In such cases, AENA will provide, as far as possible, alternative retail areas with similar characteristics. The AENA Licensees must bear the costs and expenses necessary to transfer the activities to the new indicated retail areas. In addition, AENA has the right to suspend the concession of one or more Spanish Retail Shops, or to order a temporary closure for safety reasons or airport efficiency reasons, by paying, in the latter case, compensation to the AENA Licensee and / or granting a reduction of the minimum guaranteed fee.

The AENA Licensees agreed to perform certain works in the Spanish Retail Shops before their opening to the public. Specifically, under the AENA Agreements the AENA Licensees are required to make investments amounting to Euro 98 million in the Spanish Retail Shops and in other supporting premises throughout the entire duration of the AENA Agreements. These investements relate to both initial refurbishments (amounting to approximately 79% of the said amount and to be carried out in the financial years 2013 and 2014) and future refurbishments (amounting to approximately 21% of the said amount and scheduled to take place mainly in 2017). If the AENA Licensees should then want to perform additional modifications or renovations, they must obtain AENÁs prior consent.

The charges payable under each AENA Agreement are equal to the greater of: *(i)* variable fees, calculated by applying to total revenues the percentage rates (which may increase from year to year) provided for the relevant airport, product category and tax regime; and *(ii)* a yearly minimum guaranteed fee, which will increase from year to year, and provided under the agreement. In addition, the AENA Agreements provide for the payment of an additional fee for leasing the warehouses.

The AENA Licensees are liable, without any limitation, for any damage that is attributable to them, to AENA, third parties, individuals or things. In connection with each AENA Agreement they have given a security deposit to AENA to cover any damage they might be responsible for under the AENA Agreements and under the law as well as a first demand guarantee to ensure compliance with the obligations that they undertook under their respective AENA Agreements.

Under the AENA Agreements, the main obligations of the AENA Concessionaries can be summarised in the following three categories:

(i) duties to inform (such as the delivery of monthly sales statements, obligation to keep correct and complete accounting as well as the duty to allow AENA to verify the delivered documents);

(ii) duties related to the management of the Spanish Retail Shops (e.g. in relation to the use of symbols and images, development of advertisement and marketing activities, the assortment of products sold as well as the management of employees and IT systems);

(iii) duties related to compliance with governing airport regulations and with the rules of each airport.

Finally, each AENA Agreement lists specific failures to perform, the occurrence of which will entitle AENA to terminate the contract. These failures include, but are not limited to: *(i)* the failure of AENA Licensees to pay what is due under the agreements; *(ii)* the fact that the variable fee is lower than the minimum guaranteed fee for more than two consecutive years or three non-consecutive years, provided that (in either case) the Licensee has been sanctioned at least twice for other violations of the AENA Agreement (termination by reason thereof shall only be effective starting from 1 September 2018, even if the default occurs before that date); and (iii) the failure to obtain the necessary permits to perform the works agreed upon and to carry out their activities. If AENA decides to terminate any of the AENA Agreements referring to Groups 1 and 2 before the original expiration date, it must repay to WDFG España the portion of the advance payment related to the fees due under such agreement for the period after the termination of the agreement itself.

12.2 Financial Agreements

12.2.1 Loan Agreements

On 30 May 2013 the Borrowing Companies entered into a Loan Agreement aimed at providing an overall amount of Euro 1.25 billion in principal.

The Loan has the following characteristics:

Tranche	Type	Amount (Euro)	Duration
Tranche 1	Term loan amortizing	400.000.000,00	5 years
Tranche 2	Term loan amortizing	125.000.000,00	5 years
Tranche 3	Revolving credit facility	375.000.000,00	5 years
Tranche 4	Revolving credit facility	350.000.000,00	18 months (with an option for an extension)

The Loan Agreement includes the obligation to maintain certain financial covenants (“Leverage Ratio” and “Interest Cover Ratio”) within certain pre-set amounts (See Chapter 7, Paragraph 7.1.3)

All the economic and financial variables used to calculate the financial covenants of the Loan will refer exclusively to the consolidated data of WDFG SAU and its subsidiaries. The verification of compliance with the financial covenants will be carried out every six months starting 31 December 2013.

The Loan was used by the Borrowing Companies: *(i)* to repay the existing bank loans and the Intercompany Loan; *(ii)* to finance the acquisition of the US Retail Division; *(iii)* to finance the ordinary activities of such companies; as well as *(iv)* for needs related to the Demerger (including the cash payment of the Distribution).

As of the Date if the Document, the Issuer does neither benefit from the Loan nor is guarantor of the interests of the Borrowing Companies.

For more information, see Chapter 7, Paragraph 7.1.3.

12.2.2 Overdraft facility

On 23 January 2013 WDFG UK Holdings and WDFG UK entered into a group overdraft facility agreement in various currencies with the Royal Bank of Scotland plc acting as agent for National Westminster Bank plc, the "Bank" (the "**Overdraft Facility**"). The Overdraft Facility is subject to the following limitations: *(i)* the aggregate amount of the GBP equivalent of the cleared debit balances on such companies' accounts less the aggregate of the GBP equivalent of the cleared credit balance on such companies' accounts must not exceed GBP 25 million; *(ii)* the aggregate of the GBP equivalent of the cleared debit balances on such companies' accounts must not exceed GBP 35 million.

The overdraft facility is meant to finance the activity of the the adhering companies. Therefore, it is subject to significant changes, even intra-day, depending on the financial needs of such companies, within the above mentioned limits.

The Overdraft Facility is secured by an unlimited guarantee granted by each of the adhering company in favor of the others (unlimited intercompany composite guarantee).

The Bank may demand immediate repayment of any debit balance at any time.

The Overdraft Facility is uncommitted and the Bank may withdraw the facility by notice at any time. It is also subject to annual review by the Bank.

12.3 Agreements concerning the acquisition of the US Retail Division

12.3.1 Purchase Agreement

(A) <u>Transfer of the US Retail Division</u>

To implement the transfer of all the activities connected to the Travel Retail & Duty Free sector in favour of the Beneficiary Company, as of the Date of the Document, HMS and its subsidiaries (companies entirely controlled by Autogrill) are in the process of transferring the US Retail Division to the Group of the Beneficiary Company, pursuant to the purchase agreement described in Section (B) below.

The US Retail Division is composed by 248 convenience stores located in 29 airports in the United States and in certain tourist locations therein. The convenience stores mainly offer souvenirs, gifts, books and newspapers, beverages and ready-to-eat food. Certain categories of items offered by the convenience stores overlap the categories offered by the other points of sale of the WDF Group.

The offer of the convenience stores of the US Retail Division is adequate to the characteristics of the travel retail market in North America, where the fow of domestic passenger, i.e. the passengers traveling to destinations within North America, is dominant (in 2011 more than 88% of passengers in North America[61] were domestic passengers).

(61) Source: ACI Global Traffic Forecast 2012-2031, Edition 2013.

The transfer of the US Retail Division was carried out through:

(i) the purchase, on 6 September, by the Group of the Beneficiary Company from Host International Inc. (a company controlled by HMS) of a 100% interest in WDFG NA, a corporation that, in connection with the purchase, has received the existing concession agreements whose licensors had already provided their consent to the transfer, together with the activities related to the management of such contracts; and may be completed through

(ii) the direct assignment by HMS or its subsidiaries to WDFG NA of such concession agreements that were not transferred to WDFG NA on 6 September 2013, for which the consent to the transfer is subsequently obtained.

In accordance with the terms of the above-mentioned purchase agreement, the consideration for the purchase of the US Retail Division is USD 120 million (equal to, as at 6 September 2013, Euro 91,484,000) as further explained under the following Section (B).

(B) Purchase Agreement

On 30 July 2013, WDFG US and WDFG SAU (the latter primarily in its capacity as guarantor of the performance by WDFG US of its obligations, together “**Buyers**”) entered into a purchase agreement (“**Purchase Agreement**”) with HMS and its subsidiary Host International Inc. (together, “**Sellers**”), subsidiaries of Autogrill, governing the transfer by Sellers to WDFG US of the US Retail Division. The Purchase Agreement is governed by the laws of the State of Delaware (USA).

The transfer to the WDF Group of the concessions contracts and the related joint venture contracts included in the US Retail Division is made conditional upon obtaining the necessary consents from, respectively, the relevant licensors and of its joint-venturers(62). The purchase agreement, therefore, provides that the US Retail Division will be transferred in one or more step, as soon as the consents are obtained, and provided that concessions representing at least 80% in the aggregate of the valuation of the US Retail Division are transferrable at the closing. As of the Date of the Document, such condition precedent was already satisfied.

The consideration for the transfer of the US Retail Division was agreed to be USD 120 million on the assumption that all the concessions and the related joint venture contracts included within the same are transferred to the WDF Group. The Purchase Agreement provides that at the closing – or at a subsequent closing, if the US Retail Division is transferred in more than one step – Buyers will pay to Sellers the portion of the agreed upon consideration relating to the contracts transferred at the applicable closing, net of an amount (otherwise payable to Sellers) equal to 5% of the payable consideration (“**Indemnification Holdback Amount**”); the Indemnification Holdback Amount will be withheld by Buyers until the nine-month anniversary of the Closing Date and may be used by Buyers to set off any amount possibly due by Sellers to Buyers pursuant to the indemnification provisions of the Purchase Agreement, as further described here below.

(62) Certain concessions of the US Retail Divisions are managed on the basis of agreements with local partners.

On 6 September 2013 ("**Closing Date**"), not having obtained by that date all the required transfer consents, the parties transferred the contracts included in the US Retail Division for which the necessary transfer consents were obtained. Consequently, as of the Closing Date, Buyers determined the consideration due for the portion of the US Retail Division transferred as of that date in USD 105,327,000 (equal to Euro 80,298 thousands as at 6 September 2013) ("**Initial Price**") and paid an amount equal to the Initial Price net of the Indemnification Holdback Amount. The balance between the agreed upon consideration (USD 120 million) and the Initial Price will be, if due, wholly or partially paid in accordance with the criteria set forth in the Purchase Agreement, on a subsequent closing date that will be identified to transfer the remaining part of the US Retail Division related to those concession agreements for which all necessary transfer consents are received within 6 months of the Closing Date (the Initial Price plus, if any, such remaining amounts, "**Price**"). The balance of the Indemnification Holdback Amount remaining on the 9th month after the Closing Date, after having deducted any possible indemnities due by Sellers under the Purchase Agreement (or the Service Agreement as defined below), will be paid by Buyers to Sellers, including accrued interest on that amount.

The Price is subject to certain adjustments based on the net working capital recorded as of the Closing Date or the subsequent closing dates.

The Purchase Agreement contains standard representations and warranties by Buyers and Sellers. Such representations and warranties are given for the sole benefit of Buyers and Sellers, as applicable, and, in some cases, are qualified, among other things, by materiality and knowledge qualifiers and by disclosures made to Buyers in connection with the Purchase Agreement.

In addition, the Purchase Agreement provides for certain indemnification obligations pursuant to which Buyers and Sellers are obligated to indemnify each other against losses relating to, among other things, breaches of their respective representations and warranties and covenants contained in the Purchase Agreement. The indemnification obligations continue in effect for 18 months after the Closing Date, except that: (a) indemnification obligations arising from the breach of representations and warranties concerning tax matters or from fraud or intentional misrepresentation will expire according to the relevant statute of limitations; and (b) indemnification obligations arising from the breach of covenants or obligations under the Purchase Agreement requiring performance following the Closing Date will survive in accordance with their terms. In addition, Sellers' indemnification obligations are subject to certain exclusions and limitations, including the following:

(i) indemnification amounts due by Sellers with respect to breaches of the representations and warranties will be payable only when the amount of losses relating to such breaches exceeds USD 1,000,000 in the aggregate and then for the amount of all such losses (i.e. from the first dollar of such losses);

(ii) the amount due as indemnification by Sellers for indemnity claims that are made within the first 9 months after the Closing Date generally may not exceed 17.5% of the Price, while such limit amount will be reduced to 12.5% of the Price following the nine-month anniversary of the Closing Date. In addition, if after the Closing Date

Buyers suffer damages due to the revocation of the consent given by a licensor or a joint venturer to the transfer of a concession agreement or a joint venture agreement to Buyers under the Purchase Agreement (event that could occur only in case such consent was not validly granted), Sellers will indemnify Buyers for up to 50% of the amount of the damages (up to an aggregate amount not to exceed 50% of the consideration actually received by Sellers under the Purchase Agreement); and

(iii) the indemnification obligations will cease to exist if there is a change in control of WDFG US or HMS.

In any case, the Sellers' overall liability towards Buyers under the Purchase Agreement (for damages suffered by the Buyers and indemnifiable by the Sellers, or other damages due under other contractual provisions or under the law) may not be greater than the consideration actually received by Sellers under the Purchase Agreement.

For two years from the Closing Date, Buyers and Sellers have granted to each other a right of first offer under the Purchase Agreement with respect to certain business opportunities as follows: (a) Buyers will have a right of first refusal with respect to business opportunities primarily related to the retail merchandise concession business at airports in the U.S.; and (b) Sellers will have a right of first refusal with respect to business opportunities primarily related to the food and beverage business at airports in the U.S.

Following the sale of the US Retail Division, in accordance with US applicable rules and to the extent that HMS is unable to satisfy its tax liabilities, WDFG NA may be liable for tax liabilities deriving from the tax group regime with respect to the periods during which WDFG NA was a subsidiary of HMS and for which a tax assessment is not barred by statute of limitations. This risk is remote, however, in light of the foregoing indemnification obligations of the Sellers in favor of the Buyer, the financial soundness of HMS and its subsidiaries and HMS's primary responsibility for such tax liabilities. Furthermore, any such tax liability would be a liability of WDFG NA only (and not a liability of WDF, WDFG SAU or any other direct or indirect parent company of WDFG NA), and recourse for such liability would be limited to the assets of WDFG NA.

12.3.2 Service Agreement

On the Closing Date, WDFG US, WDFG NA and HMS entered into an agreement for the supply of certain services from Sellers to Buyers and of certain other services from Buyers to Sellers ("Service Agreement"). These services include: *(i)* in favour of Buyers, accounting, treasury and tax services as well as business development and business processing services, customer care, database management, design and construction, human resource management, IT services management, commercial operation support and shop maintenance; and *(ii)* in favour of Sellers, support services for operational and accounting activities, supplier management, distribution and sales, product maintenance and management of orders and delivery.

The consideration payable by WDFG US and WDFG NA under the Service Agreement for services in favour of Buyers is generally – assuming that all the services under the Service Agreement are rendered – USD 565,000 for each period[(63)] from the Closing Date until 6 September 2014 and USD 660,000 for any following period. The consideration payable to Buyers by HMS for services in favour of Sellers is subject to the fee schedules set forth in the Service Agreement. If one or more services are no longer performed, the consideration due may be subject to certain price adjustment mechanisms provided under the Service Agreement.

The Service Agreement expires on 31 March 2015, it being however understood that either party shall be entitled to terminate the entire agreement or any of the services provided thereunder, according to criteria set forth in the Service Agreement. The Service Agreement will further terminate if there is a change in control of WDFG US or HMS.

12.4 Lease agreements

The WDF Group entered into certain lease agreements, the most important of which are: (i) 3 commercial leases in Spain for the use of the international distribution centre in Barcelona, of the national distribution centre in Madrid, as well as the properties used by the WDF Group in Madrid; and *(ii)* the commercial lease agreement in UK related to the use of the national distribution centre in London.

During financial year 2012 the overall rent recorded in the income statements under these lease agreements was Euro 3,448 thousand.

12.4.1 Lease agreement for the international distribution centre

Aldeasa entered into a lease agreement with Centro Intermodal de Logística, S.A. (which was then assigned to different parties, including the current assignee: Fondo Santander Banif Inmobiliario, Fondo de Inversìon Inmobiliario), for a warehouse of approximately 9,755 square meters, offices of approximately 500 square meters and buildings used for central services, all of which are located in the Barcelona Harbour (“**Barcelona Agreement**”). The Barcelona Agreement provides that the leased properties must be used exclusively for logistic activities.

WDFG España guaranteed its performance of the obligations under the Barcelona Agreement by paying a deposit and providing a bank guarantee.

The expiration date of the Barcelona Agreement is 31 December 2013. WDFG España is currently negotiating to renew the agreement.

With reference to the cases of early termination, the Barcelona Agreement provides that a contract may be terminated, among others, if the original concession between Centro Intermodal de Logística, S.A. and the Barcelona Harbour Authority (that owns such areas) is terminated.

(62) For purposes of the Service Agreement, “Period” means each of the thirteen periods in which Sellers divide their financial year.

12.4.2 Concession agreement for the national distribution centre in Madrid

On 3 March 1981, Aldeasa obtained a concession from the Ministry of Transportation, Tourism and Communication for an area of 7,169 square meters in the Madrid-Barajas airport for the construction and subsequent use as a warehouse.

During 2011, after the Spanish public organisms were reorganised, this concession was assigned to AENA, which then became the other party to the agreement with WDFG España. The concession was then renewed for 10 additional years, beginning on 31 March 2011.

12.4.3 Commercial lease agreement for the Madrid offices of the WDF Group

On 1 April 2006, Aldeasa entered into a commercial lease agreement with the company Fabrega Empresa Constructora, S.A. for a part of the building "Merrimack IV", located in Calle Josefa Valcárcel 30, Madrid.

This agreement will terminate on 30 April 2018. However, the agreement will automatically renew at most two times for an additional two years for each renewal unless one of the parties provides six months' notice of its intent to terminate.

WDFG España paid a deposit which amounted to two monthly instalments to secure performance of its obligations under the agreement.

12.4.4 Commercial lease agreements for the national distribution centre in London

On 8 March 2013, McKay Securities Plc, WDFG UK Holdings and LHR Airports Limited (as guarantor) entered into a lease agreement – expiring on 31 December 2021 – for the entire Runnymede Focus building located on Windsor Road, Egham, Surrey. This building is used as the WDF Group's main warehouse in the UK. McKay Securities Plc may forfeit the lease in certain circumstances including where there is a breach by WDFG UK Holdings, or upon the occurrence of an insolvency event.

12.5 Service Agreements

12.5.1 Service agreement with Autogrill

See Chapter 10, Paragraph 10.3(A).

12.5.2 Service agreement with WDFG SAU

See Chapter 10, Paragraph 10.2(A).

13. WORKING CAPITAL STATEMENT AND CAPITALIZATION AND INDEBTEDNESS

13.1 Working capital statement

In accordance with Regulation 809/2004/CE and with the working capital definition (the difference between current assets and current liabilities) as "the issuer's ability to access cash and other available liquid resources to meet its liabilities as they fall due", contained in the Recommendations ESMA/2011/81, as of the Date of the Document, the WDF Group does not have sufficient working capital to meet its current liquidity needs, meaning those requirements relating to the twelve months following the Date of the Document.

WDF estimates that, as of the Date of the Document, the WDF Group, including the US Retail Division, has a working capital deficit of Euro 96.8 million.

Referring to the twelve months following the Date of the Document, WDF estimates to generate a positive net cash flow of approximately Euro 50 million. Therefore, as of the Date of the Document the net working capital requirements of the WDF Group for the next twelve months, according to the definition contained in the Recommendations ESMA, amount to Euro 46.8 million.

WDF estimates that the amount of unused committed bank facilities is equal to approximately Euro 230 million as of the Date of the Document. Therefore, the working capital requirements of the WDF Group as of the Date the Document and at the end of the twelve months following that date are covered by the unused committed bank facilities, without making it necessary to resort to any other form of financing.

The WDF Group naturally has a negative working capital, as confirmed by the trend of the same period from 2010 to 30 June 2013. This peculiarity mainly arises from the following structural characteristics of business of the WDF Group: *(i)* an very low value of trade receivables compared to the volume of sales, since much of the sales turn quickly into cash, as usual for the businesses of retail sale to the final consumer; and *(ii)* an amount of inventories structurally reduced compared to the turnover. For these reasons, the amount of current liabilities, and trade payables in particular, usually exceeds current assets.

For further information concerning risk factors related to the structure of working capital, refer to Chapter 2, Paragraph 2.1.16.

13.2 Capitalization and indebtedness

The following table sets forth the capitalization and indebtedness of the WDF Group as of June 30, 2013 prepared in accordance with the format required by the Recommendations ESMA/2011/81. Figures are derived from the WDF Group June 30, 2013 Combined Condensed Interim Financial Statements (Annex 1 to the Document).

In thousands of Euro	**As of June 30, 2013**
Current bank debt	1,216
Current portion of non current debt	-
Other current financial debt	6,743
Current financial debt	**7,959**
Non current bank loans	959,896
Bonds issued	-
Other non current loans	-
Non current financial indebtedness	**959,896**
Financial indebtedness	**967,855**
Share capital	120
Reserves (including profits)	402,976
Equity	**403,096**
Total capitalization and indebtedness	**1,370,951**

Please note that as of June 30, 2013 the above-mentioned liabilities are not secured by collateral.

14. INFORMATION CONCERNING FINANCIAL INSTRUMENTS THAT HAVE TO BE ASSIGNED

Information under this Chapter concerns Shares of the Beneficiary Company that *Borsa Italiana* admitted to be listed on the MTA with its resolution No. 7768 on September 23, 2013.

14.1 Shares description

The financial instruments subject to listing admission are the Shares of WDF, with no par value.

Pursuant to the share capital increase resolved in connection with the Demerger, by WDF's shareholders meeting on June 6, 2013, the Beneficiary Company will issue new shares and will assign them to the shareholders' of the Assigning Company at the ratio of one share of the Beneficiary Company for one share of the Assigning Company.

14.2 Laws governing the issue of the Shares

The Shares will be issued under the Italian Law.

14.3 Shares features

Shares that will be issued by the Beneficiary Company will be registered and freely transferable.

The Shares will be dematerialized under "*Testo Unico della Finanza*" (TUF) and related implementing provisions.

The Shares will be entered into the centralized deposit system managed by Monte Titoli.

14.4 Shares currency

The shares' issuance currency is Euro.

14.5 Description of the rights related to the Shares, including any limitation thereto, and procedures for the exercise of such rights

Under Article 5 of the By-laws, the share capital may be increased by a resolution of the shareholders' meeting, also by way of contribution in kind or contribution of credits. The shareholders' meeting may grant to the Board of Directors the power to increase, in one or more steps, the share capital up to a determined amount, for a maximum period of 5 years starting from the date of the resolution itself, and the power to issue convertible bonds, in one or more steps, up to a determined amount, for a period of 5 years starting from the date of the resolution.

Under Article 6 of the By-laws, a resolution passed at an extraordinary shareholders' meeting may grant the power of conversion of one class of shares to another class. It may also resolve that WDF may issue, under the governing laws, from time to time in force, special classes of shares with different rights, also for what concerns the distribution of losses determining in the resolution the contents of such rights.

The Shares are registered and have no par value.

Each Share gives right to one vote and bestows the holder with the title of WDF shareholder.

As of the Date of the Document, the shareholder's meeting issued only ordinary shares.

Under Article 22 of the By-laws, the net profit under a regularly approved financial statement (less the quota to be set aside for the legal reserve until such reserve reaches one fifth of the share capital), is available for distribution as dividends to the shareholders and for other purposes. If the prerequisites and conditions under Article 2433-*bis* of the Civil Code are satisfied, the Board of Directors may decide to grant an advanced payment of dividends.

Under Article 23 of the By-laws, in the event of dissolution of WDF, the necessary decisions under Article 2487 of the Civil Code must be adopted by the shareholders' meeting.

No securities granting a special control rights were issued, and there are no restrictions to the right to vote or to the right to transfer the securities.

The distribution of profits or reserve of profits to the employees of WDF or of its subsidiaries is allowed pursuant to the procedures under the law, through the issuance of shares under Article 2349, Paragraph 1, of the Civil Code.

14.6 Indication of the resolutions, authorisations and approvals under which the Shares will be issued

Shares will be issued as at the effective date of the Demerger pursuant to the resolution passed by the extraordinary shareholders' meeting of the Beneficiary Company which approved the Demerger on June 6, 2013.

The Shares will derive from for the share capital increase of Euro 63,000,000.00 (with the issuance of 254,400,000 shares with no par value) as approved at the extraordinary shareholders' meeting of the Beneficiary Company that approved the Demerger.

14.7 Possible restrictions concerning the free transferability of the Shares

The By-laws of the Beneficiary Company do not provide any particular rules concerning the purchase or transfer of the Shares. Therefore, as at the beginning of the negotiations, the Shares will be freely transferable.

14.8 Indication on the existence of possible rules concerning an obligation of a public tender offer and/or residual offer concerning the Shares

As at the effective date of the Demerger, the Beneficiary Company will became a company with shares listed on a regulated market and, therefore, it will be subject to the rules concerning tender offers and exchange bids under Articles 101-*bis* and followings of the TUF and its implementing regulations, including the rules on mandatory tender offer (Article 105 and following of TUF, mandatory purchase (Article 108 of TUF) and right of purchase (Article 111 of TUF).

14.9 Tax regime

14.9.1 Definitions

For the purposes of this section, the following terms mean:

"**Assignment of Qualified Shareholdings**": assignment of shares, different from saving shares, and other rights through which shares may be acquired exceeding, within 12 months, the limits of the Qualified Shareholding qualification. The twelve months term starts from the date in which the owned shareholdings and other rights represent a percentage of voting rights or of share capital over the above mentioned limits. Concerning rights or securities through which it is possible to acquire shareholdings in the company, the voting rights percentage or capital participation that is potentially referable to the shareholdings must be considered;

"**Non-Qualified Shareholdings**": corporate shareholdings in companies listed in regulated markets that are different from Qualified Shareholdings;

"**Qualified Shareholdings**": shareholdings in companies listed in regulated markets consisting in ownership of shareholdings (different from saving shares), rights or securities, through which it is possible to purchase the above mentioned participations, representing an overall percentage of voting rights in ordinary general meeting over 2% or a percentage of participation to the company's share capital over 5%.

14.9.2 Tax regime concerning the Shares

The following information summarises some of the rules of the tax regime related to the purchase, ownership and assignment of the WDF Shares under the Italian Tax Laws in force as of the Date of the Document and related to specific categories of investors.

What follows is not intended as an exhaustive analysis of all tax consequences connected to the purchase, ownership and assignment of shares for all eventual categories of investors. Therefore, it only represents a mere introduction to this subject.

The tax regime of the purchase, ownership and assignment of shares, described below, is based on the Italian Laws in force and on the existing practice as of the Date of the Document; it being understood that such rules shall remain subject to possible changes that could also have a retroactive effect and that, in case of such event, neither the Issuer nor any other company of the WDF Group will update this section to show the occurred modification, even if, in consequence of such modifications, the information here contained will no longer be accurate.

(A) Dividend tax regime

Dividends from WDF Shares are subject to the tax regime ordinarily applicable to dividends paid by corporations that are considered as resident in Italy for tax purposes.

The following are the different taxation regimes related to different categories of shareholders.

(i) Individuals that are resident in Italy for tax purposes and that do not carry out any business activity

Dividends paid to individuals who are resident in Italy for tax purposes on Non-Qualified Shareholdings owned outside of business activities and outside of a managed savings regime, where these shares were entered into the centralised deposit system managed by Monte Titoli (as WDF Shares), are subject to a 20% substitute tax rate, with mandatory deduction, under Article 27-*ter* Presidential Decree 600/1973 and Article 2 Law Decree 13 August 2011 No. 138 (converted into Law No. 148, 14 September 2011,). These shareholders have no obligation to report the dividends on their tax returns.

The substitute tax is applied to by the resident entities where the shares are deposited, who participate in the centralised deposit system managed by Monte Titoli; or by the tax representative appointed in Italy (in particular, a bank or a stock brokerage firm which is resident in Italy or a permanent establishment in Italy of non-resident banks or investment companies; or by a company for the centralised management of financial instruments as authorised under Article 80 TUF); or by non-resident subjects (depositories) that participate in the Monte Titoli system; or to a foreign system of centralised deposit which in turn participates in the Monte Titoli system.

Such taxation regime is the one ordinarily applicable to shares of Italian companies listed in Italian regulated markets as the WDF Shares.

Dividends are not subject to any withholding or substitute taxes if they are paid to individuals who are resident in Italy for tax purposes on Qualified Shareholdings owned outside of business activities. Those persons who are eligible for this tax treatment must declare, before the payment, that the dividends are related to Qualified Shareholdings. Such dividends become part of the shareholder's total taxable income. The Ministerial Decree dated 2 April 2008, implementing Article 1, section 38, Law 24 No. 244 of December 2007 ("2008 Budget Law"), determines the percentage of contribution to the income as 49.72%. Such percentage is applied on dividends that were derived from profits of the company starting from the fiscal year after 31 December 2007. For dividends related to profits earned before such year the previous percentage of 40% is applied. In addition, starting from the distribution resolutions after the one dealing with the profits for the fiscal year in progree on 31 December 2007, as it affects taxation of the shareholder, the dividends paid are primarily deemed to be formed of profits earned by the company up to that fiscal year.

(ii) Individuals resident in Italy for tax purposes not carrying out business activities and holding interests within the scope of the managed saving regime

Dividends paid to individuals resident in Italy for tax purposes on Non-Qualified Shareholdings held outside of business activities, if these shares are included in a portfolio managed by an authorised intermediary, pursuant to a legal option in favour of the managed saving regime under Article 7 Legislative Decree 461/1997, are not subject to any withholding or substitute tax and become part of the yearly management result, subject to 20% substitute tax.

(iii) Individuals resident in Italy for tax purposes, carrying out business activities

Dividends on shares related to business activities paid to individuals resident in Italy for tax purposes are not subject to any withholding or substitute tax provided that those persons, at the time of the payment, declare the collected profits as related to shareholdngs pertaining to their business. Such dividends become part of the total taxable income of the shareholder in an amount of up to 49.72% of their value. Dividends related to profits earned until the fiscal year in progree on 31 December 2007, become part of the total taxable income of the shareholder in an amount of up to 40% of their value. Concerning the tax effects on the shareholder, starting from the distribution resolutions after the one dealing with the profits for the fiscal year in progress on 31 December 2007, the dividends paid are primarily deemed to be formed of profits earned by the company up to that fiscal year.

(iv) General partnerships, limited partnerships, etc. under Article 5 TUIR, and corporations and entities under Article 73, subpara. a) and b) TUIR, which are resident in Italy for tax purposes

Dividends paid to general partnerships, limited partnerships and those similar companies (excluding simple partnerships) under Article 5 TUIR, to corporations or entities under Article 73, subpara. a) and b) TUIR, including corporations and limited partnership with shares, limited liability companies, public and private entities having as their sole or principal object the exercise of commercial business (known as "commercial entities"), that are resident in Italy for tax purposes, are not subject to any withholding or substitute taxes in Italy, and the dividends become part of the overall taxable income of the shareholder, subject to taxation under the general rules, in the following way:

(a) payments in favour of IRPEF subjects (e.g., general partnerships, limited partnerships) are part of the overall taxable income of the recipient in an amount of up to 49.72% of their value. Payments related to profits earned untill the fiscal year in progress on 31 December 2007, become part of the total taxable income of the shareholder in an amount of up to 40% of their value.It being understood that concerning the tax effects on the recipient, starting from the distribution resolutions after the one dealing with the profits for the fiscal year in progress on 31 December 2007, the dividends paid are primarily deemed to be formed of profits earned by the company up to that fiscal year;

(b) payments in favour of IRES subjects (e.g., corporations, limited partnership with shares) are part of the overall taxable income of the recipient only up to 5% of the amount of the payments; or, for the entire amount of the payments if the dividends are related to shares held for trading purposes by IRES subjects that apply the international accounting standards IAS/IFRS.

Concerning some companies, subject to certain specific conditions, dividends paid are also part of the taxable base that is subject to the regional tax on productive activities (IRAP).

(v) Entities under Article 73(1), letter c) TUIR, resident in Italy for tax purposes

Dividends paid to entities falling under Article 73, subpara. c) TUIR, *i.e.* public and private entities that are resident in Italy for tax purposes, (other than companies the sole or main object of which is the carrying on of commercial activities), are not subject to any withholding or substitute taxes in Italy and these dividends become part of the overall taxable income of up to 5% of the amounts of the dividends.

(vi) Exempt Parties which are resident in Italy

Concerning shares which are part of the centralised deposit system managed by Monte Titoli, such as WDF Shares, dividends paid to parties which are resident in Italy and which are exempt from corporate income taxes (IRES) are subject to a 20% substitute tax applied by the resident entities where the shares are deposited which participate in the centralised deposit system managed by Monte Titoli, or, by a tax representative appointed in Italy, or by non-resident depositary which is part to the Monte Titoli system, or part to foreign centralised deposit systems which in turn participate to the Monte Titoli system.

(vii) Italian pension funds and Italian investment funds (different from real estate investment funds)

Dividends received by (a) Italian pension funds subject to the regime under Legislative Decree 252/2005 and (b) Italian investment fund (different from sreal estate investment funds) are not subject to withholding or substitute taxes. For pension funds, such dividends become, under ordinary rules, part of the accrued overall yearly management result that is subject to a 11% substitute tax¸whilst dividends perceived by Italian investment funds (different from real estate investment funds) are exempt from taxation at the level of such entities.

(viii) Italian real estate investment funds

Under Law Decree No. 351 of 25 September 2001 , converted with amendments into Law No. 410, 23 November 2001 distribution of profits received by Italian real estate investment funds (established pursuant to Article 37 TUF or pursuant Law No. 86, Article 14-bis 25 January 1994, are not subject to any withholding or substitute tax at the level of these funds, which are not subject to any Italian income tax or regional tax on productive activities. In some cases, profits earned by a non-institutional Italian real estate investment funds might be ascribed to the non-institutional investors (becoming part of their taxable income in Italy) who hold an interest greater than 5% in the fund for transparency reasons

(ix) Subjects that are not resident in Italy for tax purposes holding shares through an Italian permanent establishment

Distribution of profits perceived by persons not resident in Italy which hold their interest through a permanent establishment in Italy to which the shareholding is effectively linked, are not subject to any Italian withholding or substitute taxes, and the profits become part of the overall income of the permanent establishment to be taxed in Italy, under the general rules, up to 5% of their amount; or for the entire amount if the dividends are related to securities held for trading by entities that apply the international accounting standards IAS/IFRS.

If the distributions can be attributed to a participation that is not connected with an Italian permanent establishment of the non-resident recipient, refer to paragraph (x) below.

(x) Persons not resident in Italy for tax purposes and do not hold shares through an Italian permanent establishment

Dividends arising from shares issued into a centralised deposit system managed by Monte Titoli (as WDF Shares), received by persons who are not resident in Italy for tax purposes and with no permanent establishment within the Italian territory to which the shares would be referable, are generally subject, to a 20% substitute tax under Article 27-ter Presidential Decree 600/1973 and under Article 2 Law Decree 138/2011.

Such substitute tax is applied by the resident persons where the shares are deposited, which participate in the centralized deposit system managed by Monte Titoli, as well as through a tax representative appointed in Italy (in particular, a bank or a stock brokerage firm which are resident in Italy, or an Italian establishment of non-resident banks or investment companies, or a company for the centralised management of financial instruments authorised under Article 80 of TUF), by a non-resident persons participating in the Monte Titoli system, or in a foreign centralized deposit system that participates in the Monte Titoli system.

Shareholders not resident in Italy for tax purposes subject to such 20% substitute tax on dividends, different from savings shareholders, have a right to the reimbursement up to one-fourth of the substitute tax paid in Italy under Article 27-ter Presidential Decree 600/1973., After submitting an application for reimbursement in accordance with the terms and conditions under the law, they must prove that they have paid taxes abroad on the same profits, by showing the relevant certificate issued by the foreign tax authorities to the competent Italian tax authorities.

As an alternative to such reimbursement, persons resident in Countries with had entered a treaty with Italy to avoid double income taxation, may request the application of the substitute tax on dividends on the (reduced) amount under the treaty. For that purpose, the persons with which the shares are deposited which belong to the centralised deposit system managed by Monte Titoli, must timely obtain:

(a) a declaration of the non-resident person, which is also the effective beneficiary of the dividends, showing the identifying details of such person, the existence of all conditions on which application of the tax convention regime is dependent, and any elements necessary for determining the rate applicable under the convention;

(b) a certificate by the appropriate tax authority of the State of which the actual beneficiary of the profits is a resident, showing residence in such State within the meaning of the convention. This certificate shall be effective until 31 March of the year following its submission

Furthermore, the Italian tax authorities, together with the tax authorities of other foreign States, has devised a specific set of forms aiming at guaranteeing a more efficient and streamlined refund procedure or a partial or total exclusion from the charging of the applicable tax in Italy. If the documents are not filed by the depositary before payment of the dividends, the substitute tax is applied with a 20% tax rate. In such case, the actual beneficiary of the dividends may still apply to the Italian tax authorities for a refund of the difference between the substitute tax actually applied and the one applicable, pursuant to the specific applicable Convention, by lodging a refund request supported by the aforementioned documents to be filed pursuant to the conditions and statute of limitations established by law.

In the event that the beneficiaries of the dividends are companies or entities (i) resident for tax purposes in one of the Member States of the European Union or in one of the States signatories to the Agreement on the European Economic Area and included in the list to be established with specific Decree by the Ministry of the Economy and Finance pursuant to Art. 168-*bis* of the TUIR and (ii) subject therein to a corporate income tax, such beneficiaries are entitled to the application of a substitute tax on the dividends in the reduced amount of 1.375% of the corresponding sum. Until such Decree is issued, the States signatories to the Agreement on the European Economic Area relevant for purposes of application of the aforementioned 1.375% tax are those included in the list issued by the Ministry of Finance on 4 September 1996, as subsequently amended. Pursuant to Art. 1, paragraph 68 of the 2008 Budget Law, the substitute tax in the amount of 1.375% is applicable only to the dividends originating from the fiscal year following the one ongoing as of 31 December 2007. For purposes of application of the substitute tax in the amount of 1.375%, non-resident beneficiaries must promptly file a specific request to the depositary of the shares subject to the substitute tax charge, supported by suitable certificate of residency and fiscal status issued by the competent tax authority of the State of Residency.

In the event that the beneficiaries of the dividends are pension funds established in one of the Member States of the European Union or in one of the States signatories to the Agreement on the European Economic Area and included in the list to be established with specific Decree by the Ministry of Economy and Finance pursuant to Art. 168-*ter* of the TUIR, such subjects may benefit from application of a substitute tax on the dividends in the reduced amount of 11% of the corresponding sum. Pending issuance of such Decree of the Ministry of Economy and Finance, the States signatories to the Agreement on the European Economic Area to which the 11% reduced tax is applicable are those included in the list established by Decree of the Ministry of Economy and Finance of 4 September 1996 as subsequently amended. For purposes of application of the 11% substitute tax, the non-resident pension funds shall promptly file specific request to the holder of the Shares subject to charge of the substitute tax, supported by suitable documentation.

Pursuant to art 27-*bis* of the Presidential Decree No. 600/1973, implementing Directive No. 435/90/CEE of 23 July 1990, subsequently included in Directive No. 2011/96/EU of 30 November 2011, in the event that the beneficiary of the dividends is a company (a) established under one of the forms indicated in the attachment to Directive No. 2011/96/EU, (b) resident for tax purposes in one of the European Union Member States, without being considered – pursuant to a treaty on avoidance of double taxation with a Third Party State – resident outside of the European Union, (c) subject, in its State of residence, with no ability to benefit from optional or exemption regimes other than those subject to temporal or territorial limits, to one of the taxes indicated in the annex to theaforementioned Directive and (d) holding a direct interest in the company of no less than 10% of the share capital for an uninterrupted period of at least one year, such company is entitled to request to the Italian tax authorities a refund of the substitute tax applied to the dividends distributed. To this purpose, the non-resident company must file (x) a certification, issued by the competent tax authorities of the foreign State, declaring that the non-resident company meets the aforementioned prerequisites, and (y) documents declaring the existence of the aforementioned conditions. Furthermore, according to what has been clarified by the Italian tax authorities, upon fulfilling of the aforementioned conditions and as an alternative to the filing of a refund application after payment of the dividends, provided the annual minimum mandatory period of share holding is already expired at the time when the dividends is paid, the non-resident company may directly request to the intermediary depository of shares not to apply the substitute tax promptly presenting to the aforementioned intermediary the same documents indicated in the foregoing. With regard to non-resident companies directly or indirectly controlled by subject not-residing in European Union States, the aforementioned refund regime or the lack of exception to the application of the substitute tax may be invoked only under condition that such companies prove that their holding of interest in the company is not exclusively or mainly aimed at being granted the regime at issue.

Dividends paid to Entities or International Organizations enjoying exemption from tax payments in Italy due to laws or International Treaties implemented in Italy are not subject to substitute tax.

(B) Tax regime of the distribution of reserves described in Art. 47, paragraph 5 of TUIR

Information provided in this paragraph summarize the tax regime applicable to the distribution by WDF – in cases other than those of reduction of the share capital in excess, withdrawal, exclusion, buy-back or liquidation – of the capital reserves addressed in Art. 47, paragraph 5 of the TUIR, that are, *inter alia*, the reserves or other funds constituted with share premium, adjustment interests paid by the subscribers, with payments made by the Shareholders either non refundable or as capital contributions and with tax-exempt inflation-adjustment balances (hereinafter, “Capital Reserves”).

(i) Individuals residing for tax purposes in Italy and not conducting any entrepreneurial activity

Irrespective of the deliberation of the shareholders’ meeting, the sums paid to individuals residing for tax purposes in Italy as distribution of the capital constitute revenues for these persons within the limits of the existence, for the distribuiting company, of revenues and revenue reserves (with the exception of the part reserved under a tax suspension regime). Sums identified as revenues are subject, depending whether they are Non-Qualified Shareholdings or Qualified Shareholdings and/or shares not connected to the entrepreneurial activity to the same regime described above for the dividends. Sums paid as distribution of the Capital Reserves, net of the revenues, correspondingly reduce the cost basis of the share for tax purposes. As a consequence, in case of subsequent sale, the taxable capital gains of the shares is given by the difference between the sale price and the cost recognized for tax purposes of the Share, reduced of an amount equal to the sums paid as distribution of the Capital Reserves (net of possible revenues). According to the interpretation provided by the Italian tax authorities, sums received as distribution of Capital Reserves, to the extent exceeding the tax cost of the share, are revenues to be subjected to the aforementioned dividends regime. Special rules may be provided for shares whose individual opted for the “managed savings” regime, set for at Art. 7 of Legislative Decree No. 461/1997.

(ii) General partnerships, limited partnerships, etc. under Article 5 TUIR, and corporations and entities under Article 73, subpara. a) and b) TUIR and individuals conducting entrepreneurial activity, resident for tax purposes in Italy

For individuals holding shares in connection to their entrepreneurial activity, for general partnerships, limited partnerships and those similar companies (excluding simple partnership) described under Art. 5 TUIR; for companies and entities described under Art. 73, paragraph 1, letters a) and b) TUIR, resident for tax purposes in Italy, the sums received as distribution of Capital Reserves represent revenues to the extent of the existence of company revenues and reserves of revenues (with the exception of the part reserved under a tax suspension regime). Sums identified as revenues should be subject to the same regime presented in the foregoing for the dividends. Sums paid as distribution of the Capital Reserves, net of revenues, correspondingly reduce the cost basis of the share for tax purposes. Sums received as distribution of the Capital Reserves, for the part exceeding the tax cost of the share amount are capitals gains and, as such, they must be subjected to the tax regime described under paragraph C.

(iii) Italian pension funds and Italian investment funds (other than real estate funds)

Based on a systematic interpretation of the provisions, the sums received from Italian pension funds subject to the regime established by Art. 17 of Legislative Decree No. 252/2005, as a distribution of the Capital Reserves should concur to determine the net managing result accrued in to the tax period in which the distribution took place, subject to an 11% substitute tax. The value of the shares at the end of the same tax period must be included in the determination of the annual result of the management of such pension funds. Sums received from investment funds established in Italy (other than real estate funds) as distributions of Capital Reserves should not be subject to any tax for such investment bodies.

(iv) Persons not resident in Italy for tax purposes and do not hold shares through an Italian permanent establishment

For subjects not residing in Italy for tax purposes (whether individuals or corporations), without a permanent establishment in Italy to which the share is connected, the fiscal nature of the sums received as distribution of Capital Reserve is the same as that indicated under the previous paragraph (i) for individuals residing in Italy for tax purposes and not conducting any entrepreneurial activity. In analogy to what indicated for individuals and for companies residing in Italy for tax purposes, the sums received as distribution of Capital Reserves, net of the revenues, correspondingly reduce the cost basis of the share for tax purposes.

(v) Persons not residing in Italy for tax purposes with an Italian permanent establishment

With regard to subjects not residing in Italy for tax purposes holding their share through a permanent establishment in Italy to which the share is actually connected, the sums received as distribution of the Capital Reserves are subject, with regard to the permanent establishement, to the same tax regime established for companies and entities under Article 73, subpara. a) and b) TUIR, residing in Italy for tax purposes, indicated under the previous paragraph (ii).

In the event that the distribution of Capital Reserves derives from a share not connected to a permanent establishment in Italy of the receiving non resident subject, please refer to what indicated under the previous paragraph (iv).

(C) Tax regime of the capital gains deriving from transfer of shares

(i) Individuals resident in Italy for tax purposes not conducting any entrepreneurial activity.

The capital gains, other than those obtained in the conduct of commercial enterprises, realized by individuals resident in Italy for tax purposes through sale of shares or interests or rights through which the aforementioned shares may be acquired, are subject to a different tax regime depending whether such transfer can be qualified as an Assignment of Qualified Shareholdings or not.

Assignment of Qualified Shareholdings

The capital gains originating from Assignment of Qualified Shareholdings realized outside of any commercial activity by individuals residing in Italy for tax purposes concur in the determination of the taxable revenues of the receiving subject for 49.72% of their amount. For such capital gains, taxation occurs in the annual tax return of the taxpayer. In the event that a capital loss resulted from the Assignment of Qualified Shareholdings, a quota amounting to 49.72% of such loss is deducted up to the achievement of 49.72% of the capital gains of the same nature which would be realized in subsequent tax periods – for no more than four periods – , provided that such capital loss is indicated in the tax return related to the tax period in which it originated.

Non-Qualified Shareholdings

Capital gains not realized in the conduct of entrepreneurial activities, and determined by individuals resident in Italy for tax purposes through sale of shares and interests or rights through which the aforementioned shares may be acquired, and not qualified as Assignment of Qualified Shareholdingsare subject to a 20% substitute tax. The taxpayer may choose one of the following methods of taxation:

(a) Taxation based on the tax return. Capital gains and losses originated during the year must be reported on the tax return. The 20% substitute tax is determined in the tax statement on the capital gains net of any incurred capital lossof the same nature and it is paid within the terms established for final payment of the taxes due on the basis of the tax return. Capital losses may be deducted from capital gains of the same nature realized in the subsequent tax periods (no more than four periods), provided such capital losses are indicated in the tax return for the period in which they originated. This first method becomes mandatory when the taxpayer does not choose one of the two regimes presented under the following points (b) and (c).

(b) Administered savings regime (optional). Such regime may be applicable provided that (i) the shares, rights and interests are deposited in banks or stock-broking firms or other intermediaries residing in Italy for tax purposes and identified by specific Ministerial Decrees and *(ii)* the shareholder opts (with a signed communication sent to the intermediary) for application of the administered savings regime indicated under Art. 6 of Legislative Decree No. 461/1997. In the event that the subject opts for such regime, the 20% substitute tax is determined and paid at the time of the single transfer from the intermediary where the shares are deposited or held or administered, on each capital gain realized. Possible capital losses may be offset in connection with the same relationship against the capital gains of the same nature occurred in the subsequent operations conducted in the same tax period or in up to four subsequent periods. In the event the relation of keeping or administration is terminated, any possible capital loss (as resulting from specific certification issued by the intermediary) may be deducted, no later than the fourth tax period subsequent to the one in which they originated, from the capital gains of the same nature obtained in the course of another relationship of administered savings regime held by the same taxpayer, or may be deducted in his tax return. In the event the administered savings regime is chosen, the taxpayer is not required to include the aforementioned capital gains and/or losses in her/his tax return.

(c) Managed savings regime (optional). A prerequisite for the choice of such regime (regulated under Art. 7 of Legislative Decree No. 461/1997) is the engagement of an authorized intermediary. Under such regime, a 20% substitute tax is applied by the intermediary at the end of each tax period on the increase of the value of the managed assets accrued during the tax period, even if not realized, net, among others, of the revenues subject to withholding tax, revenues exempt from or not subject to tax, revenues concurring to determine the total revenues of the taxpayer, of the earnings deriving from Italian real estate funds. Under the managed savings regime, the capital gains connected to the Non-Qualified Shareholdings concur in determining the annual managed savings result in the tax period in which it originated, subject to 20% substitute tax. The loss originated in a tax period may be deducted from the positive outcome of up to four subsequent tax periods for the whole amount deductable. In the event of termination of the managed savings regime, the losses originated from management (as resulting from a certificate issued by the managing subject) may be deducted, up to the following four tax periods, from the capital gains originating from another transaction subject to the regime of administered savings, or used (for the amount available therein) in another transaction subject to the managed fund regime, provided that such regimes are referred to the same taxpayer; the losses may also be deducted by the taxpayer in his tax return, according to the same rules applicable to the exceeding capital losses addressed under the point (a) above. In the event the managed savings regime is chosen, the taxpayer is not required to include capital gains or losses in her/his tax return.

(ii) Individuals conducting entrepreneurial activities, general partnerships, limited partnerships, etc. under Article 5 TUIR, resident for tax purposes in Italy.

Capital gains realized by individuals in the conduct of entrepreneurial activities, or by general partnerships, limited partnerships, etc. under Article 5 TUIR resident in Italy for tax purposes through the transfer of shares entirely concur to determine the business income subject to taxation in Italy pursuant to the ordinary regime.

According to the Italian tax Authorities, the capital losses realized by individuals in the conduct of entrepreneurial activities, or by general partnerships, limited patrnerships, etc. under Article 5 TUIR residing in Italy for tax purposes through the transfer of the shares would be entirely deductible by the taxable revenues of the transferring subject. However, in the event that the conditions under points (a), (b), (c) and (d) under the following paragraph (iii) are met, the capital gains concur to the determination of the taxable business income in the amount of 49.72% of their value. Capital losses concerning shares meeting the requisites indicated under points (a), (b), (c) and (d) of the following paragraph (iii) are partially deductible since the capital gains are partially taxable. For purposes of determining the relevant capital gains and losses, the tax cost of the transferred shares is considered net of the depreciation deducted in the previous tax periods.

(iii) Companies and entities regulated by Art. 73(1), letters a) and b) TUIR, resident in Italy for tax purposes

The capital gains realized by companies and entities regulated under Art. 73(1), letters a) and b) TUIR, including corporations and limited partnership with shares, limited liability companies, public and private entities having as their sole or principal object the exercise of commercial business (known as "commercial entities"), that are resident in Italy for tax purposes, by means of transfer of shares entirely concur in determining the company's taxable revenues in the tax period in which they have been realized; alternatively, if shares were accounted as financial fixed assets in the last three financial statements preceding the disposal, the shareholder may elect to spread the gains realised over a five-years period, including the tax year in which the gain is realised.

However, pursuant to Art. 87 TUIR (setting forth rules for the "participation exemption"), the capital gains realized with regard to shares held by companies and entities addressed in Art. 73 TUIR do not concur to the determination of the taxable revenues since they are exempt in the amount of 95% of their value, if the aforementioned participations meet the following requirements:

a. Uninterrupted possession from the first day of the twelfth month preceding the transfer; the shares acquired more recently will be considered transferred first.

b Accounting in the first balance sheet closed after the acquisition as a financial fixed asset;

c. Tax residency of the participated Company in a State or territory indicated in the Decree of the Ministry of Economy and Finance issued pursuant to Art. 168-*bis* TUIR or, alternatively, evidence – acquired by means of the request presented according to the procedure indicated in Art. 167, fifth clause, letter b) – that the purchase of shares did not have the purpose of localizing the revenues States or territories other than those identified in the Decree indicated in Art. 168-*bis* TUIR (until such Decree is issued by the Ministry of Economy and Finance, for present purposes States or Territories other than those "with a privileged tax regime" should be considered);

d. the participated company carries out a commercial activity as per the definition provided under Art. 55 TUIR; however, such requisite is not relevant for the shares in companies whose shares are negotiated on regulated markets.

The condition indicated under points (c) and (d) must be meet uninterruptedly, at the moment when the capital gains are realized, at least at the beginning of the third tax period before the capital gain itself is realized. Transfers of shares belonging to the category of the long-term investments and of those falling in the category of the current assets should be considered separately with reference to each category. If the aforementioned requisites are met, the capital losses originating from the transfer of shares cannot be deducted from the company revenues.

For purposes of determining the relevant capital gains and losses for tax purposes, the tax cost of the Shares sold shall be considered net of the depreciation occurred in previous tax periods.

If capital losses arise from the sale or disposal of shares which have been acquired in the 36-months period preceding the sale, any capital losses are not deductible up to the amount of the non-taxable dividends (or interim dividends) received in the same 36-months period. This provision is not applicablesubjects drafting the financial statement on the basis of the international accounting principles set forth in Regulation (CE) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

With regard to the capital losses and to the negative differences between revenues and costs concerning Shares deductible from the Company revenues, it should be pointed out that, pursuant to Art. 5-*quinques*, paragraph 3 of Law Decree No. 203 of 30 September 2005, converted – with amendments – into Law No. 248 of 2 December 2005, in the event that the value of the aforementioned capital losses and/or negative differences, deriving from operation on shares traded on regulated markets, is higher than 50.000,00 Euros, even as the product of multiple operations, the taxpayer shall communicate to the Italian tax authorities information and details of the operation. The details of the information that shall be provided, in addition to the terms and the procedure of such communication are included in the act of the Italian tax authoritiesof 29 March 2007 (published on the Official Journal “Gazzetta Ufficiale” of 13 April 2007, No. 86).

Furthermore, pursuant to Art. 1, paragraph 4 of Law Decree No. 209 of 24 September 2002, converted – with amendments – into Law No. 265 of 22 November 2002, with regard to the capital losses of a total amount exceeding 5 million Euros, originating from transfer of Shares representing long-term investments, even as the result of multiple negotiations, the taxpayer shall communicate to the Italian tax authorities the required information. Such requirement does not apply to subjects drafting their financial statement according to international accounting principles.

For certain types of companies and under certain conditions, the capital gains realized through the transfer of shares concur to determine the taxable base, subject to regional tax on productive activities (IRAP).

(iv) Entities addressed in Art. 73(1), letter c) TUIR, resident for tax purposes in Italy

The capital gains realized, outside of the entrepreneurial activity, by non-commercial entities residing in Italy for tax purposes are subject to taxation under the same rules regulating the capital gains realized by individuals residing in Italy for tax purposes on shares owned out of any entrepreneurial actvity.

(v) Italian pension funds and Italian investment funds (other than real estate funds)

The capital gains concerning Shares owned by Italian pension funds regulated by Legislative Decree No. 252/2005 are included in the determination of the annual management outcome subject to an 11% substitute tax. The capital gains connected to shares owned by investment funds established in Italy (other than real estate funds) are not subject to any taxation.

(vi) Italian real estate funds

Pursuant to Law Decree No. 351/2001, the capital gains concerning shares owned by Italian real estate funds established pursuant to Art. 37 of TUF or to Art. 14-*bis* of Law No. 86 of 25 January 1994 are not taxable, and are not subject in Italy to income taxes and regional taxes on productive activities. In some cases, the revenues originating from an non-institutional Italian real estate funds for reasons of transparency may be assigned to (and therefore concur to the determination of the taxable income of) the corresponding non-instutional investors owning and interest exceeding 5% of the fund's patrimony.

(vii) Subject not residing in Italy for tax purpose, with an Italian permanent establishment.

With regard to subjects not residing for tax purposes and owning a share through a permanent establishment in Italy to which the share is actually connected, the capital gains realized through transfer of the share concur to the determination of the revenues of the permanent establishment pursuant to the tax regime established for the capital gains realized by the companies and entities described under Art. 73(1), letters a0 and b) TUIR, residing in Italy for tax purposes, indicated in the foregoing under paragraph (iii). In the event that the share is not connected to a permanent establishment in Italy of the non resident subject, it should be noted what indicated under the following paragraph (viii).

(viii) Subject not residing in Italy for tax purposes and without an Italian permanent establishment.

<u>Non-Qualified Shareholdings</u>

Capital gains realized by subjects not residing in Italy for tax purposes and without a permanent establishment in Italy (through which the shares are owned), deriving from a transfer of shares which cannot be qualified as an Assignment of Qualified Shareholdings in Italian companies traded on regulated markets (as WDF), are not subject to taxation in Italy, even if they are held in Italy. In order to benefit from such exemption in Italy, if the shareholder is not resident in Italy for tax purposes and opted for administered savings regime or for the managed savings regime, respectively regulated under Arts. 6 and 7 of Legislative Decree No. 461/1997, the Italian intermediary may request a self-certification indicating that the shareholder has not the tax residence in Italy.

Qualified Shareholdings

Capital gains realized by subjects not residing in Italy for fiscal purposes and without a permanent establishment in Italy (through which the shares are held), deriving from Assignment of Qualified Shareholdings, concur to the determination of the taxable revenues in Italy of the receiving subject, in accordance with the same rules established for legal persons residing in Italy and not conducting entrepreneurial activity. Such capital gains are subject to taxation in the taxpayer annual tax return, since such capital gains cannot be subjected to either the administered savings regime or the managed savings regime. Where applicable in case the treaty on avoidance of *double taxation* provides *a more favourable regime*, provisions of this treaty should be followed.

(D) Tax on stock-exchange agreements, registration tax, stamp duty and IVAFE

Pursuant to Art. 37 of Law Decree No. 248 of 31 December 2007, converted into Law No 31 of 28 February 2008, the tax on stock-exchange agreements introduced by Royal Decree No. 3278 of 30 December 1923 n. 3278 has been repealed.

Following repeal of the tax on stock-exchange agreements, according the regulations in force at the Date of the Document, the operations concerning trade of shares are subject to registration tax as follows: *(i)* public acts and authenticated private deeds are subject to registration tax in the fixed amount of 168 Euros; (ii) unauthenticated private deeds are subject to the fixed amount registration tax of 168 Euros only in “case of use” or following voluntary registration.

The periodic communications concerning holding of shares sent from the financial entities to their clients are subject to a proportional annual stamp duty. Such duty is applied with a 0.15% rate of the market value or, on the nominal or refund value of the financial instruments, as resulting from the written communication sent to the clients. The duty is also applicable to insruments that do not have any market or nominal or refund value. In this latter case reference should be made to the purchase value of the financial instruments. The stamp duty is due in the minimum amount of 34.20 Euros or in the maximum amount of 4.500 Euros if a client is a legal person.

Individuals residing in Italy for tax purposes and owning financial instruments outside of Italy are subject to tax applied in the 0.15% rate of the market value or, in case the market value cannot be determined, of the nominal or refund value of the financial instruments held abroad.

(E) Tax on inheritance and gift

Transfers of shares or interests by reason of death or gift or without consideration generally fall within the area of application of the Italian tax on inheritance and gift currently in force. Such tax also applied to the establishment of limits of destination of the assets.

For subjects residing in Italy for tax purposes, the inheritance and gift taxes are generally applied to all the assets transferred, irrespective of the place of existence (with few exceptions). For non-resident subjects the inheritance and gift taxes exclusively applied to assets and rights located on the Italian territory. Shares of companies having in Italy their registered offices or their management or their main purpose are considered as located on the Italian territory.

Pursuant to Art. 2, paragraphs 48 and 49 of Law 24 November No. 286, any transfer of assets and rights *mortis causa*, gifts, transfers without considerations of assets and rights and the establishments of limits to the destination of the assets, when subject to inheritance or gift taxes, follow the scheme below with regard to the rate applicable to the total value of the assets:

(i) a 4% rate, on the aggregate value of the assets and rights exceeding 1,000,000 Euros for each beneficiary, for transfers to a spouse or a direct descendant or ascendant;

(ii) a 6% rate for assets and rights transferred to relatives up to the fourth degree and direct and indirect relatives by affinity up to the third degree, except for transfers to siblings, which are taxed solely on the value exceeding 100,000 Euros for each sibling beneficiary;

(iii) an 8% rate for assets and rights transferred to other subjects, (without any deductible).

In the event the beneficiary is a disabled individual,, whose disability is recognised pursuant to Law No. 104 of 5 February 1992, the inheritance and gift taxes only apply to the part of the value of assets or rights exceeding 1.500.000 Euros.

(F) Financial transactions ("Tobin Tax")

(i) Share ownership transfer tax

Art. 1, paragraph 491-500 of Law No. 228 of 24 December 2012 ("**Stability Law**") introduced a tax on financial transactions (known as the "**Tobin Tax**") applicable, among others, to transfers of property of *(i)* shares issued by Italian resident companies, *(ii)* participating financial instruments addressed under Art. 2346, para. 6 of the Civil Code issued by Italian resident companies and *(iii)* other instruments representing the aforementioned instruments, irrespective of the residence of the issuing subject.

For purposes of determining the State of residence of the issuing company reference should be made to the State where the registered office of the company is located.

Such tax is applicable to transfers of property of the shares conducted since 1 March 2013. For purposes of application of the Tobin Tax, the transfer of property of the shares included in the centralized holding system managed by Monte Titoli is considered as carried out on the date of registration of the transfers upon the end of the corresponding operation. Alternatively, the subject in charge of the payment of the tax, with the previous onset of the taxpayer, the contractually agreed date of liquidation may be considered as date of the operation.

The tax provided for transfers of ownership of the shares shall be applied with a 0.20% rate of the transaction value. The rate is reduced to 0.10% for transfers on regulated markets and in multi-lateral systems of negotiation.

The reduced rate is also applied for transactions executed by a financial intermediary acting on behalf of the parties of the transaction, which buys the shares on a regulated market or on a multi-lateral system of negotiation, provided the purchasing and selling transaction have the same price, total quantity and regulation date. The reduced rate is not applicable to the transfers of shares' property taking place after the enactment of the regulation on derivatives pursuant to Art. 1, paragraph 3 TUF or following operations on assets pursuant to Art. 1, para. 1-*bis*, letters c) and d) of such Decree.

For the year 2013, the ordinary rate amounts to 0.22%, while the reduced rate amounts to 0.12%.

The rate is calculated on the value of the transaction as determined by the person in charge of the payment, for each passive subject, on the basis of the net balance of the transactions regulated on a daily basis and concerning the same instruments. Alternatively, the rate is determined on the amount paid.

The Tobin Tax must be paid by the beneficiaries of the transfer of ownership of the shares, irrespective of their residency and of the State where the contract was signed. The tax is not applied to the subjects that interpone themselves in the operation. However, subjects located in States or territories with which Italy has noagreements for the exchange of information and for assistance in tax debt collection (as identified in the acts issued by the Director of the Revenue Agency on 1 March 2013 and 29 March 2013), are considered purchasers for the purposes of Tobin Tax, irrespective of the role they play in the implementation of the operation.

The tax must be paid no later than the 16th day of the month following the one of the transfer by the intermediaries or by other subjects intervening in the implementation of the transfer such as, for example, banks, trust companies, and investment firm indicated under Art. 18 TUF, in addition to notaries intervening in the formation or the authentication of the facts concerning such operations. In all the other cases, the tax is paid by the taxpayer. The intermediaries and other subjects not residing in Italy for tax purposes and without permanent establishment in Italy intervening in such operations may appoint an Italian tax representative for handling the payment and other compliance matters selected among the subjects indicated under Art. 23 of Presidential Decree No. 600/1973. In case of multiple intermediaries the tax is paid by the one who receives the order to execute the transaction directly from the final purchaser.

If the beneficiary of the transfer of ownership of the shares is a bank, a trust company or an investment firm described under article 18 TUF, and located in States or territories with which Italy has agreements for the exchange of information and for the assistance in collection of tax credits, this person pays directly the tax due.

The Tobin Tax does not apply to transfers of ownership of shares by way of inheritance or gift, to operations concerning the issuance and annulment of shares, the purchase of ownership of new issuances of shares, including conversion of bonds or the exercise of an option by the stakeholder (, to operations of temporary acquisition of instruments as indicated in Art. 2, point 10, of Regulation (CE) No. 1287/2006 of the European Commission of 10 August 2006; transfer of ownership between companies connected through a relationship of control pursuant to Art. 2359 of the Civil Code, para. 1, nos. 1) and 2), and para. 2 and to transfer by way of restructuring operations indicated in Art. 4 of Directive No. 2008/7/CE, in addition to mergers and divisions of collective investment funds.

The tax does not apply also to transfers of ownership of shares traded on regulated markets or multi-lateral systems of negotiations issued by companies whose average quotation in the month of November of the year preceding the one of the transfer was lower than 500 million Euros, and to transfer of ownership of instrument representatives of shares or participative financial instruments issued by the same companies. No later than the 10th of December of each year, CONSOB shall draft and transmit to the Ministry of Economy and Finance the list of companies with shares traded on regulated markets or on Italian multi-lateral systems of trade meeting the aforementioned limit of average increase. On the basis of such information, the Ministry of Economy and Finance drafts and publishes on its own website, no later than 20 December of each year, the list of companies residing in Italy which may benefit from tax exclusion. The exclusion operates also for transfers not occurring on markets and multi-lateral systems of negotiation. Finally, special rules are provided for shares in the fiscal year in which they are admitted to trading on regulated markets or multi-lateral systems of negotiations.

The Tobin Tax does not apply to:

(i) subjects making transactions within the area of activity in support of exchanges as defined by Art. 2, paragraph 1, letter k), of the Regulation (UE) No. 236/2012 of the European Parliament and of the Council of 14 March 2012;

(ii) to subjects with which the issuing company entered into an agreement, conducting operations in connection with the support of liquidity of its shares within the framework of the allowed market customary practices, accepted by the Authorities of the stock exchanges indicated by Directive No. 2003/6/CE of the European Parliament and of the Council of 20 January 2003 and Directive No. 2004/72/CE of the Commission of 29 April 2004;

(iii) to pension funds subject to vigilance pursuant to Directive 2003/41/CE and to mandatory pension entities, established in the Member States of the European Union and in the States signatories to the Agreement on the European Economic Area included in the list of the Ministerial Decree to be issued pursuant to Art. 168-*bis* TUIR and to other complementary pension schemes indicated by D.Lgs. No. 252/2005; and

(iv) to the transfer of properties and to the operations concerning shares or quotas of entities managing collective investment funds qualified as "ethical" pursuant to Art. 117-*ter* TUF, and to contracts related to management services for ethical portfolios.

The tax exemption provided for the subjects indicated under points a) and b) is exclusively recognised for the activity therein specified and the tax remains applicable to the other contractual party in the event that such party is the subject in whose benefit the transfer is made.

Furthermore, transaction with the European Union, the European Central Bank, the Central Banks of the Member States of the European Union and the Central Banks and Entities operating as Official Reserves of other States, and with international entities or bodies established on the basis of international agreements implemented in Italy are also exempted from the Tobin Tax.

Tobin tax is not deductible for purposes of income taxes (IRPEF and IRES), of substitute taxes thereof and of IRAP.

ii) "High Frequency" operations

Since 1 March 2013, operations conducted on the Italian stock exchange and concerning the financial instruments presented in the previous paragraph – *i) Share ownership transfer tax*, are subject to a tax on high frequency negotiations.

ANNEX 1
Combined Condensed Interim Financial Statements of the WDF Group for the six months ended June 30, 2013, approved by the Issuer's Board of Directors on July 31, 2013

COMBINED STATEMENT OF FINANCIAL POSITION

In thousands of Euro		As of June 30,		As of December 31,	
	Notes	2013	of which related parties	2012 (revised)	of which related parties
ASSETS					
Current assets		**273,299**		**221,758**	
Cash and cash equivalents		30,521		18,684	
Other financial assets		1,556		272	
Tax assets		7,128		7,798	
Other receivables	1	63,567	508	25,630	399
Trade receivables		28,595	65	26,912	37
Inventories		141,932		142,462	
Non-current assets		**1,585,963**		**1,372,496**	
Property, plant and equipment		74,251		80,354	
Investment property		6,744		6,932	
Goodwill	2	584,659		605,117	
Other intangible assets	3	575,884		622,874	
Investments		8,463		9,136	
Other financial assets	4	31,589		3,975	
Deferred tax assets		29,318		30,091	
Other receivables	5	275,055		14,017	
TOTAL ASSETS		**1,859,262**		**1,594,254**	
LIABILITIES AND EQUITY					
LIABILITIES		**1,456,166**		**996,056**	
Current liabilities		**386,688**		**375,883**	
Trade payables	6	276,350	125	203,843	9
Tax liabilities		19,494		18,694	
Other payables		71,170	191	69,819	1,447
Other financial liabilities		6,743		7,285	79
Due to banks	8	1,216		63,839	
Provisions for risks and charges		11,715		12,403	
Non-current liabilities		**1,069,478**		**620,173**	
Other payables		2,903		2,000	
Other financial liabilities	7	-		70,000	70,000
Loans, net of current portion	8	959,896		439,299	
Deferred tax liabilities		81,274		90,924	
Defined benefit plan		18,749		11,096	
Provisions for risks and charges		6,656		6,854	
EQUITY	**9**	**403,096**		**598,198**	
- attributable to owners of the parent		399,484		595,541	
- attributable to non-controlling interests		3,612		2,657	
TOTAL LIABILITIES AND EQUITY		**1,859,262**		**1,594,254**	

COMBINED INCOME STATEMENT

In thousands of Euro	For the six months ended June 30,				
	Notes	**2013**	**of which related parties**	**2012**	**of which related parties**
Revenue	10	922,874	24	905,135	
Other operating income		11,865	296	14,716	628
Total revenue and other operating income		**934,739**		**919,851**	
Raw materials, supplies and goods	11	(374,600)		(370,723)	
Personnel expense	11	(99,680)	572	(96,592)	
Leases, rentals, concessions and royalties	11	(292,012)		(280,473)	(559)
Other operating expense	11	(58,638)	(341)	(58,786)	(360)
Depreciation and amortization	12	(44,189)		(56,317)	
Impairment losses on property, plant and equipment and intangible assets		(2)		(279)	
Operating profit		**65,618**		**56,681**	
Financial income	13	4,702		280	1
Financial expense	13	(18,268)	(654)	(11,497)	(1,987)
Impairment and revaluation of financial assets		(224)		718	
Pre-tax profit		**51,828**		**46,182**	
Income tax	14	(9,273)		(3,330)	
Profit for the period		**42,555**		**42,852**	
Profit for the period attributable to:					
- owners of the parent		41,427		41,732	
- non-controlling interest		1,128		1,120	
Earnings per share, basic and diluted (in Euro cents)	15	16.28		16.40	

COMBINED STATEMENT OF COMPREHENSIVE INCOME

In thousands of Euro	For the six months ended June 30,	
	2013	2012
Profit for the period	**42,555**	**42,852**
Items that will not be subsequently reclassified to profit or loss		
Remeasurement of the defined benefit liability (asset)	(8,296)	(11,848)
Tax on items that will never be reclassified to profit or loss	1,797	2,843
Total items that will not be subsequently reclassified to profit or loss	**(6,499)**	**(9,005)**
Items that will be reclassified subsequently to profit or loss		
Effective portion of fair value change in cash flow hedges	2,561	(2,209)
Foreign currency translation differences for foreign operations	(22,893)	24,650
Gains (losses) on net investment hedge	14,100	(10,150)
Tax on items that will be reclassified subsequently to profit or loss	(4,998)	3,708
Total items that will be reclassified subsequently to profit or loss	**(11,230)**	**15,999**
Total comprehensive income for the period	**24,826**	**49,846**
- attributable to owners of the parent	23,791	48,753
- attributable to non-controlling interests	1,035	1,093

COMBINED STATEMENT OF CHANGES IN EQUITY

In thousands of Euro	**Reserves**	**Hedging reserve**	**Translation reserve**	**Equity attributable to owners of the parent**	**Equity attributable to non-controlling interests**	**Equity**
Balance as of December 31, 2011 (revised)	**587,950**	**(2,533)**	**(17,507)**	**567,910**	**1,635**	**569,545**
Profit for the period	41,732			41,732	1,120	42,852
Effective portion of fair value change in cash flow hedges, net of tax effect	-	(1,546)		(1,546)		(1,546)
Foreign currency translation differences for foreign operations and other changes	-		24,677	24,677	(27)	24,650
Gains (losses) on net investment hedge, net of tax effect	-		(7,105)	(7,105)		(7,105)
Actuarial gains / (losses) on employee defined benefit plan liability, net of tax effect	(9,005)			(9,005)		(9,005)
Total comprehensive income for the period	**32,727**	**(1,546)**	**17,572**	**48,753**	**1,093**	**49,846**
Dividend distribution	-			-	(1,282)	(1,282)
Stock options	22			22	-	22
Total contributions by and distributions to owners of the parent	**22**	**-**	**-**	**22**	**(1,282)**	**(1,260)**
Balance as of June 30, 2012	**620,699**	**(4,079)**	**65**	**616,685**	**1,446**	**618,131**

In thousands of Euro	**Share capital**	**Reserves**	**Hedging reserve**	**Translation reserve**	**Equity attributable to owners of the parent**	**Equity attributable to non-controlling interests**	**Equity**
Balance as of December 31, 2012 (revised)	**0**	**614,896**	**(4,257)**	**(15,098)**	**595,541**	**2,657**	**598,198**
Profit for the period		41,427	-	-	41,427	1,128	42,555
Effective portion of fair value change in cash flow hedges, net of tax effect			1,793	-	1,793	-	1,793
Foreign currency translation differences for foreign operations and other changes		-	-	(22,800)	(22,800)	(93)	(22,893)
Gains (losses) on net investment hedge, net of tax effect		-	-	9,870	9,870	-	9,870
Actuarial gains / (losses) on employee defined benefit plan liability, net of tax effect		(6,499)			(6,499)		(6,499)
Total comprehensive income for the period	**-**	**34,928**	**1,793**	**(12,930)**	**23,791**	**1,035**	**24,826**
Dividend distribution		(220,000)	-	-	(220,000)	(80)	(220,080)
Incorporation of WDF	120	10			130		130
Stock options		22	-	-	22	-	22
Total contributions by and distributions to owners of the parent	**120**	**(219,968)**	**-**	**-**	**(219,848)**	**(80)**	**(219,928)**
Balance as of June 30, 2013	**120**	**429,856**	**(2,464)**	**(28,028)**	**399,484**	**3,612**	**403,096**

COMBINED STATEMENT OF CASH FLOWS

In thousands of Euro		For the six months ended June 30,			
	Notes	2013	of which related parties	2012	of which related parties
Opening net cash and cash equivalents		**18,684**		**45,357**	
Pre-tax profit and net financial expense for the period		65,394		57,399	
Amortization, depreciation and impairment losses on non-current assets, net of reversals	12	44,191		56,596	
Adjustments and (gains)/losses on disposal of financial assets		224		(718)	
(Gains)/losses on disposal of non-current assets		454		449	
Change in working capital		35,885	(1,290)	29,444	(379)
Net change in non-current non-financial assets and liabilities		(260,150)		807	
Cash flows from / (used in) operating activities		**(114,002)**		**143,977**	
Taxes paid		(15,926)		(16,554)	
Interest paid		(8,267)	(733)	(12,382)	(732)
Net cash flows from / (used in) operating activities		**(138,195)**		**115,041**	
Acquisition of property, plant and equipment and intangible assets		(7,668)		(12,248)	
Proceeds from sale of non-current assets		274		60	
Net change in non-current financial assets		(27,446)		(443)	
Net cash flows from / (used in) investing activities		**(34,840)**		**(12,631)**	
Opening of new non-current loans	8	961,141		-	
Repayments of non-current loans	8	(551,350)	(70,000)	(129,746)	(103,910)
Repayments of current loans, net of new loans	8	(6,102)		4,861	
Dividends paid	9	(220,080)	(220,000)	(1,282)	
Incorporation of World Duty Free SpA	9	130	130	-	
Other cash flows		1,075		4,768	
Net cash flows from / (used in) financing activities		**184,814**		**(121,399)**	
Net increase / (decrease) in cash and cash equivalents		**11,779**		**(18,989)**	
Effect of exchange rate fluctuation on net cash and cash equivalents		58		405	
Closing net cash and cash equivalents		**30,521**		**26,773**	

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

Foreword

World Duty Free S.p.A. (hereinafter also referred to as the "**Company**" or "**WDF**") was incorporated on March 27, 2013 and will prepare its first consolidated financial statements at December 31, 2013.

Further to the Demerger, WDF and its subsidiaries (the "**WDF Group**") are engaged, almost exclusively at airport venues, in the sale of fragrances and cosmetics, spirits, tobacco products and other items with "duty free" and "duty paid" tax status ("Travel Retail & Duty Free" sector).

The WDF Group operates stores throughout the world in the following geographical regions: (i) United Kingdom; (ii) rest of Europe (mainly Spain, but also Italy and Germany); (iii) Americas (Brazil, Canada, Chile, Curaçao, Jamaica, Mexico, Peru and United Sates of America); and (iv) Asia and Middle East (Jordan, Kuwait, India, Saudi Arabia, Sri Lanka and Cape Verde).

These condensed financial statements for the six months ended June 30, 2013 (the "**Combined Condensed Interim Financial Statements**") were prepared, consistent with the provisions of EC Regulation No. 809/2004, exclusively for the purpose of their inclusion in the Document, prepared pursuant to Article 57, paragraph 1, of the Regulation adopted by the Consob with Resolution No. 11971 of May 14, 1999, as amended, concerning the pending acceptance for listing of the WDF shares on the MTA organized and operated by Borsa Italiana S.p.A. (the "**Listing**").

General information

WDF is a company incorporated and domiciled in Italy, organized in accordance with the laws of the Italian Republic. Its registered office is located at 2 Via Greppi, Novara.

As of the data of preparation of these Combined Condensed Interim Financial Statements, WDF was wholly owned by Autogrill S.p.A. ("**Autogrill**").

WDF was incorporated for the specific purpose of carrying out the planned partial proportional demerger of Autogrill in favor of WDF (the "**Demerger**"), as approved by the Shareholders' Meetings of WDF and Autogrill on June 6, 2013. The Demerger will be implemented through the assignment by Autogrill to WDF of a portion of Autogrill's assets comprised of the activities indirectly operated by Autogrill in the Travel Retail & Duty Free sector. More specifically, the 100% ownership interest held by Autogrill in World Duty Free Group, S.A.U., a company under Spanish law with registered office in Madrid ("**WDFG SAU**"), will be assigned to WDF.

During the period from the date of its incorporation and this document's preparation date, WDF did not hold an interest in WDFG SAU, as the demerger had not yet become effective. In accordance with the provisions of IAS 27, WDF did not meet the requirements for consolidating WDFG SAU in the first half of 2013. For this reason and in view of the fact that the Company was incorporated on March 27, 2013, the Company qualifies as an "issuer with a complex financial history," as defined in Article 4 bis of EC Regulation No. 809/2004. These Combined Condensed Interim Financial Statements were prepared and included in the Document in order to present the financial position, results of operations and cash flows in the first half of 2013, compared with the first six months of 2012, of the business operations that will be headed by the Company after the Demerger. In other words, the statement of financial position, income statement and cash flow data included in the Combined Condensed Interim Financial Statements represent the contribution of the Travel, Retail & Duty Free sector to the statement of financial position, income statement and cash flow data included in the consolidated financial statements of Autogrill for the periods in question, except for some reclassifications made to better reflect the peculiarities of the abovementioned sector. Please note that the Combined Financial Statements do not include the balances of the US retail division, defined as the complex of business units engaged in operating under concession convenience stores located almost exclusively in some North American airports (inclusive, specifically, of the concession agreements pursuant to which these activities are carried out), which are the subject of a sales agreement signed on July 30, 2012 by the WDF Group, as buyer, and HMSHost Corporation and its subsidiary Host International Inc., as sellers.

Moreover, the contribution to the consolidated financial statements of the Autogrill Group of the companies headed by WDFG SAU was eliminated from the consolidation entries of the abovementioned companies into the Autogrill Group.

These Combined Condensed Interim Financial Statements were approved by the Board of Directors on July 31, 2013.

These Combined Condensed Interim Financial Statements were reviewed by KPMG S.p.A.

Basis of preparation

These Combined Condensed Interim Financial Statements were prepared in accordance with IAS 34, concerning interim financial reporting. IAS 34 allows the preparation of financial statements in condensed form, i.e., based on a minimum level of disclosure, significantly lower than that required by the International Financial Reporting Standards, issued by the International Accounting Standards Board and endorsed by the European Union (EU-IFRSs), and supplemented by the respective interpretations (Standing Interpretations Committee – SIC and International Financial Reporting Interpretations Committee – IFRIC) (the complex of all of the abovementioned standards and interpretations being hereinafter referred to as the "IFRSs"), provided financial statements complete with disclosures prepared in accordance with EU-IFRSs were made available earlier to the public. The Combined Condensed Interim Financial Statements were prepared in "condensed" form and, consequently, should be read in conjunction with the combined financial statements of the WDF Group for the years ended December 31, 2012, 2011 and 2010, prepared in accordance with EU-IFRSs (the "Combined Financial Statements"), provided in Annex 2 to the Document.

The Combined Condensed Interim Financial Statements are comprised of a combined statement of financial position, a combined income statement, a combined statement of cash flows, a combined statement of changes in equity and these condensed accompanying notes.

The Combined Condensed Interim Financial Statements were prepared in accordance with the going concern assumption. They were prepared with clarity and to give a true and fair view of the financial position, results of operations and cash flows of the WDF Group.

Accounting policies and consolidation criteria

The accounting principles and consolidation criteria adopted to prepare the Combined Condensed Interim Financial Statements are consistent with those adopted to prepare the reference Combined Financial Statements, except for the adoption of IAS 19 Revised and the amendment to IAS 1, described more in detail below, which became mandatory as of January 1, 2013.

More specifically, IAS 19 changes the definition of short-term and other long-term employee benefits in order to clarify the difference between the two benefit types. In the case of defined-benefit plans, the biggest change introduced by the revised accounting standard is that actuarial gains and losses should be recognized in the statement of comprehensive income; the use of the corridor method, adopted by the WDF Group, is no longer allowed. Because pursuant to IAS 8 the revision to IAS 19 must be applied retrospectively, the introduction of a different way of recognizing gains and losses by the WDF Group required a restatement of the balances at December 31, 2012 (defined in these Combined Condensed Interim Financial Statements as the "revised" balances), as follows:

In thousands of Euro	**As of December 31, 2012**	**Effects of the application of IAS 19 revised**	**As of December 31, 2012 - revised**
Deferred tax assets	27,877	2,214	30,091
Deferred tax liabilities	92,557	(1,633)	90,924
Defined benefit plan assets	7,103	(7,103)	-
Defined benefit plan liabilities	1,469	9,627	11,096
Equity - attributable to owners of the parent	608,424	(12,883)	595,541

The impact on the profit for the period from January 1, 2012 to June 30, 2012 was not deemed to be material and, consequently, was not reflected in the combined income statement of these Combined Condensed Interim Financial Statements.

The amendment to IAS 1 modified the method of presentation of the components of comprehensive income, separating those that in the future will be reclassified into profit or loss from those that will not. The WDF Group adopted these changes retrospectively, as required by IAS 8.

The standards and interpretations other than Revised IAS 19 and Revised IAS 1 the adoption of which is mandatory as of January 1, 2013, had no impact on the financial statements of the WDF Group, because they concern situations that are not applicable to the WDF Group.

The WDF Group did not choose early adoption for any standard and/or interpretations the adoption of which will be mandatory for periods beginning after January 1, 2013.

Scope of consolidation and changes in scope

There were no changes in the scope of consolidation compared with December 31, 2012.

Translation of the financial statements of foreign companies

The table that follows lists the exchange rates applied to translate the financial statements of subsidiaries with functional currencies different from the euro.

	2013		2012		
	as of June 30	first half average	as of June 30	first half average	as of December 31
US dollar	1.308	1.313	1.259	1.296	1.319
British pound	0.857	0.851	0.807	0.823	0.816
Canadian dollar	1.371	1.334	1.287	1.304	1.314
Mexican peso	17.041	16.498	16.876	17.192	17.185
Indian rupee	77.721	72.278	70.120	67.596	72.560
Kuwaiti dinar	0.373	0.373	0.351	0.361	0.371
Sri Lanka rupee	170.563	166.517	168.363	161.344	168.452
Peruvian nuevo sol	3.636	3.439	3.354	3.468	3.368

Estimates and assumptions

For a description of the use of accounting estimates, please see the information provided in the Combined Financial Statements.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

Current assets

1. Other receivables

"Other receivables," which totaled Euro 63,567 thousand as of June 30, 2013 and Euro 25,630 thousand at December 31, 2012, consist mainly of receivables from credit card issuers, receivables for advance payments of lease and concession fees and amounts receivable from the tax authorities and public administrations.

Receivables for advance payments of rent and concession fees, amounting to Euro 29,464 thousand at June 30, 2013 and Euro 5,482 thousand at December 31, 2012, account for most of the increase in this item. More specifically, the balance at June 30, 2013 includes the receivable for the advance payment to AENA of a portion of the fees owed under the concession agreements signed to operate until 2020 airport retail activities at 26 airports in Spain and the Canary Islands. In implementation of these contracts, AENA received payments totaling Euro 278,933 thousand, including Euro 19,684 thousand recognized in this line item for the current portion of the total. See Note 17 "Signing of the AENA contracts" for additional information about this transaction.

Non-current assets

2. Goodwill

"Goodwill" amounted to Euro 584,659 thousand at June 30, 2013 and Euro 605,117 thousand at December 31, 2012.

Goodwill was generated by the acquisitions of World Duty Free Group España SA (formerly Aldeasa S.A.), completed in two stages respectively in 2005 for 50% of its share capital and in 2008 for the balance, Autogrill Holdings UK Plc. (formerly Alpha Group Plc.) in 2007 and World Duty Free UK Holdings (formerly World Duty Free Europe Ltd.) in 2008.

The change in the balance at June 30, 2013 compared with December 31, 2012 reflects exclusively translation differences caused by fluctuations in exchange rates. The economic and financial dynamics in the first half of 2013 and updated projections of future macroeconomic trends are consistent with the assumptions applied to test the recoverability of goodwill at December 31, 2012. Consequently, no impairment indicators were detected and no specific impairment tests of this item were performed.

A breakdown of goodwill by geographical area is provided below:

In thousands of Euro **Goodwill**	**As of June 30, 2013**	**As of December 31, 2012**
Geographical area:		
United Kingdom	412,356	433,124
Rest of Europe	82,248	82,248
North America	37,614	37,670
Central and South America	5,778	5,727
Asia and Middle East	46,663	46,348
Total	**584,659**	**605,117**

3. Other intangible assets

The table that follows shows a breakdown of "Other intangible assets" at June 30, 2013 and December 31, 2012:

In thousands of Euro **Other intangible assets**	**As of June 30, 2013**	**As of December 31, 2012**
Concessions, licenses, trademarks and similar rights	570,686	617,556
Assets under development	2,237	2,237
Other	2,961	3,081
Total	**575,884**	**622,874**

"Concessions, licenses, trademarks and similar rights" includes the value of intangible assets identified as part of the fair value measurement (Purchase Price Allocation) of the acquired assets and liabilities of World Duty Free Group UK Holding Ltd. (formerly World Duty Free Europe Ltd.) and World Duty Free Group España SA (formerly Aldeasa S.A.). The main components of this item are contractual rights amounting to Euro 479,815 thousand (Euro 518,862 thousand at December 31, 2012) and the World Duty Free trademark valued at Euro 90,855 thousand (Euro 98,675 thousand at December 31, 2012).

The decrease that occurred in the first half of 2013 reflects mainly the recognition of translation differences and the amortization for the period.

The table below shows a breakdown of the value of concessions by geographical area:

In thousands of Euro **Concessions by geographical area**	**As of June 30, 2013**	**As of December 31, 2012**
United Kingdom	220,723	239,783
Rest of Europe	191,439	198,431
Central and South America	25,275	27,694
North America	4,456	5,142
Asia and Middle East	37,922	47,812
Total	**479,815**	**518,862**

4. Other financial assets

"Other financial assets" amounted to Euro 31,589 thousand at June 30, 2013 and Euro 3,975 thousand at December 31, 2012.

The balance at June 30, 2013 includes the security deposit of Euro 26,672 thousand paid to AENA pursuant to the contracts signed with AENA. See Note 17 "Signing of the AENA contracts" for additional information about this transaction.

5. Other receivables

"Other receivables" totaled Euro 275,055 thousand at June 30, 2013 and Euro 14,017 thousand at December 31, 2012.

The balance at June 30, 2013 includes the non-current portion of the receivable for the rent and concession fees paid in advance following the signing of the contracts with AENA (Euro 262,046 thousand). See Note 17 "Signing of the AENA contracts" for additional information about this transaction.

Current liabilities

6. Trade payables

"Trade payables" amounted to Euro 276,350 thousand at June 30, 2013 and Euro 203,843 thousand at December 31, 2012. The effect of seasonal factors that characterize the Group's operations account for most of the change.

Non-current liabilities

7. Other financial liabilities

The "Other financial liabilities" account had a zero balance at June 30, 2013 and amounted to Euro 70,000 thousand at December 31, 2012.

The entire balance at December 31, 2012 referred to the Intercompany Loan, originally for Euro 200 million, provided by Autogrill to the WDF Group and repaid in full on June 5, 2013 upon the disbursement of the new Loan, as described more in detail in the note that follows.

8. *Due to banks and loans, net of current portion*

The table below provides a breakdown both for “Due to banks” and “Loans, net of current portion” at June 30, 2013 and December 31, 2012:

In thousands of Euro	**As of June 30, 2013**	**As of December 31, 2012**
Short-term lines of credit	1,216	7,318
Current portion of long-term loans	-	56,521
Due to banks	**1,216**	**63,839**
Non-current portion of long-term loans	974,471	444,235
Commissions on loans	(14,575)	(4,936)
Loans, net of current portion	**959,896**	**439,299**
Total	**961,112**	**503,138**

8.1 Short-term lines of credit

“Short-term lines of credit” totaled Euro 1,216 thousand at June 30, 2012 and Euro 7,318 thousand at December 31, 2012. These lines of credit are renewable annually at maturity and entail no specific covenants, guarantees or other restrictions.

8.2 Long-term loans (short-term and long-term portion)

The liability for long-term bank loans (including both the current and non-current portion) amounted to Euro 959,896 thousand at June 30, 2013 and Euro 495,820 thousand at December 31, 2012. At December 31, 2012, the liability for long-term (and short-term) bank loans consisted entirely of a facility provided to the WDF Group by a bank syndicate in July 2011 (the “**Multicurrency Revolving Facility**”). This facility was repaid in full on June 5, 2013 upon the disbursement of a new loan, as described below.

On May 30, 2013 WDFG SAU and the “**Borrowing Companies**” (e.g. WDFG SAU, WDFG España, WDFG UK Holdings and WDFG UK) signed a loan agreement providing four different tranches of credit for a total amount of EUR 1.25 billion (the “**Loan**”).

The Loan is comprised of the following tranches:

(i) Euro 400 million amortising term loan, to be utilised in Euro, with a tenor of five years (Tranche 1);

(ii) Euro 125 million amortising term loan, to be utilised in GBP, with a tenor of five years (Tranche 2);

(iii) Euro 375 million revolving credit facility which can be utilised in Euro and/or GBP, with a tenor of five years, (Tranche 3); and

(iv) Euro 350 million revolving credit facility, to be utilised in Euro, lasting 18 months, with 3 possible extensions of 6 months each upon request by WDFG SAU (Tranche 4).

The Loan provides for an interest rate linked to Euribor or Libor, depending on the currency used for the Loan, in addition to a margin, which, with respect to Tranches 1, 2 and 3, is calculated on a ratchet basis by reference to the Leverage Ratio (as defined in the loan agreement).

Please note that from the draw-down date of the Loan and up to the delivery of the "compliance certificate" measuring the Leverage Ratio as of 31 December 2013, the margin applied is 3.65%, 3.85% and 2.90% respectively for Tranches 1, 2 and 3. Thereafter, the interest charged shall vary for each tranche by reference to the Leverage Ratio. It should be noted however that the maximum margins following the period ending on 31 December 2013 are 4.10%, 4.30% and 3.35% per annum for Tranches 1, 2 and 3 respectively. It should also be noted that with reference to Tranche 3, for the part used in GBP, the spread will be increased by 0.2%.

With reference to Tranche 4, the margin is 2.75% per annum until 1 December 2014. In the event that WDFG SAU elects to extend the duration of Tranche 4, the margin increases to the following percentages: 3.25% per annum for the period from 2 December 2014 to the expiration of the 24th month following the Signing Date, 3.75% per annum for the period from the first day of the 25th month following the Signing Date to the expiration of the 29th month following the Signing Date and 4.25% for the period from the first day of the 30th month following the Signing Date to the termination date of Tranche 4.

The loan agreement provides for mandatory prepayments, representations, warranties, covenants and events of default which are customary for a document of this nature, including:

(i) the requirement to meet a "Leverage Ratio" and a "Interest Cover Ratio" ("**Financial Covenants**"), to be calculated as indicated by the loan agreement, on the basis of consolidated accounts of WDFG SAU and of its subsidiaries, as at each relevant determination date as provided in the loan agreement (i.e. every six months, at 30 June and 31 December of each year starting on 31 December 2013). Failure to respect them shall determine the mandatory early repayment of the Loan. The following is a summary of the provisions relating to the Financial Covenants:
    (a) the "Leverage Ratio" is calculated as the ratio between the "net financial indebtedness" and the "cash EBITDA" (61) . The "net financial indebtedness" is the aggregate amount of all the obligations of WDFG SAU and its subsidiaries for or in respect of borrowing less the aggregate amount of freely available Cash and Cash Equivalent Investments (as such terms are defined in the loan agreement) held by WDFG SAU or any of its subsidiaries subject to certain adjustments. The "cash EBITDA" is the sum of the operating profit, depreciations and amortisations, impairment losses and the provisions for risks and charges, adjusted to include certain rental expenses and other non-cash rent adjustments (as of the Date of this Document, they mainly relate to rental expenses due in a period in which the related payment is offset by the advance payment made to AENA of February 2013, as well as to other non-cash rent adjustments related to AENA).

(61) The loan agreement provides for specific definitions of net financial indebtedness, net financial charges, EBITDA and Cash EBITDA for the purposes of the calculation of the Financial Covenants. Said definitions would cause the values of the net financial indebtedness, net financial charges, EBITDA and Cash EBITDA to differ from the values reported in this Document.

The Leverage Ratio in each verification period may not exceed a threshold decreasing from 4.35 to 3.50 during the tenor of the Loan.

(b) the "Interest Cover Ratio" is the ratio between the cash EBITDA and the "net financial charges" for each period of 12 months ending on a determination date as provided in the aoan agreement. The "net financial charges" for any relevant period is the aggregate amount of accrued interest, commission, fees, discounts, prepayment penalties premiums and other finance payments, subject to certain adjustments.

The Interest Cover Ratio shall not be lower than in each verification period until 31 December 2014 shall be no less than 4.00 and not lower than 4.50 for each verification period thereafter.

(ii) certain limits or negative covenants (subject to certain exceptions) concerning: *(i)* the completion of disposals of assets; *(ii)* the assumption of additional financial indebtedness and issuance of guarantees or other securities; *(iii)* the distribution of dividends or other distributions (as better specified below); and *(iv)* the carrying out of extraordinary transactions;

(iii) the mandatory prepayment and cancellation of all or part of the Loan in certain circumstances, including a "Change of Control", as defined in the loan agreement, the issuance of bonds on the capital market by certain companies and, subject to certain conditions, asset disposals;

(iv) obligations to periodically deliver certain pieces of information, including, in particular, reporting of consolidated financial statements and half-yearly financial reports;

(v) various events of default (in each case subject to certain baskets exceptions and cure periods) the occurrence of which would entitle the Lenders to drawstop, cancel and/or accelerate the Loan, including without limitation: *(a)* failure to pay amounts due under the Loan Agreement; *(b)* non-compliance with the Financial Covenants set out in the Loan Agreement; *(c)* breach by any of the Borrowing Companies of the contractual provisions restricting their ability to, amongst other things: (i) dispose of their respective assets; (ii) assume additional debt and issue further securities; (iii) distribute dividends or make other distributions; and (iv) carry out extraordinary transactions (so called "Negative Covenants"); failure by WDFG SAU to procure that all the "Material Companies" (as defined in the Loan Agreement) observe these limitations shall be equally considered as a breach of the "Negative Covenants"; *(d)* the occurrence of a "Material Adverse Change", being an event which has a material adverse effect on the business, assets or financial condition of WDFG SAU and its subsidiaries which taken as a whole would result in WDFG SAU and its subsidiaries being unable to perform its payment obligations under the Finance Documents (as defined in the Loan Agreement); *(e)* cross default of other financial indebtedness; *(f)* the occurrence of certain insolvency related events; *(g)* any repudiation of any Finance Document by any of the Borrowing Companies; *(h)* the unlawfulness or invalidity of any obligation under the Finance Documents; *(i)* if WDFG SAU and its subsidiaries taken as a whole suspend or cease to carry on all or a material part of the business; and *(l)* any representation by any Borrowing Company being incorrect or misleading in any material respect.

As to the obligation of early repayment in the event of a Change of Control, the Loan Agreement provides that the Lenders shall negotiate for a period not exceeding 30 days to determine whether the facilities under the Loan Agreement can continue and on what basis. At the end of the 30-day period, any Lender not agreeing to continue the facility may require the Borrowing Companies, by serving 10 days' prior notice in writing, to prepay and cancel that Lender's participation in the Loan.

As of June 30, 2013, the referred financial ratios were in compliance with the Financial Covenants. The tranches had been drawn-down as follows:

	As of 30 June 2013		
	GBP thousand	**Euro thousand**	**Total in Euro thousand**
Tranche 1	-	400,000	400,000
Tranche 2	106,706	-	124,483
Tranche 3	150,000	-	174,988
Tranche 4	-	275,000	275,000
Total	**256,706**	**675,000**	**974,471**

As of June 30, 2013, the Loan, accounted for according to the amortized cost method, is represented net of the fees amounting to Euro 14,575 thousand.

On 5 June 2013, the WDF Group had used the Loan for an overall amount to Euro 1,020,716, as follows:

Description	**Amount in Euro (thousand)**
Reimbursement of the Multicurrency Revolving Facility	645,705
Reimbursement of the medium-long term financing granted by BBVA during the first semester of 2013, called Bilateral Revolving Credit Facility	100,000
Reimbursement of the debt outstanding under the Intercompany Loan	67,000
Distribution, approved by WDFG SAU shareholders' meeting held on 30 April 2013	220,000
Total payments as of 5 June 2013	1,032,705
Use of existing cash	(11,989)
Use of the Loan as of 5 June 2013	1,020,716

9. Equity

The changes in equity reserves are shown in the corresponding schedule of these financial statements.

A description of the content of the main equity reserves is provided below, together with some details about the main changes for the period.

Share capital

The Company was incorporated on March 27, 2013 with a share capital of Euro 120 thousand . The fully subscribed and paid-in share capital is comprised of 120,000 common shares without par value.

In the statement of changes in equity, the Company's incorporation is shown as a separate entry.

Hedging reserve

The "Hedging reserve" includes the effective component of the fair value of derivatives designated as cash flow hedges.

Translation reserve

Translation differences arise from the translation into Euro of the financial statements of companies consolidated line by line or using the proportional method that are denominated in currencies other than the euro.

Reserves

The main changes in these reserves, in addition to the recognition of the result for the period, include the following:

(i) the recognition of actuarial gains or losses on the liability for employee defined-benefit plans, net of tax effect;

(ii) in the first half of 2013, a Distribution of Euro 220,000 thousand to Autogrill shareholders, in accordance with a resolution approved by the shareholders' meeting of WDFG SAU on April 30, 2013;

(iii) the recognition of stock option costs.

NOTES TO THE INCOME STATEMENT

10. Revenue

The table below shows a breakdown of "Revenue" by product category for the six months ended June 30, 2013 and June 30, 2012:

In thousands of Euro	For the six months ended June 30,		Change
Revenue by product category	**2013**	**2012**	
Beauty	398,161	384,242	13,919
Drinks	165,859	159,625	6,234
Tobacco	113,267	115,628	(2,361)
Food	105,169	97,297	7,872
Souvenir	24,786	27,228	(2,442)
Luxury, Fashion, Accessories & Other	90,775	99,013	(8,238)
Total airport revenue	**898,017**	**883,033**	**14,984**
Total non-airport revenue	**24,857**	**22,102**	**2,755**
Total	**922,874**	**905,135**	**17,739**

A breakdown of revenue by geographical area is provided in Note 18 "Segment Reporting."

11. Raw materials, supplies and goods, personnel expense, leases, rentals, concessions and royalties and other operating expenses

The table below shows the cost of raw materials, supplies and goods, personnel expense, lease, rentals, concessions and trademark royalties and other operating expenses for the six months ended June 30, 2013 and June 30, 2012, showing the ratios of these items to revenue:

In thousands of Euro and percentage of revenue	For the six months ended June 30,				Change
	2013	**% of revenue**	**2012**	**% of revenue**	
Raw materials, supplies and goods	374,600	40.6%	370,723	41.0%	3,877
Personnel expense	99,680	10.8%	96,592	10.7%	3,088
Lease, rentals, concessions and royalties	292,012	31.6%	280,473	31.0%	11,539
Other operating expense	58,638	6.4%	58,786	6.5%	(148)
Total	**824,930**	**89.4%**	**806,574**	**89.1%**	**18,356**

The ratio of operating expenses to revenue increased by 0.3 percentage points in the first half of 2013, rising to 89.4%, up from 89.1% in the first six months of 2012.

The increases shown for the individual cost components are substantially in line with the revenue improvement generated by the WDF Group in the two periods under comparison.

The most significant change relates to “Leases, rentals, concessions and trademark royalties,” amounting to Euro 11,539 thousand, which reflects the impact of lease increases following the renewal of leases at airports in Spain.

12. Depreciation and amortization

“Depreciation and amortization” totaled Euro 44,189 thousand in the first half of 2013 and Euro 56,317 thousand in the first six months of 2012. The difference between the two periods is attributable to a decrease in amortization of concessions, amounting to Euro 27,990 thousand in the first half of 2013 and Euro 34,583 thousand in the first six months of 2012. This difference results from a redetermination of the useful lives of the Spanish concessions following the renewal to 2020 of the duty free and duty paid contracts at airports in Spain.

13. Financial income and expense

“Financial income” increased to Euro 4,702 thousand in the first half of 2013, up from Euro 280 thousand in the first six months of 2012. The balance shown for the first half of 2013 includes a gain of Euro 4,103 thousand generated by discounting to present value the receivable owed by AENA for concession fees paid in advance.

“Financial expense” totaled Euro 18,268 thousand in the first half of 2013 and Euro 11,497 thousand in the first six months of 2012. The change in this item is chiefly the result of an increase in the indebtedness of the WDF Group and of the portion attributable to the period of the incidental expenses incurred in previous years for facilities repaid as part of the refinancing transaction executed in June 2013, amounting to Euro 5,246 thousand (including Euro 4,273 thousand for the Multicurrency Revolving Facility).

14. Income taxes

“Income taxes” totaled Euro 9,273 thousand at June 30, 2013 and Euro 3,330 thousand at December 31, 2012. The increase reflects the combined impact of an improved operating profitability and the effect of a reduction in UK tax rates in 2012, which made it possible to reverse previously recognized deferred tax liabilities.

15. Basic and diluted earnings per share

Earnings per share for the first half of 2012 were determined based on the number of shares resulting from the Demerger transaction, i.e., 254,400,000, as per the resolution approved by the Company’s shareholders’ meeting on June 6, 2013.

On the other hand, the weighted average number of the shares outstanding used for computation purposes in the first half of 2013 takes also into account the 120,000 shares subscribed upon the incorporation of WDF on March 27, 2013

Please note that there were no dilutive effects and, consequently, diluted earnings per share are the same as basic earnings per share. The computation details are provided below:

	For the six months ended June 30,	
	2013	2012
Profit for the period attributable to owners of the parent (in thousands of Euro)	41,427	41,732
Number of shares (in units)	254,463,333	254,400,000
Basic and Diluted earning per share (in Euro cents)	16.28	16.40

16. Net financial indebtedness

A breakdown of net financial indebtedness at June 30, 2013 and December 31, 2012, presented in accordance with the ESMA/2011/81 Recommendations, is provided below:

In thousands of Euro **Net financial indebtedness**	**As of June 30, 2013**	**of which related parties**	**As of December 31, 2012**	**of which related parties**
A. Cash	2,729		1,607	
B. Cash equivalents	27,792		17,077	
C. Trading securities	-		-	
D. Liquidity (A)+(B)+(C)	**30,521**	**-**	**18,684**	**-**
E. Current financial receivables	**1,556**		**272**	
F. Current bank debt	(1,216)		(7,318)	
G. Current portion of non current debt	-		(56,521)	
H. Other current financial debt	(6,743)		(7,285)	(79)
I. Current financial debt (F)+(G)+(H)	**(7,959)**	**0**	**(71,124)**	**(79)**
J. Net current financial indebtedness (I)+(E)+(D)	**24,118**	**0**	**(52,168)**	**(79)**
K. Non current bank loans	(959,896)		(439,299)	
L. Bonds issued	-		-	
M. Other non current loans	-		(70,000)	(70,000)
N. Non current financial indebtedness (K)+(L)+(M)	**(959,896)**	**0**	**(509,299)**	**(70,000)**
O. Net financial indebtedness (J)+(N)	**(935,778)**	**0**	**(561,467)**	**(70,079)**

17. Signing of the AENA contracts

On February 14, 2013, following the award in December 2012 of tenders for the award of concessions to operate until 2020 duty free and duty paid travel retail activities at 26 airports in Spain and the Canary Islands, the companies World Duty Free Group España S.A. and Sociedad de Distribución Comercial Aeroportuaria de Canarias SL, subsidiaries of WDFG, and AENA executed the corresponding AENA Agreeements ("**AENA Agreements**").

On February 14, 2013, in execution of the abovementioned contracts, AENA received: (i) the sum of Euro 278,933 thousand (plus VAT amounting to Euro 58,576 thousand) as advance payment of a portion of the concession fees payable over the duration of the contracts; and (ii) Euro 27,318 thousand as a security deposit. The advance will be gradually recovered by means of deductions from the concession fees payable over the duration of the

AENA Agreements. The security deposit will be refunded at the end of the concession agreements. It is worth mentioning that the VAT credit of Euro 58,576 thousand was factored without recourse basis to a top credit institution in March 2013.

Pursuant to the terms of the AENA Agreements, a bank guarantee was provided to AENA on behalf of the WDF Group. For additional details, please see the more comprehensive information provided in Note 19 "Guarantees provided, commitments and contingent liabilities."

18. Segment reporting

As explained in more detail in the Foreword to these accompanying notes, the WDF Group, which is active in the Duty Free & Duty Paid sector, operated in four geographical areas: United Kingdom, Rest of Europe, Americas, Asia and Middle East, designated as operating segments pursuant to IFRS 8.

The criteria applied to designate these geographical areas as operating segments were based, inter alia, on the methods used at the highest level of operational decision making to periodically review the results of the WDF Group and adopt decisions concerning the allocation of resources to the various segments and assess their performance.

The table below presents relevant information concerning the four geographical areas during the reporting periods subject of these notes:

In thousands of Euro	**As of and for the six months ended June 30, 2013**					
	United Kingdom	**Rest of Europe**	**Americas**	**Asia and Middle East**	**Not allocated**	**Total**
Revenue	432,532	273,872	137,617	78,853	-	922,874
EBITDA	62,109	23,749	13,392	10,559	-	109,809
Depreciation and amortization	(18,691)	(16,622)	(4,541)	(4,335)	-	(44,189)
Impairment losses on property, plant and equipment and intangible assets	-	-	(2)	-	-	(2)
Operating profit	43,418	7,127	8,849	6,224	-	65,618
Financial income	-	-	-	-	4,702	4,702
Financial expense	-	-	-	-	(18,268)	(18,268)
Income tax	-	-	-	-	(9,273)	(9,273)
Profit for the period	-	-	-	-	42,555	42,555
Total assets	167,510	1,512,268	63,416	23,215	92,853	1,859,262
Total liabilities	187,049	171,442	26,942	21,605	1,049,128	1,456,166
Investments in associates	-	8,463	-	-	-	8,463
Goodwill	412,356	82,248	43,392	46,663	-	584,659
Other intangible assets	312,192	195,997	29,751	37,944	-	575,884
Investment property		6,744			-	6,744
Property, plant and equipment	33,768	22,357	13,037	5,089	-	74,251
Capital expenditures	809	6,682	1,079	1,170	-	9,740

In thousands of Euro	As of and for the six months ended June 30, 2012					
	United Kingdom	**Rest of Europe**	**Americas**	**Asia and Middle East**	**Not allocated**	**Total**
Revenue	424,536	262,486	138,677	79,436	-	905,135
EBITDA	55,460	22,485	19,749	15,583	-	113,277
Depreciation and amortization	(19,609)	(27,860)	(4,331)	(4,517)	-	(56,317)
Impairment losses on property, plant and equipment and intangible assets	-	-	(279)	-	-	(279)
Operating profit	35,851	(5,375)	15,139	11,066	-	56,681
Financial income	-	-	-	-	280	280
Financial expense	-	-	-	-	(11,497)	(11,497)
Income tax	-	-	-	-	(3,330)	(3,330)
Profit for the period	-	-	-	-	42,852	42,852

In thousands of Euro	As of December 31, 2012 - revised					
	United Kingdom	**Rest of Europe**	**Americas**	**Asia and Middle East**	**Not allocated**	**Total**
Total assets	883,564	394,102	135,272	130,509	50,807	1,594,254
Total liabilities	153,511	120,049	29,606	19,910	672,980	996,056
Investments in associates	-	8,668	-	468	-	9,136
Goodwill	433,124	82,248	43,397	46,348	-	605,117
Other intangible assets	339,143	203,027	32,864	47,840	-	622,874
Investment property	-	6,932	-	-	-	6,932
Property, plant and equipment	42,879	19,108	13,771	4,596	-	80,354
Capital expenditures	11,014	5,776	9,272	2,381	-	28,443

19. Guarantees provided, commitments and contingent liabilities

Guarantees

A noteworthy development in the first half of 2013 was the issuance by a bank of a guarantee of about Euro 46.3 million on behalf of the WDF Group to AENA, pursuant to the AENA contracts.

Contingent liabilities

There were no changes in contingent liabilities compared with the situation reported in the notes to the Combined Financial Statements.

20. Operating leases payable

The WDF Group operates through administrative concessions granted by airport authorities. A breakdown by maturity of the future minimum payments owed under the abovementioned contracts at June 30, 2013 is provided below:

In thousands of Euro	**For the six months ended June 30, 2013**
Up to 1 year	172,112
1 - 5 years	1,081,952
More than 5 years	905,942
Total	**2,160,006**

21. Seasonal factors

The sales of the WDF Group are affected by seasonal passenger flows. Specifically, the highest revenue levels are achieved in July, August and September and the highest ratios of operating profit to revenue are achieved in July, August and December, due to the traffic flows related to summer vacations in the countries of the northern hemisphere and the year-end holidays. The WDF Group uses marketing promotions to mitigate the resulting revenue fluctuations. The table below provides a breakdown by quarter of the main economic data for the year ended December 31, 2012:

In thousands of Euro	**2012**			
	First quarter	**First half**	**First nine months**	**Full year**
Revenue	388.8	905.1	1,517.2	2,002.0
% on full year	19.4%	45.2%	75.8%	100.0%
Operating profit	11.2	56.7	119.0	149.7
% on full year	7.5%	37.9%	79.5%	100.0%
Pre-tax profit	6.3	46.2	106.3	133.0
% on full year	4.7%	34.7%	79.9%	100.0%
Profit for the period - attributable to owners of the parent	10.1	41.7	81.6	100.7
% on full year	10.0%	41.4%	81.0%	100.0%

Please note that the above percentages are provided as a general reference and cannot be used to develop an accurate projection of expected results.

22. Other information

22.1 Related party transactions

The balances of transactions with related parties reflected in the income statement and statement of financial position for the two periods subject of these notes are listed below:

In thousands of Euro	Other receivables - current		Trade receivables		Trade payables		Other payables - current		Other financial liabilities - current and non current	
Statement of financial position	**As of June 30, 2013**	**As of December 31, 2012**	**As of June 30, 2013**	**As of December 31, 2012**	**As of June 30, 2013**	**As of December 31, 2012**	**As of June 30, 2013**	**As of December 31, 2012**	**As of June 30, 2013**	**As of December 31, 2012**
Autogrill S.p.A.	297	235	29	-	122	-	191	1,384	-	70,079
Autogrill Catering Uk Ltd.	-	-	2	3	-	-	-	-	-	-
HMS Host	-	-	-	-	56	-	-	54	-	-
ADR Tel S.p.A.	-	-	-	-	1	5	-	5	-	-
Edizione S.r.l.	211	164	-	-	-	-	-	-	-	-
ADR Mobility S.r.l.	-	-	-	-	5	-	-	-	-	-
Aeroporti di Roma S.p.A.	-	-	34	34	(59)	4	-	4	-	-
Total related parties	**508**	**399**	**65**	**37**	**125**	**9**	**191**	**1,447**	**-**	**70,079**
Statement of financial position	63,567	25,630	28,595	26,912	276,350	203,843	71,170	69,819	6,743	77,285
Incidence of related parties on the statement of financial position values	**0.8%**	**1.6%**	**0.2%**	**0.1%**	**0.0%**	**0.0%**	**0.3%**	**2.1%**	**0.0%**	**90.7%**

In thousands of Euro	Revenue and other operating income		Operating expenses (*)		Net financial expense / (income)	
Income statement	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**	**Six months ended June 30, 2013**	**Six months ended June 30, 2012**
Autogrill S.p.A.	320	628	(340)	401	654	1,986
Autogrill Catering Uk Ltd.	-	-	-	(43)	-	-
HMS Host	-	-	8	-	-	-
ADR Tel S.p.A.	-	-	8	-	-	-
Aeroporti di Roma S.p.A.	-	-	90	561	-	-
ADR Mobility S.r.l.	-	-	3	-	-	-
Total related parties	**320**	**628**	**(231)**	**919**	**654**	**1,986**
Income statement	934,739	919,851	824,930	806,574	13,566	11,217
Incidence of related parties on the income statement values	0.0%	0.1%	0.0%	0.1%	4.8%	17.7%

(*) "Operating expenses" includes "raw materials, supplies and goods," "Personnel expense," "leases, rentals, concessions and royalties" and "Other operating expense"

For an analysis of the main transactions executed by the WDF Group with related parties, see the information provided in the corresponding note to the Combined Financial Statements.

22.2 Compensation paid to key management personnel

The compensation paid to key management personnel in the six months ended June 30, 2013 and June 30, 2012 is listed in the table below:

In thousands of Euro	**Compensation**	**Bonus and other incentives**	**Non-monetary benefits**	**Other**	**Total**
Six months ended June 30, 2013	723	1,793	30	55	2,601
Six months ended June 30, 2012	940	809	38	60	1,847

23. Significant non-recurring events and transactions

There were no significant non-recurring events or transactions in the first half of 2013.

24. Positions and transactions resulting from atypical and/or unusual transactions

In the first half of 2013, there were no atypical and/or unusual transactions, as defined in Consob Communication No. DEM/6037577 of April 28, 2006 and Consob Communication No. DEM/6064293 of 28 July 2006.

25. Events after the reporting period

No events that would have entailed a restatement of financial statement data or would have required additional disclosures in these notes occurred after the reference date of these Combined Condensed Interim Financial Statements.

Please note that on July 30, 2013, the WDF Group, as buyer, and HMSHost corporation and its Host International, Inc. subsidiary, as sellers, signed an agreement for the acquisition of the US retail division.

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

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Report of the auditors

To the board of directors of
World Duty Free S.p.A.

1 We have reviewed the condensed interim combined financial statements of the World Duty Free Group as at and for the six months ended 30 June 2013, comprising the combined statement of financial position, combined income statement, combined statement of comprehensive income, combined statement of changes in equity, combined statement of cash flows and notes thereto (the "condensed interim combined financial statements"). These condensed interim combined financial statements have been drawn up solely for their inclusion in the information document prepared as part of the procedures for listing the ordinary shares of World Duty Free S.p.A. on the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A., pursuant to Regulation no. 809/2004/EC. The parent's directors are responsible for the preparation of the condensed interim combined financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information about the captions of the condensed interim combined financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim combined financial statements. The review excluded such audit procedures as tests of controls and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the combined financial statements as at and for the years ended 31 December 2012, 2011 and 2010, we do not express an audit opinion on the condensed interim combined financial statements.

The condensed interim combined financial statements present the corresponding figures of the prior year annual combined financial statements for comparative purposes. As disclosed in the notes, following the adoption of IAS 19 (revised), the parent's directors restated some of the corresponding figures. We audited the prior year annual combined financial statements and issued our report thereon on 30 August 2013. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of preparing this report.

KPMG

World Duty Free Group
Report of the auditors
30 June 2013

Moreover, the condensed interim combined financial statements present the corresponding figures of the prior year condensed interim combined financial statements for comparative purposes, which we have not examined.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim combined financial statements of the World Duty Free Group as at and for the six months ended 30 June 2013 have not been prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

4 This report has been prepared for the sole purposes described in paragraph 1 and cannot be used for any other purposes.

Milan, 30 August 2013

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director

ANNEX 2
Combined Financial Statements of the WDF Group for the years ended December 31, 2012, 2011 and 2010, approved by the Issuer's Board of Directors on July 31, 2013.

COMBINED STATEMENT OF FINANCIAL POSITION

In thousands of Euro	As of December 31						
	Notes	2012	of which related parties	2011	of which related parties	2010	of which related parties
<u>ASSETS</u>							
Current assets		**221,758**		**250,830**		**230,557**	
Cash and cash equivalents	1	18,684		45,357		55,663	
Other financial assets	2	272		707		184	
Tax assets	3	7,798		4,336		3,340	
Other receivables	4	25,630	399	29,533	1,052	17,309	365
Trade receivables	5	26,912	37	27,053	40	32,938	1,286
Inventories	6	142,462		143,844		121,123	
Non-current assets		**1,377,385**		**1,446,704**		**1,523,934**	
Property, plant and equipment	7	80,354		89,349		107,225	
Investment property	8	6,932		7,307		7,682	
Goodwill	9	605,117		598,020		582,132	
Other intangible assets	10	622,874		690,138		762,679	
Investments	11	9,136		7,990		7,182	
Other financial assets	12	3,975		1,678		1,125	
Deferred tax assets	13	27,877		39,869		43,463	
Other receivables	14	14,017		11,967		12,446	
Defined benefit plan	22	7,103		386		-	
TOTAL ASSETS		**1,599,143**		**1,697,534**		**1,754,491**	
<u>LIABILITIES AND EQUITY</u>							
LIABILITIES		**988,062**		**1,119,139**		**1,256,058**	
Current liabilities		375,883		311,703		388,188	
Trade payables	15	203,843	9	216,543	27	200,620	
Tax liabilities	16	18,694		14,878		14,985	
Other payables	17	69,819	1,447	73,948	1,495	86,150	11,511
Other financial liabilities	18	7,285	79	5,293	125	82,066	81,576
Due to banks	21	63,839		1,041		4,007	
Provisions for risks and charges	23	12,403		-		360	
Non-current liabilities		**612,179**		**807,436**		**867,870**	
Other payables	19	2,000		3,000		7,896	
Other financial liabilities	20	70,000	70,000	185,127	185,127	694,559	694,559
Loans, net of current portion	21	439,299		489,754		-	
Deferred tax liabilities	13	92,557		118,768		136,722	
Defined benefit plan	22	1,469		771		15,880	
Provisions for risks and charges	23	6,854		10,016		12,813	
EQUITY	**24**	**611,081**		**578,395**		**498,433**	
- attributable to owners of the parent		608,424		576,760		496,385	
- attributable to non-controlling interests		2,657		1,635		2,048	
TOTAL LIABILITIES AND EQUITY		**1,599,143**		**1,697,534**		**1,754,491**	

COMBINED INCOME STATEMENT

In thousands of Euro	For the year ended December 31,						
	Notes	2012	of which related parties	2011	of which related parties	2010	of which related parties
Revenue	25	2,001,973		1,820,603		1,675,276	2
Other operating income	26	26,607	1,191	25,522	1,378	31,374	
Total revenue and other operating income		**2,028,580**		**1,846,125**		**1,706,650**	
Raw materials, supplies and goods	27	(819,988)		(764,958)		(733,615)	
Personnel expense	28	(205,891)		(192,466)		(180,550)	
Leases, rentals, concessions and royalties	29	(615,470)	(1,119)	(551,227)		(505,548)	
Other operating expense	30	(124,894)	(1,390)	(109,165)	(1,646)	(93,355)	293
Depreciation and amortization	31	(112,379)		(111,137)		(113,298)	
Impairment losses on property, plant and equipment and intangible assets	32	(288)		(10,177)		(2,068)	
Operating profit		**149,670**		**106,995**		**78,216**	
Financial income	33	817	2	449		1,535	147
Financial expense	33	(19,290)	(2,258)	(28,660)	(21,847)	(45,583)	(43,671)
Impairment and revaluation of financial assets	34	1,844		1,396		1,271	
Pre-tax profit		**133,041**		**80,180**		**35,439**	
Income tax	35	(30,029)		(16,289)		(1,703)	
Profit for the year		**103,012**		**63,891**		**33,736**	
Profit for the year attributable to:							
- owners of the parent		100,727		61,358		32,194	
- non-controlling interest		2,285		2,533		1,542	
Earnings per share, basic and diluted (in Euro cents)	**36**	**39.59**		**24.12**		**12.65**	

COMBINED STATEMENT OF COMPREHENSIVE INCOME

In thousands of Euro	For the year ended December 31,		
	2012	2011	2010
Profit for the year	**103,012**	**63,891**	**33,736**
Effective portion of fair value change in cash flow hedges	(2,463)	(3,619)	-
Foreign currency translation differences for foreign operations	7,413	23,638	43,047
Gains (losses) on net investment hedge	(6,760)	(8,795)	(16,675)
Income tax on comprehensive income	2,767	3,725	5,002
Total comprehensive income for the year	**103,969**	**78,840**	**65,110**
- attributable to owners of the parent	101,620	76,320	63,814
- attributable to non-controlling interests	2,349	2,520	1,296

COMBINED STATEMENT OF CHANGES IN EQUITY

In thousands of Euro	**Reserves**	**Hedging reserve**	**Translation reserve**	**Equity attributable to owners of the parent**	**Equity attributable to non-controlling interests**	**Equity**
Balance as of January 1, 2010	**37,061**	**-**	**(68,612)**	**(31,551)**	**35,678**	**4,127**
Profit for the year	32,194			32,194	1,542	33,736
Foreign currency translation differences for foreign operations and other changes			43,293	43,293	(246)	43,047
Gains (losses) on net investment hedge, net of tax effect			(11,673)	(11,673)		(11,673)
Total comprehensive income for the period	**32,194**	**-**	**31,620**	**63,814**	**1,296**	**65,110**
Capital contribution	400,000			400,000		400,000
Dividend distribution				-	(2,844)	(2,844)
Total contributions by and distributions to owners of the parent	**400,000**	**-**	**-**	**400,000**	**(2,844)**	**397,156**
Carve out (1)	62,132		1,990	64,122	(32,082)	32,040
Balance as of December 31, 2010	**531,387**	**-**	**(35,002)**	**496,385**	**2,048**	**498,433**
Profit for the year	61,358			61,358	2,533	63,891
Effective portion of fair value change in cash flow hedges, net of tax effect		(2,533)		(2,533)		(2,533)
Foreign currency translation differences for foreign operations and other changes	-		23,651	23,651	(13)	23,638
Gains (losses) on net investment hedge, net of tax effect	-		(6,156)	(6,156)		(6,156)
Total comprehensive income for the period	**61,358**	**(2,533)**	**17,495**	**76,320**	**2,520**	**78,840**
Dividend distribution	-			-	(2,155)	(2,155)
Disposal of Alpha MVKB Maldives PvT Ltd.	-			-	(778)	(778)
Stock options	51			51	-	51
Total contributions by and distributions to owners of the parent	**51**	**-**	**-**	**51**	**(2,933)**	**(2,882)**
Carve out (1)	4,004			4,004		4,004
Balance as of December 31, 2011	**596,800**	**(2,533)**	**(17,507)**	**576,760**	**1,635**	**578,395**
Profit for the year	100,727	-	-	100,727	2,285	103,012
Effective portion of fair value change in cash flow hedges, net of tax effect	-	(1,724)	-	(1,724)	-	(1,724)
Foreign currency translation differences for foreign operations and other changes	-	-	7,349	7,349	64	7,413
Gains (losses) on net investment hedge, net of tax effect	-	-	(4,732)	(4,732)	-	(4,732)
Total comprehensive income for the period	**100,727**	**(1,724)**	**2,617**	**101,620**	**2,349**	**103,969**
Dividend distribution	(70,000)	-	-	(70,000)	(1,327)	(71,327)
Stock options	44	-	-	44	-	44
Total contributions by and distributions to owners of the parent	**(69,956)**	**-**	**-**	**(69,956)**	**(1,327)**	**(71,283)**
Balance as of December 31, 2012	**627,571**	**(4,257)**	**(14,890)**	**608,424**	**2,657**	**611,081**

(1) In 2011 and 2010, the changes listed as “Carve outs” refer to the activities of the WDF Group that were not included in the Combined Financial Statements. Please see the “General Information” section of the Notes to the Combined Financial Statements.

COMBINED STATEMENT OF CASH FLOWS

In thousands of Euro	For the year ended December 31,						
	Notes	**2012**	**of which related parties**	**2011**	**of which related parties**	**2010**	**of which related parties**
Opening net cash and cash equivalents	**1**	**45,357**		**55,663**		**96,867**	
Pre-tax profit and net financial expense for the period		151,514		108,391		79,487	
Amortization, depreciation and impairment losses on non-current assets, net of reversals	31-32	112,667		121,314		115,366	
Adjustments and (gains)/losses on disposal of financial assets	34	(1,844)		(1,396)		(1,271)	
(Gains)/losses on disposal of non-current assets		969		1,562		88	
Change in working capital		(7,273)	868	(22,927)	(9,422)	32,421	9,328
Net change in non-current non-financial assets and liabilities		(5,722)		(15,982)		(16,138)	(488)
Cash flows from / (used in) operating activities		**250,311**		**190,962**		**209,953**	
Taxes paid		(42,470)		(34,184)		(23,303)	
Interest paid		(18,349)	(2,022)	(39,849)	(31,908)	(46,294)	(39,131)
Net cash flows from / (used in) operating activities		**189,492**		**116,929**		**140,356**	
Acquisition of property, plant and equipment and intangible assets		(28,407)		(24,974)		(23,542)	
Proceeds from sale of non-current assets		117		1,274		395	
Net change in non-current financial assets		(1,589)		-		69	
Net cash flows from / (used in) investing activities		**(29,879)**		**(23,700)**		**(23,078)**	
Opening of new non-current loans	20-21	-		661,131	191,249	-	
Repayments of non-current loans	20-21	(122,235)	(116,553)	(764,971)	(764,971)	(812,440)	(690,440)
Repayments of current loans, net of new loans	18	6,277		(2,966)		4,007	
Dividends paid	24	(71,327)	(70,000)	(2,155)		(2,844)	
Capital contribution	24	-		-		400,000	400,000
Other cash flows		730		751		(7,050)	
Net cash flows from / (used in) financing activities		**(186,555)**		**(108,210)**		**(418,327)**	
Net increase / (decrease) in cash and cash equivalents		**(26,942)**		**(14,981)**		**(301,049)**	
Carve out (1)		-		4,004		258,534	
Effect of exchange rate fluctuation on net cash and cash equivalents		269		671		1,311	
Closing net cash and cash equivalents	1	18,684		45,357		55,663	

(1) In 2011 and 2010, the "Carve out" line item represents cash flows from activities of the WDF Group that were not included in the Combined Financial Statements. Please see the "General Information" section of the Notes to the Combined Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Foreword

World Duty Free S.p.A. (hereinafter also referred to as the "**Company**" or "**WDF**") was incorporated on March 27, 2013 and will prepare its first consolidated financial statements at December 31, 2013.

Further to the Demerger, WDF and its subsidiaries (the "**WDF Group**") are engaged, almost exclusively at airport venues, in the sale of fragrances and cosmetics, spirits, tobacco products and other items with "*duty free*" and "*duty paid*" tax status ("*Travel Retail & Duty Free*" sector).

The WDF Group operates stores throughout the world in the following geographic regions: (i) United Kingdom; (ii) rest of Europe (mainly Spain, but also Italy and Germany); (iii) Americas (Brazil, Canada, Chile, Curaçao, Jamaica, Mexico, Peru and United Sates of America); and (iv) Asia and Middle East (Jordan, Kuwait, India, Saudi Arabia, Sri Lanka and Cape Verde).

These financial statements for the years ended December 31, 2012, 2011 and 2010 (the "*Combined Financial Statements*") were prepared, consistent with the provisions of EC Regulation No. 809/2004, exclusively for the purpose of their inclusion in the Document, prepared pursuant to Article 57, paragraph 1, of the Regulation adopted by the Consob with Resolution No. 11971 of May 14, 1999, as amended (the "*Issuers Regulation*") concerning the pending acceptance for listing of the WDF shares on the MTA organized and operated by Borsa Italiana S.p.A. (the "*Listing*").

General information

WDF is a company incorporated and domiciled in Italy, organized in accordance with the laws of the Italian Republic. Its registered office is located at 2 Via Greppi, Novara.

As of the data of preparation of these Combined Financial Statements, WDF was wholly owned by Autogrill S.p.A. ("**Autogrill**").

WDF was incorporated for the specific purpose of carrying out the planned partial, proportional demerger of Autogrill in favor of WDF (the "**Demerger**"), as approved by the Shareholders' Meetings of WDF and Autogrill on June 6, 2013. The Demerger will be implemented through the assignment by Autogrill to WDF of a portion of Autogrill's assets comprised of the activities indirectly operated by Autogrill in the *Travel Retail & Duty Free* sector (as defined below). More specifically, the 100% ownership interest held by Autogrill in World Duty Free Group, SAU, a company under Spanish law with registered office in Madrid ("**WDFG SAU**"), will be assigned to WDF.

During the period from its incorporation until the end of 2010, the group headed by WDFG SAU included, in addition to the companies operating in the *Travel Retail & Duty Free* sector, companies active in the *Food & Beverage* sector (restaurant operations and retail distribution and sale of food and other products) and the *Flight* sector (inflight catering services). In 2010, the Autogrill Group completed a reorganization process aimed at dividing the group into the three abovementioned businesses. For that reason, in 2010, the group then headed by WDFG SAU sold the companies operating in the *Flight* and *Food & Beverage* sectors.

In view of the fact that WDF was incorporated in 2013 and considering the corporate developments that occurred in December 2010, as described above, the Company qualifies as an "issuer with a complex financial history," as defined in Article 4 *bis* of EC Regulation No. 809/2004. These Combined Financial Statements were prepared and included in the Document in order to present the financial position, result of operation and cash flows, in the three year period from 2010 to 2012, of the business operations that will be headed by the Company after the Demerger. In other words, the statement of financial position, income statement and cash flow data included in the Combined Financial Statements represent the contribution of the *Travel Retail & Duty Free* sector to the statement of financial position, income statement and cash flow data included in the consolidated financial statements of Autogrill for the respective reference years, except for some reclassifications made to better reflect the peculiarities of the abovementioned sector. Please note that the Combined Financial Statements do not include the balances of the US retail division, defined as the complex of business units engaged in operating under concession convenience stores located almost exclusively in some North American airports (inclusive, specifically, of the concession agreements pursuant to which these activities are carried out), which are the subject of a preliminary sales agreement signed on July 30, 2012 by the WDF Group, as buyer, and HMSHost Corporation and its Host International Inc. subsidiary, as sellers.

The methods applied to construct the Combined Financial Statements are described below.

The income statement, statement of financial position and statement of cash flows data included in the Combined Financial Statements were taken from Autogrill's consolidated financial statements. Moreover, the contribution to Autogrill's consolidated financial statements of the companies headed by WDFG SAU does not include:

(i) the consolidation entries of the abovementioned companies of the Autogrill Group;

(ii) the contributions to the statement of financial position, income statement and statement of cash flows balances attributable to the *Food & Beverage and Flight* operations sold in 2010, as well as the effects of those sales.

Please note that the 2012 income statement, statement of financial position and statement of cash flows data included in the Combined Financial Statements are in line with the data in the WDFG SAU's 2012 consolidated financial statements, which are the first consolidated financial statements of that group, prepared voluntarily and waiving the exemption option provided by the seventh EC Directive 83/349, as incorporated into Spain's *Codigo de Comercio*.

The statements of changes in equity and the statements of cash flows for 2011 and 2010 included in these Combined Financial Statements include certain changes and cash flows designated as “carve outs,” which represent the effects of the abovementioned *Food & Beverage* and *Flight* operations. These changes and cash flows refer, respectively, to the changes and cash flows of the activities carried out by the WDF Group during the reference reporting years and periods that were not included in the scope of the Combined Financial Statements. In this regard, please note that, even though the abovementioned results and cash flows were eliminated from the income statements, cash flows and assets and liabilities of the Combined Financial Statements, the effects deriving from these business operations and from their sale were included in the equity and cash of the WDF Group at the end of the respective reference years.

Lastly, please note that the Combined Financial Statements were prepared based on information known on the date of preparation of the Autogrill consolidated financial statements at the respective reference dates. Consequently, the Combined Financial Statements do not reflect the effects of events known after the abovementioned dates.

These Combined Financial Statements were approved by the Company’s Board of Directors on July 31, 2013.

These Combined Financial Statements were audited by KPMG S.p.A., independent statutory auditors.

Overview of the accounting policies

The main accounting policies adopted for the preparation of the Combined Financial Statements are reviewed below. These principles and criteria were applied consistently for all of the years presented in this document and are those in effect on December 31, 2012.

Basis of preparation

This document includes the Combined Financial Statements as of and for the years ended December 31, 2012, 2011 and 2010, consisting of the combined statement of financial position (“statement of financial position”), the combined income statement (“income statement), the combined statement of comprehensive income (“statement of comprehensive income”), the combined statement of cash flows (“statement of cash flows”), the combined statement of changes in equity (“statement of changes in equity”) and the accompanying notes.

These Combined Financial Statements were prepared in accordance with the International Accounting Standards (International Accounting Standards – IAS and International Financial Reporting Standards – IFRS) issued by the International Financial

Reporting Standards Board and endorsed by the European Union (EU-IFRSs), supplemented by the respective interpretations (Standing Interpretations Committee – SIC and International Financial Reporting Interpretations Committee – IFRIC) (all of the abovementioned standards and interpretations are being hereinafter referred to as the “IFRSs”).

The abbreviation EU-IFRSs shall mean all “International Financial Reporting Standards,” all “International Accounting Standards” (IAS), all interpretations of the International Reporting Interpretations Committee (IFRIC), previously called ‘Standing Interpretations Committee’ (SIC), that, on the date the Combined Financial Statements were approved, had been endorsed by the European Union in accordance with the procedure set forth in EC Regulation No. 1606/2002 endorsed by the European Parliament and the European Council on July 19, 2002. Moreover, please note that the EU-IFRSs were applied consistently for all of the periods presented in this document.

These Combined Financial Statements were prepared in accordance with the resolutions regarding the financial statement presentation format adopted by CONSOB in implementation of Article 9 of Legislative Decree No. 38/2005 and other CONSOB regulations and resolutions concerning financial statements.

These Combined Financial Statements were prepared in accordance with the going concern assumption. They were prepared with clarity and to give a true and fair view of the financial position, results of operations and cash flows of the WDF Group.

Presentation format and content of the financial statements

The WDF Group made the following choices regarding the presentation format and content of the financial statements:

(i) in the combined statement of financial position, current and non-current assets are shown separately; current and non-current liabilities are also shown separately;

(ii) in the combined income statement, costs and revenue are classified by nature;

(iii) the combined statement of comprehensive income is presented separately;

(iv) the combined statement of cash flows is presented in accordance with the indirect method.

The presentation formats used, as described above, are those best suitable to present the results of operations, financial position and cash flows of the WDF Group.

These Combined Financial Statements are denominated in Euro, the functional currency of the WDF Group.

The amounts shown in the financial statement schedules and the detail included in the accompanying notes are in thousands of Euro, unless otherwise stated.

Scope of consolidation and changes in scope

The companies taken into consideration for the consolidation process and for the purpose of reflecting the changes that occurred during the three-year period subject of these notes are listed in Note 47 "List of consolidated companies".

Consolidation criteria

The criteria adopted by the WDF Group to define the scope of consolidation and the relevant methods of accounting are set forth below.

Subsidiaries

Subsidiaries are companies in which the WDF Group has the power directly or indirectly to govern financial and operating policies and to receive the resulting benefits. Control may be exercised through direct or indirect ownership of the majority of voting rights, or through contractual or legal agreements, regardless of the type of investment. When assessing whether control exists, the existence of potential exercisable voting rights at the statement of financial position date is considered.

In general, control is assumed to exist when the WDF Group holds directly or indirectly more than 50% of the voting rights.

Subsidiaries are fully consolidated from the date on which the WDF Group obtains control over the company up to the date on which control is transferred to a third party. The financial statements of the in-scope companies are those prepared for the years ended December 31, 2012, 2011 and 2010 and have been adjusted, where necessary, in order to ensure compliance with the accounting policies of the WDF Group.

Subsidiaries are fully consolidated on a line by line basis as follows:

(i) the assets and liabilities, revenue and costs of the subsidiaries are consolidated line by line and the proportionate share of equity and profit (loss) are allocated to non−controlling interests where applicable; equity and profit (loss) attributable to non−controlling interests are reported separately in equity and the income statement;

(ii) the WDF Group applies the acquisition method to business combinations. Under the acquisition method, the consideration transferred in a business combination is measured at fair value, calculated as the sum of the fair value of the assets transferred and of the liabilities assumed by the WDF Group on the date of acquisition and the equity instruments issued in exchange for control of the company acquired. Costs related to the acquisition are recorded in the statement of comprehensive income as incurred. The identifiable assets acquired and the liabilities assumed are recognized at fair value on the acquisition date, except for the following items which are recognized in accordance with their relevant accounting policy:

- deferred tax assets and liabilities;
- employee benefit assets and liabilities;
- liabilities equity instruments relating to share-based payments of the company acquired or to payments based on the shares of the WDF Group, issued to replace contracts of the company acquired;
- assets held for sale and discontinued operations;

For each business combination, any non-controlling interest in the acquiree is measured at fair value or in proportion to the non-controlling interests in the acquiree's net identifiable assets. Goodwill arising from the acquisition is recognized as an asset and is initially measured as the excess between the consideration transferred and the acquisition-date net amount of the identifiable assets acquired and the identifiable liabilities assumed. In case of a business combination achieved in stages, the interest previously held in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.

(iii) significant gains and losses, with the related tax effects, arising from transactions made between fully consolidatedcompanies, and not yet realized with third parties, are eliminated, unless the transaction provides evidence of impairment of the asset transferred. Intercompany payables and receivables, costs and revenues, and financial income and expenses are also eliminated if significant.

Associates

An associate is a company over which the WDF Group has significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies.

The associate's income, expenses, assets and liabilities are recognized in the consolidated financial statements at equity, except where the investment is classified as held for sale.

Under this method, investments in associates are initially recognized at cost, adjusted to reflect subsequent changes in the associates' net assets and any impairment losses on individual equity investments.

The amount by which the acquisition cost exceeds the WDF Group's share of the fair value of the associate's assets, liabilities and contingent liabilities identifiable on acquisition is recognized as goodwill.

Joint ventures

Companies set up or acquired on the basis of agreements giving equal powers to each investor are classified as joint ventures. The WDF Group recognizes joint ventures using the proportionate method of consolidation. Therefore, the WDF 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.

Unrealized gains and losses on transactions between a WDF Group company and a joint venture are eliminated in proportion to the WDF Group's percentage interest in the joint venture, unless the unrealized losses are evidence of an impairment loss on the transferred asset.

Joint ventures are detailed separately in Note 47 “List of consolidated companies”.

Transactions with non-controlling interests

The WDF Group accounts for transactions with non-controlling interests as “equity transactions.”

This implies that, in the case of acquisitions or disposals of additional non-controlling interests when the control is maintained, any difference between the cost of acquisition and the related share of net assets acquired is accounted for in equity.

Translation of the financial statements of foreign entities

The financial statements of subsidiaries are prepared in the currency of the primary economic environment in which they operate. The financial statements of the group entities are translated into euro as follows:

(i) assets and liabilities are translated using the closing rate;

(ii) revenue and costs are translated using the average exchange rate for the period;

(iii) the “translation reserve”, which is recorded in the statement of comprehensive income, includes both the difference generated by translating income statement items at a different exchange rate from the closing rate and the differences generated by translating opening equity amounts at a different exchange rate from the closing.

(iv) goodwill, where applicable, and fair value adjustments from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate.

The exchange rates used for the translation of the financial statements of foreign entities are as follows:

	2012		2011		2010	
	as of December 31	annual average	as of December 31	annual average	as of December 31	annual average
US dollar	1.319	1.285	1.294	1.392	1.336	1.326
British pound	0.816	0.811	0.835	0.868	0.861	0.858
Canadian dollar	1.314	1.284	1.322	1.376	1.332	1.365
Mexican peso	17.185	16.906	18.051	17.287	16.548	16.736
Indian rupee	72.560	68.597	68.713	64.875	59.758	60.585
Kuwaiti dinar	0.371	0.360	0.361	0.385	0.376	0.380
Sri Lanka rupee	168.452	163.926	147.408	153.794	148.239	150.026
Peruvian nuevo sol	3.368	3.391	3.488	3.836	3.748	3.755

Translation of foreign currency denominated transactions and balances

Foreign currency transactions are translated into the functional currency using the transaction date exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency based on the exchange rate at the reporting date. Exchange rate gains and losses are recorded in the income statement.

Accounting policies

These Combined Financial Statements have been prepared in accordance with 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.

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.

Trade and other current and non-current receivables

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

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

Other financial assets

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

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each reporting date at fair value. If the financial assets are held for trading, gains and losses arising from changes in fair value are recognized in that year's income statement. Fair value gains and losses on other financial assets available for sale are recognized directly in comprehensive income and presented under equity until they are sold or impaired. In this case total gains or losses previously recognized in equity are taken to the income statement.

Inventories

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

Property, plant and equipment and investment property

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

Property, plant and equipment and investment property are systematically depreciated on a straight-line basis at rates deemed to reflect their estimated useful lives. The WDF Group reviews the useful life of property, plant and equipment and investment property at everyreporting date. 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 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 estimated useful lives are as follows:

	Estimated useful life
Buildings	25-50 years
Plant and machinery	3-15 years
Furniture	4-10 years
Electronic machinery	4-10 years
Other tangible assets	4-10 years

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

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

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalized 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 or investment property is the difference between the net proceeds of the sale and the asset's carrying amount, and is recognized under "Other operating income" or "Other operating expense".

Goodwill

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

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

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

Other intangible assets

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

The WDF Group reviews the estimated useful life and amortization method of these assets at each reporting date 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 linear amortization periods used for the various kinds of intangible asset:

	Estimated useful life
Concessions	10-20 years
Licenses and trademarks	5-20 years
Software	3 years
Contractual rights	Rights duration

Leased assets

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

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

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

Impairment losses on assets

At each annual or interim reporting date, the WDF Group tests whether there is internal or external 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 WDF 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 largely independent from other assets or groups of assets. With regard to property, plant and equipment used in the sales network, this minimum aggregation unit is the sales outlet or sales outlets covered by a single concession agreement.

Goodwill and intangible assets under development are tested for impairment at each reporting date 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, though reflecting the maximum level of this aggregation represented by the operating segment. Goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the synergies of the combination.

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

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

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

Other financial liabilities, trade payables and other payables

Financial liabilities (excluding derivative financial instruments), trade payables and other payables are initially recognized at fair value (normally the same as face value) net of discounts, returns or billing adjustments, and of all directly attributable ancillary costs, and subsequently at amortized cost.

Financial liabilities are derecognized from the statement of financial position when they are extinguished and when WDF Group transfers all the associated risks and rewards.

Loans and borrowings

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

Provisions for employee benefits

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

WDF Group companies provide defined benefit and/or defined contribution plans.

Post-employment benefit plans are formalized and non-formalized agreements whereby the WDF 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 WDF Group operates, and are normally based on compensation and years of service.

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

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

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

The liability is recognized net of the fair value of any plan assets. If the calculation generates a benefit for the WDF Group, the amount of the asset recognized is limited to the sum of any unrecognized cost for past service 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 WDF Group plan are considered. An economic benefit is available to the WDF Group when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities.

Actuarial valuations are made by actuaries outside the WDF Group. Regarding the actuarial gains and losses arising from the calculation of plan liabilities, the WDF 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 recognized 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.

Provisions for risks and charges

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

An onerous contracts provision is recognized when the unavoidable costs necessary to fulfil the obligations of a contract are greater than the economic benefits the WDF Group can expect to obtain thereon. 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 WDF Group recognizes any impairment losses on the assets associated with the contract.

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

Recognition of revenue and costs

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

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

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

Service revenue and costs are recognized according to the stage of completion at year end. Stage of completion is determined according to measurements of the work performed.

When the services covered under a single contract are provided in different years, the consideration will be broken down by service provided on the basis of the relative fair value.

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

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

Recognition of financial income and expense

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

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

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

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

Income tax

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

Current tax is calculated on taxable income for the year. The taxable profit differs from the result reported in the income statement because it excludes costs and income that will be deducted or taxed in other years, as well as items that will never be deducted or taxed.

Current tax liabilities are determined using the tax rates in effect (on an official or de facto basis) on the reporting date in the countries where the WDF Group operates.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that future taxable profit 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 profit.

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

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

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 WDF Group plans to settle its current tax assets and liabilities on a net basis.

WDFG Italia S.r.l. (formerly Alpha Retail Italia S.r.l.) agreed to be included in the national tax consolidation scheme of Edizione S.r.l. for the three-year period from 2011 to 2013, in accordance with provisions of the consolidated Income Tax Act. The regulation stipulated by the parties provides for the recognition in full of the amount corresponding to the sum obtained by multiplying by the corporate income tax (IRES) rate the profits or losses transferred in accordance with the statutes currently in effect, and the transfer of any tax credits

The net receivable or payable for current taxes for the year , limited to IRES, is thus recognized by Edizione S.r.l. and, consequently, is shown under “Other receivables” and “Other payables” and not under “Tax liabilities” or “Tax assets.”

Earnings per share

Earnings per share are computed by dividing the profit or loss attributable to holders of the Company’s ordinary shares by the number of shares resulting from the Demerger transaction, as approved by the Company’s shareholders’ meeting on June 6, 2013. Diluted earnings per share are computed by adjusting both the profit or loss attributable to holders of the Company’s ordinary shares and the number of shares resulting from the Demerger transaction to take into account the effects of all potential ordinary shares with a dilutive effect and any stock options awarded to employees.

Derivative financial instruments and hedge accounting

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

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

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:

(i) Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a recognized asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent fair value measurement of the hedge is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts its carrying amount and is recognized in profit or loss;

(ii) Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognized asset or liability or a forecast transaction that is highly probable and could affect profit or loss, the effective portion of the gain or loss on the financial instrument is recognized in comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reclassified from comprehensive income and recognized in profit or loss in the same year in which the hedged transaction is recognized. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognized in the income statement immediately. If a hedge or a hedging relationship is terminated, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the gains or losses not yet realized that have been included in comprehensive income are reclassified immediately to profit or loss;

(iii) Hedge of net investment: if a derivative is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediary holding company, the effective portion of the gain or loss on the hedge is recognized in comprehensive income and presented in the "translation reserve" under equity, while the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the gain or loss on the effective portion of the hedge that has been cumulatively recognized in the translation reserve is also taken to profit or loss.

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

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognized in personnel expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet those conditions at the vesting date. For share-based payments with non-vesting performance conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual conditions.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized as employee benefit expenses in the income statement.

Use of estimates

The preparation of the Combined Financial Statements required WDF Group's 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 reporting dates. 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 write down, amortization 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.

Standards, amendments and interpretations not yet applicable for which the WDF Group did not opt for early adoption

The table below lists the IFRS, interpretations, amendments to existing standards and interpretations or specific provisions contained in standards or interpretations approved by the

IASB, showing those that were endorsed and not endorsed for adoption in Europe as of the date of this document.

Description	Endorsed by the EU at the date of the financial statements	Effective date
IFRS 9: "Financial instruments"	NO	Annual periods beginning on or after January l, 2015
IFRS 10 "Consolidated Financial Statements" and IAS 27 (amended) "Separate Financial Statements"	December 2012	Annual periods beginning on or after January l, 2014
IFRS 11 "Joint Arrangements" and IAS 28 (amended) "Investments in Associates and Joint Ventures".	December 2012	Annual periods beginning on or after January l, 2014
IFRS 12 "Disclosure of Interests in Other Entities"	December 2012	Annual periods beginning on or after January l, 2014
IFRS 13 "Fair Value Measurement"	December 2012	Annual periods beginning on or after January l, 2013
Amendments to IAS 1 "Presentation of Financial statement Presentation" Presentation of Items of Other Comprehensive Income	June 2012	Annual periods beginning on or after July l, 2012
IAS 19 (revised) "Employee Benefits"	June 2012	Annual periods beginning on or after January l, 2013
IFRS 7 "Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities"	December 2012	Annual periods beginning on or after January l, 2013
Amendment to IFRS 1"First-time adoption of International Financial Reporting Standards" Government loans	March 2013	Annual periods beginning on or after January l, 2013
Amendment to IAS 32 "Financial instruments: Presentation" Offsetting financial assets and financial liabilities	December 2012	Annual periods beginning on or after January l, 2014
IFRIC 20 "Stripping costs in the production phase of a surface mine"	December 2012	Annual periods beginning on or after January l, 2013
Amendments to IFRS 10. 11 and 12 on transition guidance	April 2013	Annual periods beginning on or after January l, 2013
IAS 28 (revised 2011) 'Investments in Associates and Joint Jentures'	December 2012	Annual periods beginning on or after January l, 2014
Amendments to IFRS 10, IFRS 12 and IAS 27 'Investment entities'	NO	Annual periods beginning on or after January l, 2014

The WDF Group is in the process of assessing the impact that the adoption of these standards could have on its financial statements.

More in detail, IAS 19 changes the definition of short term benefits and other long term employee benefits in order to clarify the difference between the two. In the case of defined benefit plans, the biggest change introduced by the new accounting standard is that actuarial gains and losses should be recognized in the statement of comprehensive income; the corridor approach, adopted by the WDF Group as explained above, will no longer be allowed. The different way of recognizing actuarial gains and losses would increase liabilities by Euro 16.7 million and have a negative impact on equity, net of the tax effect, of Euro 12.9 million as of December 31, 2012.

Please note that the Group did not choose early adoption for any standards and/or interpretations the adoption of which would have been mandatory for periods beginning after January 1, 2011, 2012 and 2013, respectively.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

Current assets

1. Cash and cash equivalents

The table that follows shows a breakdown of “Cash and cash equivalents” at December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31,		
Cash and cash equivalents	**2012**	**2011**	**2010**
Bank and cash deposits	16,286	42,532	53,953
Cash and cash equivalents on hand	1,607	1,888	1,401
Other deposits	791	937	309
Total	**18,684**	**45,357**	**55,663**

“Cash and cash equivalents” includes both cash on hand at the stores and the amounts in the process of being credited to bank accounts. The balance in this caption can vary substantially, depending on the frequency of cash receipt pickups at the stores, generally handled by specialized carriers.

The steady reduction in the liquidity level from the 2010 to 2012 is due to a centralized cash management policy, pursuant to which the WDF Group minimizes the balances held by subsidiaries.

2. Other financial assets

“Other financial assets” amounting to Euro 272 thousand, Euro 707 thousand and Euro 184 thousand at December 31, 2012, 2011 and 2010, respectively, include the fair value measurement of positions hedging the risk of fluctuations in exchange rates that reflect forward purchases and/or sales of currency. See Note 38 “Financial risk management" for additional information.

3. Tax assets

“Tax assets” amounted to Euro 7,798 thousand, Euro 4,336 thousand and Euro 3,340 thousand at December 31, 2012, 2011 and 2010, respectively. This item reflects advance payments made and tax credits.

4. *Other receivables*

The table below shows a breakdown of “Other receivables” at December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31,		
Other receivables	**2012**	**2011**	**2010**
Receivables from credit card companies	12,449	14,949	7,004
Lease and concession advance payments	5,482	2,851	3,143
Amounts receivable from the tax authorities and public administrations	3,427	4,411	2,555
Personnel	450	510	484
Receivables from other Autogrill Group companies	235	1,052	365
Other	3,587	5,760	3,758
Total	**25,630**	**29,533**	**17,309**

The increase in “Receivables from credit card companies” in 2011 compared with 2010 is due to a change in the arrangement for the collection of credit card transactions as result of the renegotiation of the collection timing of these receivables carried out with credit card issuers.

“Lease and concession advance payments” refers to lease installments paid in advance to the companies that manage the airports where the WDF Group operates. For the 2012 reporting year, these amount consist mainly of the sums paid two to three months in advance for spaces at airports in Jordan (Euro 3,938 thousand) and Kuwait (Euro 1,174 thousand). At December 31, 2011 and December 31, 2010 as well, the amounts paid in advance consisted mainly of receivables from airport operating entities in Jordan (Euro 610 thousand and Euro 552 thousand, respectively) and Kuwait (Euro 1,134 thousand and Euro 1,160 thousand, respectively).

“Amounts receivable from the tax authorities and public administrations” refers mainly to indirect tax refunds receivable.

“Receivables from other Autogrill Group companies” reflects amounts rebilled to Autogrill companies for the provision of services, mainly involving technical support.

“Other” includes prepayments of maintenance fees, insurance policies and local taxes.

5. *Trade receivables*

A breakdown of "Trade receivables" at December 31, 2012, 2011 and 2010 is provided below:

In thousands of Euro	As of December 31,		
Trade receivables	**2012**	**2011**	**2010**
Trade receivables versus suppliers	22,344	17,273	18,600
Trade receivables versus customers	7,786	13,231	15,208
Receivables from other Autogrill Group companies	3	40	1,286
Allowance for impairment	(3,221)	(3,491)	(2,156)
Total	**26,912**	**27,053**	**32,938**

"Trade receivables versus suppliers" consist mainly of promotional contributions receivable and bonuses on purchases.

"Trade receivables versus customers" reflects primarily receivables for sales outside the airport channel.

The following table shows the changes that occurred in the "Allowance for impairment:"

In thousands of Euro	As of December 31,		
Allowance for impairment	**2012**	**2011**	**2010**
Opening balance	**3,491**	**2,156**	**1,901**
Increases, net of releases	(201)	1,601	338
Utilizations	(20)	(233)	(151)
Exchange rate differences	(49)	(33)	68
Closing balance	**3,221**	**3,491**	**2,156**

See Note 38 "Financial risk management" for additional information about the risk profile of receivables.

6. *Inventories*

A breakdown of "Inventories" at December 31, 2012, 2011 and 2010 is provided below:

In thousands of Euro	As of December 31,		
Inventories	**2012**	**2011**	**2010**
Finished goods	141,871	146,504	123,709
Advances	3,976	625	908
Allowance for inventory write-down	(3,385)	(3,285)	(3,494)
Total	**142,462**	**143,844**	**121,123**

The carrying amount of inventories, which amounted to Euro 142,462 thousand at December 31, 2012, Euro 143,844 thousand at December 31, 2011 and Euro 121,123 thousand at December 31, 2010, refers to products held for sale.

The increase in “Finished goods” at December 31, 2011 compared with December 31, 2010 is mainly related to a gain in revenue by the WDF Group. On the other hand, at December 31, 2012, despite the increase in revenue achieved in 2012 compared with 2011, the value of “Goods for resale” decreased compared with December 31, 2011 due to the effects of the inventory streamlining process launched at the end of 2011.

The increase in “Advances” at December 31, 2012 compared December 31, 2011 is due for the most part to the advances paid to begin activities in Arabia with Al-Musbah Trading Co.

The WDF Group is the holder of several insurance policies aimed at covering risks for existing inventories due to extraordinary events (earthquakes, floods, etc.). The WDG Group believes that these policies are sufficient to cover the value of the inventories. At December 31, 2012, 2011 and 2010, there were no agreements entailing obligations to make large purchases from suppliers.

The following changes took place in the “Allowance for inventory write down” in the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31,		
Allowance for inventory write down	**2012**	**2011**	**2010**
Opening balance	**3,285**	**3,494**	**3,520**
Increases, net of releases	7,205	6,430	7,056
Utilizations	(7,159)	(6,967)	(7,193)
Exchange rate differences	54	328	111
Closing balance	**3,385**	**3,285**	**3,494**

Please note than on the reference dates the inventories were not encumbered by any type of guarantee provided to third parties.

Non-current assets

7. Property, plant and equipment

The tables that follow show the changes that affected "Property, plant and equipment" in the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro **Property, plant and equipment**	**As of December 31, 2011**	**Additions**	**Disposals**	**Reclassifications**	**Changes in Consolidation scope**	**Impairment**	**Exchange rate effect**	**As of December 31, 2012**
Cost								
Buildings	12,742	-	-	-	-	-	(113)	12,629
Plant and machinery	81,626	5,929	(11,191)	1,619	3	-	408	78,394
Other equipment	2,468	120	(17)	(1)	496	-	-	3,066
Furniture	154,941	8,319	(7,142)	5,639	120	-	2,663	164,540
Electronic machinery	30,507	640	(2,054)	784	37	-	436	30,350
Motor vehicles	1,361	240	(78)	36	-	-	7	1,566
Other	1,600	237	(352)	1	-	-	(25)	1,461
Assets under construction	5,409	10,432	(131)	(8,124)	-	-	87	7,673
Total cost	**290,654**	**25,917**	**(20,965)**	**(46)**	**656**	**-**	**3,463**	**299,679**
Accumulated depreciation and impairment								
Buildings	7,059	531	-	-	-	44	(74)	7,560
Plant and machinery	59,461	10,296	(10,540)	289	4	64	292	59,866
Other equipment	1,562	297	(17)	-	455	-	-	2,297
Furniture	103,886	21,764	(6,921)	-	54	179	1,531	120,493
Electronic machinery	26,985	1,530	(1,996)	-	37	1	375	26,932
Motor vehicles	1,161	99	(74)	-	-	-	6	1,192
Other	1,191	167	(350)	-	-	-	(23)	985
Assets under construction	-	-	-	-	-	-	-	-
Total accumulated depreciation and impairment	**201,305**	**34,684**	**(19,898)**	**289**	**550**	**288**	**2,107**	**219,325**
Net book value	**89,349**	**(8,767)**	**(1,067)**	**(335)**	**106**	**(288)**	**1,356**	**80,354**

In thousands of Euro **Property, plant and equipment**	**As of December 31, 2010**	**Additions**	**Disposals**	**Reclassifications**	**Changes in Consolidation scope**	**Impairment**	**Exchange rate effect**	**As of December 31, 2011**
Cost								
Buildings	12,567	-	(9)	-	-	-	184	12,742
Plant and machinery	84,023	4,814	(10,336)	2,589	(41)	-	577	81,626
Other equipment	2,468	-	-	-	-	-	-	2,468
Furniture	153,863	5,410	(18,845)	11,113	(126)	-	3,526	154,941
Electronic machinery	29,544	529	(750)	565	-	-	619	30,507
Motor vehicles	1,320	67	(48)	-	-	-	22	1,361
Other	1,361	237	(7)	(1)	(6)	-	16	1,600
Assets under construction	11,541	8,644	-	(14,998)	-	-	222	5,409
Total cost	**296,687**	**19,701**	**(29,995)**	**(732)**	**(173)**	**-**	**5,166**	**290,654**
Accumulated depreciation and impairment								
Buildings	6,285	659	-	-	-	-	115	7,059
Plant and machinery	55,405	10,586	(7,918)	-	(40)	769	659	59,461
Other equipment	1,268	294	-	-	-	-	-	1,562
Furniture	99,208	20,135	(18,485)	(38)	(92)	295	2,863	103,886
Electronic machinery	25,166	1,952	(713)	(5)	-	8	577	26,985
Motor vehicles	1,079	101	(39)	(4)	-	-	24	1,161
Other	1,051	152	(6)	(18)	(4)	-	16	1,191
Assets under construction	-	-	-	-	-	-	-	-
Total accumulated depreciation and impairment	**189,462**	**33,879**	**(27,161)**	**(65)**	**(136)**	**1,072**	**4,254**	**201,305**
Net book value	**107,225**	**(14,178)**	**(2,834)**	**(667)**	**(37)**	**(1,072)**	**912**	**89,349**

In thousands of Euro Property, plant and equipment	As of December 31, 2009	Additions	Disposals	Reclassifications	Exchange rate effect	As of December 31, 2010
Cost						
Buildings	12,999	-	(839)	-	407	12,567
Plant and machinery	75,437	7,565	(2,317)	933	2,405	84,023
Other equipment	2,469	-	-	-	(1)	2,468
Furniture	140,613	5,727	(1,792)	4,521	4,794	153,863
Electronic machinery	28,951	246	(1,063)	528	882	29,544
Motor vehicles	1,077	30	(86)	236	63	1,320
Other	1,334	36	(63)	10	44	1,361
Assets under construction	3,933	13,551	-	(6,041)	98	11,541
Total cost	**266,813**	**27,155**	**(6,160)**	**187**	**8,692**	**296,687**
Accumulated depreciation and impairment						
Buildings	6,104	827	(833)	(1)	188	6,285
Plant and machinery	44,973	10,975	(2,036)	374	1,119	55,405
Other equipment	947	321	-	-	-	1,268
Furniture	79,134	19,497	(1,723)	(297)	2,597	99,208
Electronic machinery	22,874	2,482	(1,056)	213	653	25,166
Motor vehicles	712	150	(57)	235	39	1,079
Other	868	202	(50)	2	29	1,051
Assets under construction	-	-	-	-	-	-
Total accumulated depreciation and impairment	**155,612**	**34,454**	**(5,755)**	**526**	**4,625**	**189,462**
Net book value	**111,201**	**(7,299)**	**(405)**	**(339)**	**4,067**	**107,225**

Please note than on the reference dates none of the Group's fixed assets were encumbered by any type of guarantee provided to third parties and there were no non-current assets held under finance leases.

Changes in 2012

Additions made to "Property, plant and equipment" in 2012, which totaled Euro 25,917 thousand, refer mainly to new store openings at the Gatwick South, Vancouver, Madrid, Valencia, Palma de Mallorca and Canary Islands airports. Net disposals, totaling Euro 1,067 thousand, refer to the closing of some stores at the Bristol and Gatwick airports.

Assets under development include investments for the new concessions obtained at the Düsseldorf (Germany) and Belem (Brazil) airports, a new terminal at the Amman (Jordan) airport and urban remediation projects at an airport in Chile.

Changes in 2011

Additions made to "Property, plant and equipment" in 2011, which totaled Euro 19,701 thousand, refer mainly to new store openings at the Alicante, Naples, Heathrow (Terminals 3, 4 and 5), Birmingham (Terminal 2) and Manchester (Terminal 1) airports. Net disposals, totaling Euro 2,834 thousand, refer to the closing of some stores at Terminal 3 of the Heathrow airport, Terminals 1 and 2 of the Birmingham airport and at airports in Alicante and Chile.

The reclassification of Euro 11,113 thousand from Assets under construction to Furniture reflects the opening of stores at Terminals 3, 4 and 5 of the Heathrow airport, Terminal 2 of the Birmingham airport and Terminal 1 of the Manchester airport.

Impairment losses of Euro 1,072 thousand refer to fixed assets held at stores located at airports in the United States, Atlanta primarily (Euro 0.5 million), France (Euro 0.2 million) and Colombia (Euro 0.3 million), the recoverable value of which was less than their carrying amount.

Changes in 2010

Additions made to "Property, plant and equipment" in 2010, which totaled Euro 27,155 thousand, refer mainly to the renovation of the furnishing and premises of the stores at airports in Madrid, Barcelona, Girona, Balearic Islands, Almeria, Cadiz, Tarragona, Malaga and the Canary Islands. Net disposals, totaling Euro 405 thousand, refer to the replacement of furnishings, plant and equipment for the renovation of some stores at airports in Spain.

Assets under construction include investments related to the opening of new stores at Terminals 3, 4 and 5 of the Heathrow airport, Terminal 2 of the Birmingham airport and Terminal 1 of the Manchester airport.

8. Investment Property

The table below shows a breakdown of "Investment property" at December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31,		
Investment property	**2012**	**2011**	**2010**
Cost	11,765	11,765	11,765
Accumulated depreciation	(4,833)	(4,458)	(4,083)
Total	**6,932**	**7,307**	**7,682**

This item includes a warehouse building in Madrid leased to third parties under leases that expire in 2016 and 2017.

On each of the reference dates, the fair value of the investment properties were not lower than the corresponding carrying amounts.

9. Goodwill

Goodwill totaled Euro 605,117 thousand, Euro 598,020 thousand and Euro 582,132 thousand at December 31, 2012, 2011 and 2010, respectively.

Goodwill was generated by the following acquisitions: World Duty Free Group España SA (formerly Aldeasa S.A.), completed in two stages respectively in 2005 for 50% of its share capital and in 2008 for the residual balance, Autogrill Holdings UK Plc. (formerly Alpha Group Plc.) in 2007 and World Duty Free UK Holdings (formerly World Duty Free Europe Ltd.) in 2008.

The Cash Generating Units (CGUs) are essentially the same as the geographical areas.

The carrying amounts attributed to the CGU group are as follows:

In thousands of Euro	As of December 31,		
Goodwill	**2012**	**2011**	**2010**
Geographical area:			
United Kingdom	433,124	423,098	410,562
Rest of Europe	82,248	82,836	82,173
North America	37,670	38,946	37,850
Central and South America	5,727	5,841	5,655
Asia and Middle East	46,348	47,299	45,892
Total	**605,117**	**598,020**	**582,132**

The changes in goodwill on the reference dates are attributable exclusively to foreign exchange rate translation differences.

The discount rate was determined using as a reference the Capital Assets Pricing Model, based as much as possible on indicators and parameters observable in the market.

Future cash flows were estimated at December 31, 2012 based on the 2013 budget and forecasts for the 2014-2017 Plan, at December 31, 2011 based on the 2012 budget and forecasts for the 2013-2016 Plan, and at December 31, 2010 based on the 2011 budget and forecasts for the 2012-2015 Plan. Cash flows beyond the period covered by the plan were estimated by extrapolating plan information and applying nominal growth rates ("g rate"), which do not exceed the long-term growth estimates for the sector and the country in which each CGU operates.

The table below shows the main underlying assumptions used for impairment testing purposes:

	Forecast	Calculation methodology	Residual growth rate	Discount rate 2012		Discount rate 2011		Discount rate 2010	
				Post tax	Pre tax	Post tax	Pre tax	Post tax	Pre tax
United Kingdom	5 years	Perpetual	2.0%	5.49%	6.62%	6.09%	7.11%	6.70%	8.24%
Rest of Europe	5 years	Perpetual	2.0%	8.70% - 10.47%	12.23% - 17.32%	8.19% - 10.78%	9.33% - 15.02%	7.65% - 11.38%	9.45% - 15.56%
North, Central and South A merica	5 years	Perpetual	2.0%	5.63% - 13.16%	8.18% - 17.49%	5.63% - 13.16%	8.18% - 17.49%	6.22% - 8.86%	7.71% - 12.09%
Asia and Middle East	5 years	Perpetual	2.0% (3.5% for year 2010)	6.28% - 10.11%	7.40% - 18.85%	6.75% - 10.60%	7.70% - 15.21%	7.50% - 11.19%	8.19% - 15.70%

To estimate cash flows for the abovementioned periods, management has made some assumptions including an estimate of traffic volumes, future sales, operating costs, investments, the renewal of existing contracts and changes in working capital.

The following are the main assumptions used in the impairment testing on goodwill for the years ended December 31, 2012, 2011 and 2010:

Assumptions as of December 31, 2012:

United Kingdom and Rest of Europe: specific traffic assumptions were made for the United Kingdom and Spain (which accounts for the most part of Rest of Europe) for the years 2013-2017, in line with the available traffic forecasts. For Spain, sales are expected to grow in light of the contract renewals with AENA (signed on 4 February 2013) and the increased commercial space at the airports served. The other cost items are expected to continue existing trends, save for rent reviews in Spain in connection with the renewal of rental and concession contracts at airports. Higher investment is assumed in parallel with expiring contracts.

(ii) Central, South and North America: traffic is expected to grow in 2013-2017, with the highest rates in Central and South America. Profitability is assumed to be stable, based in part on a track record of performance gains.

(iii) Asia and Middle East : for 2013-2017, traffic growth assumptions are different from country to country. Operating costs as a percentage of revenue have been revised in accordance with the expiration of leases and concession contracts, to reflect the most likely scenarios in terms of contract renewals and rent.

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 for the year ended December 31, 2012.

Assumptions as of December 31, 2011:

(i) United Kingdom and Rest of Europe: specific traffic assumptions were formed for the United Kingdom and Spain (which account for most part of Rest of Europe).

(ii) In the UK, traffic is expected to grow from 2012 to 2016, given the higher proportion of international traffic. In Spain the assumption is for moderate growth in airport traffic and revenue, also taking account of the contracts soon to expire, for which specific renewal rates have been assumed in line with the WDF Group's track record. The other cost items are expected to continue existing trends, save for rent reviews in the years when important contracts expire. Higher investment is assumed in parallel with expiring contracts.

(iii) Central, South and North America: traffic is expected to grow in 2012-2016, with the highest rates in Central and South America. Profitability is expected to be stable, thanks in part to the strong performance gains enjoyed in 2011. Projections do not include revenue from Atlanta and Orlando airports, as those contracts have not been renewed.

(iv) Asia and Middle East: for 2012-2016, traffic growth assumptions are different 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 for the year ended December 31, 2011.

Assumptions as of December 31, 2010:

(i) United Kingdom and Rest of Europe: specifics traffic assumptions were formed for the United Kingdom and Spain (which accounts for the most part of Rest of Europe). 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 WDF 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.

(ii) Central, South and North America: from 2011 to 2015, traffic is expected to grow with higher rates in Central and South America. Projections assume that the profitability will stabilise, after a start–up phase, for units in North America and remain stable for South American operations.

(iii) Asia and Middle East: differentiated average traffic growth is projected 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 for the year ended December 31, 2010.

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 carrying amount.

	2012		2011		2010	
	Discount rate, net of tax effect	**g**	**Discount rate, net of tax effect**	**g**	**Discount rate, net of tax effect**	**g**
United Kingdom and Rest of Europe	15.45%	(20.25%)	15.81%	(19.93%)	11.44%	(5.62%)
North, Central and South America	21.92%	(*)	27.20%	(*)	16.71%	(22.76%)
Asia and Middle East	18.17%	(29.59%)	20.04%	(40.53%)	16.77%	(14.88%)

(*) Even if a very conservative "g" is applied, the Cash Generating Unit shows a positive balance

10. Other intangible assets

The tables that follow show the changes that occurred in "Other intangible assets" in the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro **Other intangible assets**	**As of December 31, 2011**	**Additions**	**Disposals**	**Reclassifications**	**Changes in Consolidation scope**	**Exchange rate effect**	**As of December 31, 2012**
Cost							
Concessions	856,140	-	-	29	-	4,672	860,841
Licences and trademarks	126,230	-	(89)	-	-	2,967	129,108
Software	36,439	289	(1,217)	372	25	580	36,488
Assets under development	-	2,237	-	-	-	-	2,237
Other	2,856	-	-	(285)	285	-	2,856
Total cost	**1,021,665**	**2,526**	**(1,306)**	**116**	**310**	**8,219**	**1,031,530**
Accumulated amortization							
Concessions	272,487	69,530	-	29	-	(67)	341,979
Licences and trademarks	23,460	6,535	(89)	-	-	508	30,414
Software	34,876	1,111	(1,198)	38	25	562	35,414
Other	704	144	-	(285)	286	-	849
Total accumulated amortization	**331,527**	**77,320**	**(1,287)**	**(218)**	**311**	**1,003**	**408,656**
Net book value	**690,138**	**(74,794)**	**(19)**	**334**	**(1)**	**7,216**	**622,874**

In thousands of Euro **Other intangible assets**	**As of December 31, 2010**	**Additions**	**Disposals**	**Reclassifications**	**Changes in Consolidation scope**	**Impairment**	**Exchange rate effect**	**As of December 31, 2010**
Cost								
Concessions	842,195	-	-	-	-	-	13,945	856,140
Licences and trademarks	122,501	-	-	-	-	-	3,729	126,230
Software	35,927	155	(1,067)	663	(33)	-	794	36,439
Other	2,856	-	-	-	-	-	-	2,856
Total cost	**1,003,479**	**155**	**(1,067)**	**663**	**(33)**	**-**	**18,468**	**1,021,665**
Accumulated amortization								
Concessions	190,420	68,680	-	-	-	9,105	4,282	272,487
Licences and trademarks	16,604	6,115	-	-	-	-	741	23,460
Software	33,215	1,945	(1,066)	(4)	(11)	-	797	34,876
Other	561	143	-	-	-	-	-	704
Total accumulated amortization	**240,800**	**76,883**	**(1,066)**	**(4)**	**(11)**	**9,105**	**5,820**	**331,527**
Net book value	**762,679**	**(76,728)**	**(1)**	**667**	**(22)**	**(9,105)**	**12,648**	**690,138**

In thousands of Euro **Other intangible assets**	**As of December 31, 2009**	**Additions**	**Disposals**	**Reclassifications**	**Impairment**	**Exchange rate effect**	**As of December 31, 2010**
Cost							
Concessions	824,346	-	(2,987)	-	-	20,836	842,195
Licences and trademarks	118,699	30	-	-	-	3,772	122,501
Software	34,029	785	(70)	350	-	833	35,927
Other	2,856	-	-	-	-	-	2,856
Total cost	**979,930**	**815**	**(3,057)**	**350**	**-**	**25,441**	**1,003,479**
Accumulated amortization							
Concessions	119,087	69,860	(2,987)	1	2,068	2,391	190,420
Licences and trademarks	10,111	6,183	-	-	-	310	16,604
Software	30,205	2,283	(50)	11	-	766	33,215
Other	418	143	-	-	-	-	561
Total accumulated amortization	**159,821**	**78,469**	**(3,037)**	**12**	**2,068**	**3,467**	**240,800**
Net book value	**820,109**	**(77,654)**	**(20)**	**338**	**(2,068)**	**21,974**	**762,679**

"Concessions" represents carrying amount of to contract rights as part of the fair value measurement (Purchase Price Allocation) the acquired assets and liabilities of World Duty Free Group UK Holding Ltd. (formerly World Duty Free Europe Ltd.) and World Duty Free Group España SA (formerly Aldeasa S.A.).

"Licenses and trademarks" consist mainly of the value assigned to the World Duty Free trademark as part of the abovementioned valuation process.

The impairment loss of Euro 9,105 thousand recognized in 2011 reflects the nonrenewal of the concessions at the Atlanta airport, while the impairment loss of Euro 2,068 thousand recognized in 2010 was due to the non renewal of the concessions in Portugal.

A breakdown of concessions by geographical area at December 31, 2012, 2011 and 2010 is provided below:

In thousands of Euro	As of December 31,		
Concessions by geographical area	**2012**	**2011**	**2010**
United Kingdom	239,783	249,793	257,417
Rest of Europe	198,431	236,250	274,068
Central and South America	27,694	33,619	37,764
North America	5,142	6,087	17,232
Asia and Middle East	47,812	57,904	65,294
Total	**518,862**	**583,653**	**651,775**

11. Investments

This item includes investments in associates, measured using the equity method, and investments in other companies.

The tables that follow list the carrying amount of these investments at December 31, 2012, 2011 and 2010 and show the assets, liabilities, costs and revenue of the companies in question:

In thousands of Euro	Registered address	Country	% interest	Currency	Revenue	Profit/ (Loss) for the year	Total assets	Total liabilities	Balance as of December 31, 2012
Investments					Data in local currency/000				
Name									
Souk al Mouhajir, S.A. [1]	Tangeri	Morocco	36%	Dhs	4,169	(406)	18,188	2,746	468
Creuers del Port de Barcelona, S.A.	Barcelona	Spain	23%	Euro	18,020	1,789	54,454	12,900	8,668
Investments in associates									**9,136**
Total									**9,136**

In thousands of Euro Investments	Registered address	Country	% interest	Currency	Revenue	Profit/ (Loss) for the year	Total assets	Total liabilities	Balance as of December 31, 2011
					Data in local currency/000				
Name									
Souk al Mouhajir, S.A. (1)	Tangeri	Morocco	36%	Dhs	4,169	(406)	18,188	2,746	468
Creuers del Port de Barcelona, S.A.	Barcelona	Spain	23%	Euro	16,664	6,252	53,209	21,441	7,127
Investments in associates									**7,595**
Other investments									395
Total									**7,990**

In thousands of Euro Investments	Registered address	Country	% interest	Currency	Revenue	Profit/ (Loss) for the year	Total assets	Total liabilities	Balance as of December 31, 2010
					Data in local currency/000				
Name									
Souk al Mouhajir, S.A. (1)	Tangeri	Morocco	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
Investments in associates									**6,677**
Other investments									505
Total									**7,182**

(1) Data at December 31, 2009. The WDF Group does not have more up-to-date information.

The main changes that had an impact on the carrying amount of the investments in associates are listed below:

In thousands of Euro	As of December 31, 2009	Revaluation / (Impairment)	Dividends	As of December 31, 2010	Revaluation / (Impairment)	Dividends	As of December 31, 2011	Revaluation / (Impairment)	Dividends	As of December 31, 2012
Souk al Mouhajir, S.A.	468	0	0	468	0	0	468	0	0	468
Creuers del Port de Barcelona, S.A.	5,170	1,371	(332)	6,209	1,505	(587)	7,127	2,212	(671)	8,668
Total	**5,638**	**1,371**	**(332)**	**6,677**	**1,505**	**(587)**	**7,595**	**2,212**	**(671)**	**9,136**

12. Other financial assets

"Other financial assets," which totaled Euro 3,975 thousand at December 31, 2012, Euro 1,678 thousand at December 31, 2011 and Euro 1,125 thousand at December 31, 2010, consist exclusively of security deposits.

13. Deferred tax assets and liabilities

This item shows the balance of "deferred tax assets" and "deferred tax liabilities" resulting from temporary differences between the carrying amount of assets and liabilities and their tax baseddue to the presence of factors that would make them deductible or taxable in the future.

A breakdown of this item for the years ended December 31, 2012, 2011 and 2010 is provided in the table below:

In thousands of Euro	2012		2011		2010	
Deferred tax assets and liabilities	**Temporary differences**	**Tax effect**	**Temporary differences**	**Tax effect**	**Temporary differences**	**Tax effect**
Property, plant and equipment	2,073	619	1,853	590	2,732	850
Provisions for risks	10,785	2,902	11,826	3,566	36,571	10,515
Tax losses		18,160		30,304		27,079
Other temporary differences	24,940	6,196	20,597	5,409	18,539	5,019
Total deferred tax assets	**37,798**	**27,877**	**34,276**	**39,869**	**57,842**	**43,463**
Concessions	256,017	(60,035)	315,825	(82,952)	356,240	(99,200)
Other intangible assets	99,023	(22,819)	103,422	(26,146)	106,583	(28,799)
Other temporary differences	38,709	(9,703)	33,071	(9,670)	19,892	(8,723)
Total deferred tax liabilities	**393,749**	**(92,557)**	**452,318**	**(118,768)**	**482,715**	**(136,722)**
Total net deferred taxes		**(64,680)**		**(78,899)**		**(93,259)**

Deferred taxes regarding other intangible assets refer mainly to the World Duty Free trademark.

The WDF Group did not recognize deferred tax assets for tax losses carried forward amounting to Euro 32,314 thousand at December 31, 2012, Euro 25,612 thousand at December 31, 2011 and Euro 28,164 thousand at December 31, 2010 attributable mainly to some Spanish companies that are not expected to generate earnings before the expiration deadlines of the tax losses.

14. Other receivables

"Other receivables" of Euro 14,017 thousand, Euro 11,967 thousand and Euro 12,446 thousand at December 31, 2012, 2011 and 2010, respectively, reflect primarily advance payments of concession fees upon execution of the corresponding concession contracts.

Current liabilities

14. Trade payables

"Trade payables," which totaled Euro 203,843 thousand at December 31, 2012, Euro 216,543 thousand at December 31, 2011 and Euro 200,620 thousand at December 31, 2010, refer mainly to the purchase of goods for resale.

16. Tax liabilities

"Tax liabilities" amounted to Euro 18,694 thousand, Euro 14,878 thousand and Euro 14,985 thousand at December 31, 2012, 2011 and 2010, respectively. This item reflects the tax liability accrued during the year, net of offsettable tax credits.

17. *Other payables*

A breakdown of “Other payables” at December 31, 2012, 2011 and 2010 is provided below:

In thousands of Euro	As of December 31,		
Other payables	**2012**	**2011**	**2010**
Personnel expense	29,244	28,888	25,400
Due to suppliers for investments	3,566	3,532	8,434
Social Security institutions and defined contribution plans	3,907	3,734	3,042
Indirect taxes	8,441	12,195	11,807
Withholding taxes	6,553	2,286	1,741
Concession fees payables	-	6,696	10,916
Other	18,108	16,617	24,810
Total	**69,819**	**73,948**	**86,150**

“Personnel expense” includes, among other items, the liability for benefits under employee incentive plans payable the following year.

“Other” includes accrued payable for insurance premiums, utilities and maintenance and payables owed to other Autogrill Group companies for services rendered.

18. *Other financial liabilities*

A breakdown of “Other financial liabilities” at December 31, 2012, 2011 and 2010 is provided below:

In thousands of Euro	As of December 31,		
Other financial liabilities	**2012**	**2011**	**2010**
Fair value of interest rate hedging derivatives	6,408	3,922	-
Loans from Autogrill	79	125	81,576
Accrued expenses and deferred income for interest on loans	282	558	381
Fair value of currency hedging derivatives	157	308	109
Other financial accrued expenses and deferred income	332	380	-
Liabilities due to others	27	-	-
Total	**7,285**	**5,293**	**82,066**

The “Fair value of interest rate hedging derivatives” reflects the fair value measurement of interest rate swaps. The increase between 2011 and 2012 reflects the dynamics of interest rate fluctuations, net of payments made.

The “Fair value of exchange rate hedging derivatives” reflects the fair value measurement of positions established through forward sales and/or purchases of currency executed to hedge currency risks, in connection with intercompany loans.

See Note 38 “Financial risk management" for additional information about outstanding derivatives.

The decrease of Euro 81,451 thousand in "Loans from Autogrill" at December 31, 2011, compared with December 31, 2010, is due to the repayment of revolving facilities provided by Autogrill, which took place as part of the refinancing process carried out the same year.

Non-current liabilities

19. Other payables

The table below shows the balance of "Other payables" at December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31,		
Other payables	**2012**	**2011**	**2010**
Personnel expense	2,000	3,000	1,200
Concession fees payables	-	-	6,696
Total	**2,000**	**3,000**	**7,896**

Personnel expense includes the non-current portion of the liability for long-term employee incentive plans.

The amount shown at December 31, 2010 for "Concession fees payable" refers to liabilities for concession fees payable in 2012.

20. Other financial liabilities

"Other financial liabilities," which amounted to Euro 70,000 thousand, Euro 185,127 thousand and Euro 694,559 thousand at December 31, 2012, 2011 and 2010, respectively, consists exclusively of loans provided by Autogrill to the WDF Group.

At the beginning of August 2011, as part of the refinancing process carried out the same year, the WDF Group repaid in full the loans it received from Autogrill in previous years.

On August 9, 2011, Autogrill provided the WDF Group with a new revolving credit line expiring on August 9, 2016 for an amount of up to Euro 200 million. This facility had been drawn down by Euro 70 million at December 31, 2012 and by Euro 154 million and GBP 26 million at December 31, 2011.

With regard to the facility provided in 2011, please note that the interest rate charged is indexed to the Euribor or Libor, depending on the drawdown currency, plus a spread that varies depending on the leverage ratio (net financial indebtedness/EBITDA). Pursuant to the contract, this parameter is computed based on the consolidated data of WDFG SAU at June 30 and December 31 of each year.

A breakdown of indebtedness at December 31, 2012, 2011 and 2010 is as follows:

In thousands of Euro	Currency	Commencement	Maturity	Nominal amount as of December 31,		
Borrower				**2012**	**2011**	**2010**
WDFG SAU	EUR	2011	2016	70,000	154,000	-
WDFG SAU	GBP	2011	2016	-	31,127	-
WDFG SAU	EUR	2005	2015	-	-	50,000
WDFG SAU	EUR	2005	2015	-	-	50,000
WDFG SAU	EUR	2008	2013	-	-	120,000
WDFG SAU	EUR	2006	2015	-	-	91,852
WDFG SAU	GBP	2008	2013	-	-	167,778
WDFG UK Holdings Ltd.	GBP	2009	2014	-	-	174,267
WDFG UK Holdings Ltd.	GBP	2009	2012	-	-	40,662
TOTAL				**70,000**	**185,127**	**694,559**

Interest accrued in 2012, 2011 and 2010 on the abovementioned facilities amounted to Euro 2,258 thousand, Euro 21,847 thousand and Euro 46,437 thousand, respectively.

21. Due to banks and loans, net of current portion

The table below provides a breakdown both for "Due to banks" and "Loans, net of current portion" at December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31,		
	2012	**2011**	**2010**
Short-term lines of credit	7,318	1,041	4,007
Current portion of long-term loans	56,521	-	-
Due to banks	**63,839**	**1,041**	**4,007**
Non-current portion of long-term loans	444,235	496,041	-
Commissions on loans	(4,936)	(6,287)	-
Loans, net of current portion	**439,299**	**489,754**	**-**
Total	**503,138**	**490,795**	**4,007**

21.1 Short-term lines of credit

"Short-term lines of credit" totaled Euro 7,318 thousand at December 31, 2012, Euro 1,041 thousand at December 31, 2011 and Euro 4,007 thousand at December 31, 2010. These lines of credit are renewable annually at maturity and entail no specific covenants, guarantees or other restrictions.

21.2 Long-term loans (short-term and long-term portion)

On July 27, 2011, the WDF Group signed a loan agreement with a bank syndicate for facilities totaling Euro 650 million, structured into two revolving credit lines of Euro 400 million (Tranche I) and Euro 250 million (Tranche II), respectively, both with final maturity on July 27, 2016 (the "**Multicurrency Revolving Facility**"). This facility calls for the repayment of Tranche I with installments of Euro 66.7 million due 24, 36 and 48 months after the signing of the loan agreement; the full amount of Tranche II is due upon the maturity of the loan agreement.

A breakdown of long-term loans outstanding at December 31, 2012 and 2011 is as follows:

	As of December 31, 2012			As of December 31, 2011		
	GBP thousands	Euro thousands	Total in Euro thousands	GBP thousands	Euro thousands	Total in Euro thousands
Tranche I	310,000	-	379,855	320,000	-	383,096
Tranche I	-	10,000	10,000	-	19,298	19,298
Total Tranche I	**310,000**	**10,000**	**389,855**	**320,000**	**19,298**	**402,394**
Tranche II	75,000	-	91,901	54,000	-	64,647
Tranche II	-	19,000	19,000	-	29,000	29,000
Total Tranche II	**75,000**	**19,000**	**110,901**	**54,000**	**29,000**	**93,647**
Total	**385,000**	**29,000**	**500,756**	**374,000**	**48,298**	**496,041**
of which long-term			**444,235**			**496,041**
of which short-term			**56,521**			**-**

These loans, which are accounted for in accordance with the amortized cost method, are shown net of fees totaling Euro 4,936 thousand at December 31, 2012 and Euro 6,287 thousand at December 31, 2011.

The loan agreement requires that specific economic and financial indicators be maintained within predetermined intervals as follows: a leverage ratio (net financial indebtedness/EBITDA) not greater than 3.5 times and an interest cover ratio (EBITDA/net financial expense) of not less than 4.5 times. Pursuant to the contract, these economic and financial parameters are computed based on the consolidated data of WDFG SAU. Compliance with these ratios is tested every six months, on June 30 and December 31 of each year. The WDF Group was always in compliance with the contractually stipulated limits for these ratios on the respective measurement dates.

It is worth mentioning that the loan agreement allows exceeding the leverage ratio, for limited and defined periods of time, in the event of acquisitions.

The loan agreement also introduces some restrictions regarding asset sales, mergers and demerger, dividend distributions, acquisitions of new businesses and other transactions for some companies specified in the agreement. Moreover, pursuant to the loan agreement, if any WDF Group companies who are parties to the agreement are individually in default, the other companies are co-obligated to fulfill the debt obligation.

The interest rates charged for this facility are determined through indexing to the Euribor or Libor, depending on the drawdown currency, plus a spread that varies depending on the leverage ratio described above. The spread charged was 1.15% for the amount drawn down in Euro and 1.35% for the amount drawn down in British pounds in 2012 and 1.55% for the amount drawn down in Euro and 1.75% for the amount drawn down in British pounds in 2011.

Please note that this facility is not collateralized.

22. *Employee benefit plans*

The table below shows a breakdown of the employee benefit plans recognized in the statement of financial position under "Defined benefit plan liabilities" and "Defined benefit plan assets" at December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31,		
	2012	**2011**	**2010**
Defined benefit plan liabilities	(595)	-	(15,193)
Defined contribution plan liabilities	(874)	(771)	(687)
Total Defined benefit plan (liabilities)	**(1,469)**	**(771)**	**(15,880)**
Defined benefit plans (assets)	7,103	386	-
Total net defined benefit plan	**5,634**	**(385)**	**(15,880)**

22.1 *Defined benefit plans*

The actuarial assumptions used for the three-year period from 2010 to 2012 for computations concerning defined benefit plans are summarized in the table that follows:

Actuarial assumptions	**2012**	**2011**	**2010**
Discount rate	4.5% - 4.8%	4.8%	5.3%
Inflation rate	2.2% - 3.25%	3.1%	3.6%
Yield on assets	5.25%	5.5%	6.75%
Salary increase rate	4.25%	4.1%	4.6%
Pension increase rate	3.1% - 3.2%	3.0%	3.4%

Discount rates were determined based on the market yield of high grade corporate bonds at December 31, 2012, December 31, 2011 and December 31, 2010.

The costs recognized in profit or loss for defined benefit plans are as follows:

In thousands of Euro	As of December 31,		
	2012	**2011**	**2010**
Current service costs	(393)	(115)	(699)
Interest expense	(6,700)	(6,452)	(6,991)
Estimated yield on plan assets	7,116	7,028	5,942
Total	**23**	**461**	**(1,748)**

Interest expense is recognized in the income statement under "Financial expense" net of the expected yield on plan assets, while the post-employment benefit cost is recognized under "Personnel expense."

The changes that occurred in the present value of post-employment benefit obligation are detailed in the table below:

In thousands of Euro	As of December 31,		
	2012	**2011**	**2010**
Present value of the obligation at the beginning of the year	**136,836**	**124,194**	**135,796**
Current service costs	393	115	699
Interest expense	6,700	6,452	6,991
Actuarial losses (gains)	6,837	5,028	(3,253)
Employees' share of contributions	109	120	349
Benefits paid	(3,569)	(3,113)	(7,203)
Exchange rate gains (losses)	3,131	4,040	4,291
Other	573	-	(13,476)
Present value of the obligation at the end of the year	**151,010**	**136,836**	**124,194**
Fair value of the assets at the beginning of the year	**125,463**	**104,560**	**101,227**
Estimated yield on plan assets	7,116	7,028	5,942
Actuarial losses (gains)	2,076	(2,155)	4,879
Employees' share of contributions	109	120	349
Group's share of contributions	6,493	15,563	8,229
Benefits paid	(3,370)	(3,113)	(7,203)
Exchange rate gains (losses)	2,900	3,460	3,199
Other	-	-	(12,062)
Fair value of the assets at the end of the year	**140,787**	**125,463**	**104,560**

The table that follows provides a reconciliation of the present value of the obligation and the fair value of the assets to the liability recognized in the financial statements:

In thousands of Euro	As of December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
Net assets / (obligation) included in the statement of financial position					
Present value of the obligation at the end of the year	(151,010)	(136,836)	(124,194)	(135,796)	(97,323)
Fair value of the assets at the end of the year	140,787	125,463	104,560	101,227	78,110
Actuarial gains (losses) not recognized (corridor method)	16,731	11,759	4,441	13,557	(3,843)
Total	**6,508**	**386**	**(15,193)**	**(21,012)**	**(23,056)**

To complete the disclosure, the table below shows a breakdown of plan assets by type, their fair value and expected yield at December 31, 2012, 2011 and 2010:

In thousands of Euro	As of December 31, 2012		As of December 31, 2011		As of December 31, 2010	
Categories of plan assets	**Fair value**	**Estimated yield**	**Fair value**	**Estimated yield**	**Fair value**	**Estimated yield**
Equity instruments	70,502	7.0%	61,535	7.3%	64,014	7.8%
Bonds	33,852	2.8%	32,922	3.0%	20,331	4.3%
Other debt instruments issued by third parties	27,095	4.0%	23,824	4.8%	14,638	5.3%
Other securities	9,338	2.8%	7,182	3.0%	5,577	6.8%
Total	**140,787**		**125,463**		**104,560**	

22.2 *Defined contribution plans*

In order to guarantee post-employment benefits, the WDF Group established defined contribution plans that are implemented through the payment of a fixed annual contribution. The balance of these plans was Euro 874 thousand at December 31, 2012, Euro 771 thousand at December 31, 2011 and Euro 687 thousand at December 31, 2010.

23. Provisions for risks and charges

A breakdown of this item at December 31, 2012, December 31, 2011 and December 31, 2010, with the current and non-current portions shown separately, is provided below:

In thousands of Euro **Provisions for risks and charges**	**As of December 2011**	**Provisions, net of releases**	**Utilizations**	**Exchange rate differences**	**Reclassifications**	**As of December 2012**
Provision for taxes	-	7,463	(30)	(47)	5,017	12,403
Total current provisions for risks and charges	**-**	**7,463**	**(30)**	**(47)**	**5,017**	**12,403**
Provision for taxes	3,096	-	-	-	(3,096)	-
Provision for legal disputes	-	-	-	-	21	21
Provision for the refurbishment of third party assets	6,920	-	(250)	163	-	6,833
Total non-current provisions for risks and charges	**10,016**	**-**	**(250)**	**163**	**(3,075)**	**6,854**

In thousands of Euro **Provisions for risks and charges**	**As of December 2010**	**Provisions, net of releases**	**Utilizations**	**Exchange rate differences**	**Reclassifications**	**As of December 2011**
Provision for restructuring costs	360	-	(371)	11	-	-
Total current provisions for risks and charges	**360**	**-**	**(371)**	**11**	**-**	
Provision for taxes	6,096	-	(1,774)	-	(1,226)	3,096
Provision for the refurbishment of third party assets	6,717	-	-	203	-	6,920
Total non-current provisions for risks and charges	**12,813**	**-**	**(1,774)**	**203**	**(1,226)**	**10,016**

In thousands of Euro **Provisions for risks and charges**	**As of December 2010**	**Provisions, net of releases**	**Utilizations**	**Exchange rate differences**	**Reclassifications**	**As of December 2011**
Provision for restructuring costs	1,060	366	(1,098)	32	-	360
Total current provisions for risks and charges	**1,060**	**366**	**(1,098)**	**32**	**-**	**360**
Provision for taxes	6,596	-	(500)	-	-	6,096
Other provisions	1,148	(877)	(311)	40	-	0
Provision for the refurbishment of third party assets	6,485	-	-	232	-	6,717
Total non-current provisions for risks and charges	**14,229**	**(877)**	**(811)**	**272**	**-**	**12,813**

The balance of Euro 12,403 thousand at December 31, 2012 in the provision for taxes refers exclusively to a dispute with the Indian tax authorities regarding customs duties.

The "Provision for the refurbishment of third party assets" reflects the liability that the Group expects to incur to refurbish to the contractually stipulated condition the assets subject of concession agreements.

24. Equity

The changes in equity reserves are shown in the corresponding schedule of these financial statements.

The changes in equity for the 2011 and 2010 reporting years include items listed as "carve outs," which refer to activities carried out by the WDF Group during the reference years and periods that were not included in the scope of the Combined Financial Statements, as explained in greater detail in the "General Information" section of these notes.

Please note that, even though the results referred to above were eliminated from the income statements of the Combined Financial Statements, the same results were included in the equity of the WDF Group at the end of the respective reference years and periods.

A description of the content of the main equity reserves is provided below, together with some details about the main changes for the period.

Hedging reserve

The "Hedging reserve" includes the effective component of the fair value of derivatives designated as cash flow hedges.

Translation reserve

Translation differences arise from the translation into Euro of the financial statements of companies consolidated line by line or using the proportional method that are denominated in currencies other than the euro.

Reserves

The changes in these reserves, in addition to the recognition of the profit for the year, include the following:

(i) in 2012, the distribution of dividends totaling Euro 70,000 thousand to Autogrill shareholders, in accordance with the resolution approved by the shareholders' meeting of WDFG SAU on December 20, 2012;

(ii) in 2012 and 2011, the recognition of stock option costs;

(iii) in 2010, a contribution of Euro 400,000 thousand by Autogrill;

(iv) in 2011 and 2010, the carve out adjustments described above.

NOTES TO THE INCOME STATEMENT

25. Revenue

The table below shows a breakdown of "Revenue" by product category for 2012, 2011 and 2010:

In thousands of Euro	For the year ended December 31,			Change	
Revenue by product category	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Beauty	866,200	783,584	700,911	82,616	82,673
Drinks	348,323	318,124	296,453	30,199	21,671
Tobacco	246,253	235,741	237,430	10,512	(1,689)
Food	218,969	194,887	175,328	24,082	19,559
Souvenir	60,566	56,223	59,553	4,343	(3,330)
Luxury. Fashion. Accessories & Other	211,105	185,860	155,749	25,245	30,111
Total airport revenue	**1,951,416**	**1,774,419**	**1,625,424**	**176,997**	**148,995**
Total non-airport revenue	**50,557**	**46,184**	**49,852**	**4,373**	**(3,668)**
Total	**2,001,973**	**1,820,603**	**1,675,276**	**181,370**	**145,327**

At constant exchange rates, revenue would show an increase of Euro 98,498 thousand in 2012 compared with 2011 and Euro 165,584 thousand in 2011 compared with 2010.

A breakdown of revenue by geographical area is provided in Note 40 "Segment reporting."

26. *Other operating income*

The table below shows a breakdown of "Other operating income" for 2012, 2011 and 2010:

In thousands of Euro	**For the year ended December 31,**			**Change**	
Other operating income	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Rebates from suppliers	15,178	10,307	18,094	4,871	(7,787)
Income from leases	369	218	1,373	151	(1,155)
Payments from insurance companies	7	5,634	-	(5,627)	5,634
Altri ricavi	11,053	9,363	11,907	1,690	(2,544)
Total	**26,607**	**25,522**	**31,374**	**1,085**	**(5,852)**

In 2011, "Payments from insurance companies" includes proceeds from insurance settlements totaling Euro 3,982 thousand received for impossibility to use sales spaces under concession at airports in Chile due to an earthquake in 2010.

The decrease in "Income from leases" that occurred in 2011 compared with 2010 was due to the expiration of leases for premises belonging to the WDF Group in Spain.

"Other revenue" reflects mainly amounts rebilled to Autogrill Group companies for technical support services rendered.

At constant exchange rates, the difference between 2012 and 2011 would have been positive by Euro 1,086 thousand, while the difference between 2011 and 2010 would have been negative by Euro 5,801 thousand.

27. *Raw materials, supplies and goods*

The table below shows a breakdown of "Raw materials, supplies and goods" for 2012, 2011 and 2010:

Valori in migliaia di Euro	**For the year ended December 31,**			**Change**	
Raw materials, supplies and goods	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Purchase of finished goods	815,355	787,327	740,012	28,028	47,315
Change in inventories	4,633	(22,369)	(6,397)	27,002	(15,972)
Total	**819,988**	**764,958**	**733,615**	**55,030**	**31,343**

At constant exchange rates, the difference would have been positive by Euro 30,921 thousand between 2012 and 2011 and positive by Euro 35,063 thousand between 2011 and 2010.

28. Personnel expense

The table below shows a breakdown of "Personnel expense" for 2012, 2011 and 2010:

In thousands of Euro	For the year ended December 31,			Change	
Personnel expense	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Wages and salaries	166,915	152,499	134,769	14,416	17,730
Social security contributions	25,349	23,974	21,769	1,375	2,205
Other costs	13,627	15,993	24,012	(2,366)	(8,019)
Total	**205,891**	**192,466**	**180,550**	**13,425**	**11,916**

The main component of "Other costs" is the cost incurred for temporary staff hired primarily during the summer, which amounted to Euro 7.8 million in 2012, Euro 9 million in 2011 and Euro 10 million in 2010.

Personnel expense includes the costs incurred for stock option plans, amounting to Euro 44 thousand in 2012 and Euro 51 thousand in 2011. See Note 43.2 "Compensation paid to key management."

At constant exchange rates, the difference would have been positive by Euro 7,397 thousand between 2012 and 2011 and positive by Euro 12,903 thousand between 2011 and 2010.

The table that follows shows a breakdown of the Group's staff at December 31, 2012, 2011 and 2010:

	As of December 31, 2012			As of December 31, 2011			As of December 31, 2010		
	Males	**Females**	**Total**	**Males**	**Females**	**Total**	**Males**	**Females**	**Total**
Corporate									
Directors and managers	170	148	318	151	108	259	162	83	245
Administration	267	348	615	249	303	552	241	268	509
Others	73	53	126	52	44	96	13	79	92
Total Corporate	**510**	**549**	**1,059**	**452**	**455**	**907**	**416**	**430**	**846**
Sales and operations									
Area and store managers	317	343	660	295	289	584	229	225	454
Sales staff	1,064	1,975	3,039	1,009	1,906	2,915	835	1,695	2,530
Others	822	1,728	2,550	813	1,632	2,445	984	1,523	2,507
Total Sales and operations	**2,203**	**4,046**	**6,249**	**2,117**	**3,827**	**5,944**	**2,048**	**3,443**	**5,491**
TOTAL	**2,713**	**4,595**	**7,308**	**2,569**	**4,282**	**6,851**	**2,464**	**3,873**	**6,337**

The average number of employees for the three-year period from 2010 to 2012 is as follows:

	2012			2011			2010		
	Males	**Females**	**Total**	**Males**	**Females**	**Total**	**Males**	**Females**	**Total**
Average number of employees	2,354	4,588	**6,942**	2,174	4,430	**6,604**	2,286	3,590	**5,876**

29. *Leases, rentals concessions and royalties*

The table below shows a breakdown of "Leases, rentals, concessions and royalties" for 2012, 2011 and 2010:

In thousands of Euro	For the year ended December 31,			Change	
Leases, rentals, concessions and royalties	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Concessions	606,854	543,191	495,999	63,663	47,192
Leases and rentals	8,042	7,492	8,769	550	(1,277)
Royalties	574	544	780	30	(236)
Total	**615,470**	**551,227**	**505,548**	**64,243**	**45,679**

The increase in "Concessions" that occurred over the past three years reflects the gain in sales over the same period, as most of the concession fees payable to airport authorities vary depending on the sales levels achieved during the year.

At constant exchange rates, the difference would have been positive by Euro 44,558 thousand between 2012 and 2011 and positive by Euro 48,690 thousand between 2011 and 2010.

30. *Other operating expense*

A breakdown of "Other operating expense" for 2012, 2011 and 2010 is provided below:

In thousands of Euro	For the year ended December 31,			Change	
Other operating expense	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Consulting and profesisonak services	19,698	13,577	11,764	6,121	1,813
Maintenance and repairs	13,339	13,938	13,011	(599)	927
Credit card commissions	12,586	11,198	10,250	1,388	948
Advertising and market research	9,281	9,198	8,730	83	468
Utilities	8,656	9,093	8,499	(437)	594
Travel expenses	8,392	7,140	5,481	1,252	1,659
Transportation	7,013	7,085	5,889	(72)	1,196
Surveillance	5,146	4,705	4,658	441	47
Insurance	3,328	2,630	1,767	698	863
Cleaning and disinfestation	2,921	2,735	3,123	186	(388)
Telephone and postal charges	2,463	2,165	1,965	298	200
Costs for personnel recruitment	2,448	1,924	1,649	524	275
Bank commissions and charges	1,975	1,355	1,328	620	27
Other services	8,102	6,795	5,072	1,307	1,723
Costs for materials and services	**105,348**	**93,538**	**83,186**	**11,810**	**10,352**
Provisions for risks, net of releases	**7,463**	**-**	**(511)**	**7,463**	**511**
Impairment losses on receivables	**(201)**	**1,601**	**338**	**(1,802)**	**1,263**
Indirect and local taxes	**632**	**3,080**	**1,883**	**(2,448)**	**1,197**
Other operating costs	**11,652**	**10,946**	**8,459**	**706**	**2,487**
Total	**124,894**	**109,165**	**93,355**	**15,729**	**15,810**

The increase in “Consulting and professional services” that occurred in 2012 compared with 2011 is due to the costs incurred to compete in the calls for tenders for the concessions at airports in Spain.

“Other services” include costs incurred for employee training and cafeteria services, required audits of the financial statements and costs rebilled by the Autogrill Group for the provision of technical support services.

“Other operating expense” also include the costs incurred to purchase inexpensive equipment and consumables, such as uniforms, stationery and advertising materials.

At constant exchange rates, the difference would have been positive by Euro 12,648 thousand between 2012 and 2011 and positive by Euro 16,235 thousand between 2011 and 2010.

31. Depreciation and amortization

A breakdown of “Depreciation and amortization” for 2012, 2011 and 2010 is as follows:

In thousands of Euro	For the year ended December 31,			Change	
Depreciation and amortization	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Other intangible assets	77,320	76,883	78,469	437	(1,586)
Property, plant and equipment	34,684	33,879	34,454	805	(575)
Investment property	375	375	375	-	-
Total	**112,379**	**111,137**	**113,298**	**1,242**	**(2,161)**

32. Impairment losses on property, plant and equipment and intangible assets

The table below shows a breakdown of “Impairment losses on property, plant and equipment and intangible assets” for 2012, 2011 and 2010:

In thousands of Euro	For the year ended December 31,			Change	
Impairment losses on property, plant and equipment and intangible assets	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Property, plant and equipment	288	1,072	-	(784)	1,072
Other intangible assets	-	9,105	2,068	(9,105)	7,037
Total	**288**	**10,177**	**2,068**	**(9,889)**	**8,109**

In 2011, the WDF Group recognized an impairment loss on “Other intangible assets” due to the non renewal of the concessions at the Atlanta airport. In the same year, the impairment loss on “Property, plant and equipment” refers to non currents assets at stores in Atlanta (Euro 0.5 million), France (Euro 0.2 million) and Colombia (Euro 0.3 million) the recoverable amount of which was lower than their carrying amount.

The impairment loss shown in 2010 reflects the recognition of the impairment loss on concessions in Portugal that were not renewed.

At constant exchange rates, the difference between 2012 and 2011 for this item and "Depreciation and amortization" would have been negative by Euro 11,280 thousand, but the same difference would have been positive by Euro 6,395 thousand between 2011 and 2010.

33. Financial income and expense

A breakdown of "Financial income" and "Financial expense" for 2012, 2011 and 2010 is provided below:

In thousands of Euro	**For the year ended December 31,**			**Change**	
Financial income	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Interest income	16	407	1,149	(391)	(742)
Net exchange rate gains	-	-	304	-	(304)
Other financial income	801	42	82	759	(40)
Total	**817**	**449**	**1,535**	**368**	**(1,086)**

In thousands of Euro	**For the year ended December 31,**			**Change**	
Financial expense	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Interest expense	14,629	6,412	792	8,217	5,620
Interest paid to Autogrill Group companies	2,258	21,847	43,620	(19,589)	(21,773)
Net exchange rate losses	958	210	-	748	210
Other financial expense	1,445	191	1,171	1,254	(980)
Total	**19,290**	**28,660**	**45,583**	**(9,370)**	**(16,923)**

The overall reduction in "financial expense" over the three-year period from 2010 to 2012 is due to a decrease in total indebtedness, a concurrent decline in interest rates paid on loans during the same period and a reduction in the amount of fixed-rate debt versus variable-rate debt resulting from the refinancing transaction of July 2011.

At constant exchange rates, the difference for financial income and expense would have been negative by Euro 10,069 thousand between 2012 and 2011 and negative by Euro 15,764 thousand between 2011 and 2010.

34. Impairment and revaluation of financial assets

The table below shows a breakdown of "Impairment and revaluation of financial assets" for 2012, 2011 and 2010:

In thousands of Euro	**For the year ended December 31,**			**Change**	
Impairment and revaluation of financial assets	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Income from investments accounted for using the equity method	2,212	1,505	1,371	707	134
Loss / impairment of investments	(368)	(109)	(100)	(259)	(9)
Total	**1,844**	**1,396**	**1,271**	**448**	**125**

For an analysis of this item, see the information provided in Note 11 "Investments."

At constant exchange rates, the difference would have been positive by Euro 448 thousand between 2012 and 2011 and positive by Euro 125 thousand between 2011 and 2010.

35. Income tax

A breakdown of "Income tax" for 2012, 2011 and 2010 is provided below:

In thousands of Euro	For the year ended December 31,			Change	
Income tax	**2012**	**2011**	**2010**	**2012 vs 2011**	**2011 vs 2010**
Current income tax	40,897	30,086	25,350	10,811	4,736
Deferred income tax	(10,868)	(13,797)	(23,647)	2,929	9,850
Total	**30,029**	**16,289**	**1,703**	**13,740**	**14,586**

The table that follows provides a reconciliation of the income tax expense recognized in the consolidated financial statements to the theoretical tax liability, which was determined by applying the applicable theoretical rate to the pre-tax profit generated in each jurisdiction.

In thousands of Euro	For the year ended December 31,					
	2012		**2011**		**2010**	
Pre-tax profit	**133,041**		**80,180**		**35,439**	
Theoretical income tax	32,699	24.6%	17,078	21.3%	7,323	20.7%
Non-deductible expenses	7,006	5.3%	5,937	7.4%	9,998	28.2%
Exempt income	(3,902)	(2.9%)	(5,231)	(6.5%)	(4,879)	(13.8%)
Increase/utilization of deferred tax assets on losses carried forward	3,535	2.7%	(2,533)	(3.2%)	(3,249)	(9.2%)
Effect of tax rate differences	(6,823)	(5.1%)	(3,793)	(4.7%)	(3,683)	(10.4%)
Prior year adjustments	(2,486)	(1.9%)	4,831	6.0%	(3,807)	(10.7%)
Income tax	**30,029**	**22.6%**	**16,289**	**20.3%**	**1,703**	**4.8%**

36. Basic and diluted earnings per share

Earnings per share for the reference three-year period were determined based on the number of shares resulting from the Demerger transaction, i.e., 254,400,000, as per the resolution approved by the Company's shareholders' meeting on June 6, 2013.

Please note that there were no dilutive effects and, consequently, diluted earnings per share are the same as basic earnings per share. The computation details are provided below:

	For the year ended December 31,		
	2012	**2011**	**2010**
Profit for the year attributable to owners of the parent (in thousands of Euro)	100,727	61,358	32,194
Number of shares (in units)	254,400,000	254,400,000	254,400,000
Basic and Diluted earnings per share (in Euro cents)	39.59	24.12	12.65

In 2012, WDFG SAU distributed to Autogrill a dividend of Euro 0.2752 per share. No dividends were declared in 2011 and 2010.

37. Net financial indebtedness

A breakdown of net financial indebtedness at December 31, 2012, 2011 and 2010, presented in accordance with the ESMA/2011/81 Recommendations, is provided below:

In thousands of Euro	As of December 31,					
Net financial indebtedness	**2012**	**of which related parties**	**2012**	**of which related parties**	**2012**	**of which related parties**
A, Cash	1,607		1,888		1,401	
B, Cash equivalents	17,077		43,469		54,262	
C, Trading securities	-		-		-	
D, Liquidity (A)+(B)+(C)	**18,684**	**-**	**45,357**	**-**	**55,663**	**-**
E, Current financial receivables	**272**		**707**		**184**	
F, Current bank debt	(7,318)		(1,041)		(4,007)	
G, Current portion of non current debt	(56,521)		-		-	
H, Other current financial debt	(7,285)	(79)	(5,293)	(125)	(82,066)	(81,576)
I, Current financial debt (F)+(G)+(H)	**(71,124)**	**(79)**	**(6,334)**	**(125)**	**(86,073)**	**(81,576)**
J, Net current financial indebtedness (I)+(E)+(D)	**(52,168)**	**(79)**	**39,730**	**(125)**	**(30,226)**	**(81,576)**
K, Non current bank loans	(439,299)		(489,754)		-	
L, Bonds issued	-		-		-	
M, Other non current loans	(70,000)	(70,000)	(185,127)	(185,127)	(694,559)	(694,559)
N, Non current financial indebtedness (K)+(L)+(M)	**(509,299)**	**(70,000)**	**(674,881)**	**(185,127)**	**(694,559)**	**(694,559)**
O, Net financial indebtedness (J)+(N)	**(561,467)**	**(70,079)**	**(635,151)**	**(185,252)**	**(724,785)**	**(776,135)**

38. Financial risk management

Because of their very nature, the activities of the WDF Group are exposed to several financial risks:

(i) market risk, deriving from fluctuations in exchange rates between the Euro and the other currencies used by the WDF Group and in interest rates;

(ii) credit risk, deriving from the possibility that a counterparty may default;

(iii) liquidity risk, deriving from the lack of sufficient financial resources to meet financial obligations.

The WDF Group adopted a financial risk management procedure that sets forth the organization, the separation of responsibilities, a risk assessment system and the principles that govern the implementation of the policies and criteria for the recording of transactions in the accounting records.

Information about the exposure of the WDF Group’s exposure to each of the abovementioned risks, the objectives, policies and processes to manage those risks, and the methods used to assess them is provided in this section of the notes.

Market risk

The 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, manage and control, within acceptable levels, the exposure of the WDF Group to these risks and the resulting impact on the Group's income statement, financial position and cash flow.

The WDF Group's financial policy places special emphasis on the control and management of market risk, specifically with regard to interest rates and exchange rates, given the extent of the borrowings of the WDF Group and its international footprint.

Interest rate risk

The aim of interest rate risk management is to mitigate and/or reduce financial expense volatility. This entails predetermining a portion of financial expense over a time horizon consistent with the structure of the indebtedness, which, in turn, must be in line with the capital structure and future cash flows. When the desired risk profile cannot be obtained in the capital markets or through bank facilities, it is achieved by using derivatives for amounts and maturities in line with those of the liabilities that they hedge. The derivative used are interest rate swaps (IRS).

At December 31, 2012 and 2011, most of the indebtedness of the WDF Group paid a floating rate. The purpose of using derivatives is to make financial expense predictable for a portion of the debt, having established sustainable fixed rates with hedging instruments.

The tables that follow shows the main characteristics of the interest rate swaps, serving as cash flow hedges, outstanding at December 31, 2012 and 2011, all of which partially hedged the Multicurrency Revolving Facility described in Note 21 "Due to banks and loans, net of current portion".

As of December 31, 2012 **Financial institution**	**Currency**	**Notional amount (in thousands of GBP)**	**Notional amount (in thousands of Euro)**	**Commen-cement date**	**Maturity date**	**Interest rate**	**Fair value**
Banco Santander Central Hispano	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3125%	(618)
Banco Santander Central Hispano	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3200%	(625)
Banco Santander Central Hispano	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3380%	(641)
Banco Santander Central Hispano	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3505%	(652)
Intesa Sanpaolo	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3275%	(632)
Intesa Sanpaolo	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3475%	(649)
Barclays	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3430%	(645)
BBVA	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3450%	(647)
Unicredit	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3450%	(647)
Natixis	GBP	20,000	24,507	August 9, 2011	July 21, 2016	1.3500%	(652)
TOTAL		**200,000**	**245,070**				**(6,408)**

As of December 31, 2011 Financial institution	Currency	Notional amount (in thousands of GBP)	Notional amount (in thousands of Euro)	Commen-cement date	Maturity date	Interest rate	Fair value
Banco Santander Central Hispano	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3125%	(365)
Banco Santander Central Hispano	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3200%	(373)
Banco Santander Central Hispano	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3380%	(392)
Banco Santander Central Hispano	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3505%	(406)
Intesa Sanpaolo	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3275%	(381)
Intesa Sanpaolo	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3475%	(403)
Barclays	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3430%	(397)
BBVA	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3450%	(400)
Unicredit	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3450%	(400)
Natixis	GBP	20,000	23,943	August 9, 2011	July 21, 2016	1.3500%	(405)
TOTAL		**200,000**	**239,430**				**(3,922)**

At December 31, 2010, the WDF Group had no interest rate swaps outstanding to hedge the risk of fluctuations in interest rates because the indebtedness of the WDF Group consisted mainly of fixed-rate debt.

When applying the policy described above, the financial instruments that manage the risk of fluctuations in interest rates are accounted for as cash flow hedges and, consequently, recognized as financial assets or liabilities with a specific offsetting line item in the statement of comprehensive income and presented in equity in the “Hedging reserve.”

A hypothetical 1% unfavorable variance in the interest rates applied to assets and liabilities and the derivatives hedging the interest rate risk outstanding at December 31, 2012, 2011 and 2010 would cause increases in net financial expense of Euro 2,970 thousand, Euro 2,765 thousand and Euro 9,153 thousand, respectively.

The fair value of financial instruments is measured in accordance with valuation techniques that use as reference parameters observable in the market, different from prices quoted on active markets for the assets and liabilities that are being valued. Consequently, in the fair value hierarchical ranking they are classifiable at Level 2 of the ranking.

Currency risk

Because it operates in international markets and uses different presentation currencies, the WDF Group is exposed to currency risk.

Fluctuations in exchange rates affect the economic results of the WDF Group in several ways. A significant impact is represented by the translation effect, which emerges when the financial statements of foreign subsidiaries are translated into Euro. In addition, because a portion of the revenue and expenses of the WDF Group are denominated in currencies other from the euro, increases or decreases in the value of the euro versus those currencies can have an impact on the consolidated financial statements of the WDF Group. However, because within each country revenue and expenses are usually denominated in the same currency, the WDF Group benefits to a significant extent from a natural hedging effect.

The aim of currency risk management is to neutralize in part this risk on foreign currency payables and receivables that are not denominated in Euro.

The table that follows shows for the main currencies the exposure of the assets and liabilities of the WDF Group to currency risk at December 31, 2012:

FINANCIAL ASSETS

In thousands of Euro	**Brazilian real**	**Canadian dollar**	**Colombian peso**	**Cape Verdean escudo**	**British pound**	**Indian rupee**	**Kuwaiti dinar**	**Sri Lanka rupee**	**Mexican peso**	**Peruvian nuevo sol**	**US dollar**	**Total in other currencies**	**Total per Financial Statements**	**% of balance in other currencies**
Cash and cash equivalents	50	787	3	586	1	2,531	1,404	2,531	1,552	1,371	4,710	15,526	18,684	83.1%
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	272	0.0%
Other receivables	1	805	(6)	50	9,342	593	1,489	(279)	1,351	450	6,270	20,066	25,630	78.3%
Trade receivables	-	1,106	27	8	7,958	193	932	3,295	851	812	2,749	17,931	26,912	66.6%
Current assets	**51**	**2,698**	**24**	**644**	**17,301**	**3,317**	**3,825**	**5,547**	**3,754**	**2,633**	**13,729**	**53,523**	**71,498**	**74.9%**
Other financial assets	-	112	-	5	2,177	-	-	65	31	12	79	2,481	3,975	62.4%
Other receivables	-	-	-	-	1,358	-	-	-	1,831	424	10,408	14,021	14,017	100.0%
Non-current assets	**-**	**112**	**-**	**5**	**3,535**	**-**	**-**	**65**	**1,862**	**436**	**10,487**	**16,502**	**17,992**	**91.7%**

FINANCIAL LIABILITIES

In thousands of Euro	**Brazilian real**	**Canadian dollar**	**Colombian peso**	**Cape Verdean escudo**	**British pound**	**Indian rupee**	**Kuwaiti dinar**	**Sri Lanka rupee**	**Mexican peso**	**Peruvian nuevo sol**	**US dollar**	**Total in other currencies**	**Total per Financial Statements**	**% of balance in other currencies**
Trade payables	20	6,048	-	36	78,122	61	2,272	1,597	5,107	3,350	15,889	112,502	203,843	55.2%
Other payables	5	676	2	21	41,734	37	634	418	838	1,138	2,647	48,150	69,819	69.0%
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	7,285	0.0%
Due to banks	-	-	-	-	57,432	-	-	-	-	-	-	57,432	63,839	90.0%
Current liabilities	**25**	**6,724**	**2**	**57**	**177,288**	**98**	**2,906**	**2,015**	**5,945**	**4,488**	**18,536**	**218,084**	**344,786**	**63.3%**
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	70,000	0.0%
Loans, net of current portion	-	-	-	-	415,235	-	-	-	-	-	-	415,235	439,299	94.5%
Non-current liabilities	**-**	**-**	**-**	**-**	**415,235**	**-**	**-**	**-**	**-**	**-**	**-**	**415,235**	**509,299**	**81.5%**

The table that follows shows for the main currencies the exposure of the assets and liabilities of the WDF Group to the currency risk at December 31, 2011:

FINANCIAL ASSETS

In thousands of Euro	**Brazilian real**	**Canadian dollar**	**Colombian peso**	**Cape Verdean escudo**	**British pound**	**Indian rupee**	**Kuwaiti dinar**	**Sri Lanka rupee**	**Mexican peso**	**Peruvian nuevo sol**	**US dollar**	**Total in other currencies**	**Total per Financial Statements**	**% of balance in other currencies**
Cash and cash equivalents	112	4,566	79	278	11,438	2,996	3,083	5,981	2,939	2,849	7,925	42,246	45,357	93.1%
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	707	0.0%
Other receivables	3	670	64	46	17,178	71	1,500	(117)	1,379	634	3,380	24,808	29,533	84.0%
Trade receivables	-	596	48	2	7,281	349	647	4,554	714	647	3,036	17,874	27,053	66.1%
Current assets	**115**	**5,832**	**191**	**326**	**35,897**	**3,416**	**5,230**	**10,418**	**5,032**	**4,130**	**14,341**	**84,928**	**102,650**	**82.7%**
Other financial assets	-	31	-	5	-	-	-	71	2	11	469	589	1,678	35.1%
Other receivables	-	-	-	-	-	-	-	-	410	330	11,227	11,967	11,967	100.0%
Non-current assets	**-**	**31**	**-**	**5**	**-**	**-**	**-**	**71**	**412**	**341**	**11,696**	**12,556**	**13,645**	**92.0%**

FINANCIAL LIABILITIES

In thousands of Euro	Brazilian real	Canadian dollar	Colombian peso	Cape Verdean escudo	British pound	Indian rupee	Kuwaiti dinar	Sri Lanka rupee	Mexican peso	Peruvian nuevo sol	US dollar	Total in other currencies	Total per Financial Statements	% of balance in other currencies
Trade payables	9	4,548	56	39	87,833	5,344	4,070	2,429	4,969	3,517	16,877	129,691	216,543	59.9%
Other payables	-	247	92	4	45,060	36	469	657	474	1,008	2,120	50,167	73,948	67.8%
Other financial liabilities	-	-	-	-	199	-	-	-	-	-	-	199	5,293	3.8%
Due to banks	-	-	-	-	-	-	-	-	-	-	-	-	1,041	0.0%
Current liabilities	**9**	**4,795**	**148**	**43**	**133,092**	**5,380**	**4,539**	**3,086**	**5,443**	**4,525**	**18,997**	**180,057**	**296,825**	**60.7%**
Other financial liabilities	-	-	-	-	31,127	-	-	-	-	-	-	31,127	185,127	16.8%
Loans, net of current portion	-	-	-	-	447,743	-	-	-	-	-	-	447,743	489,754	91.4%
Non-current liabilities	**-**	**-**	**-**	**-**	**478,870**	**-**	**-**	**-**	**-**	**-**	**-**	**478,870**	**674,881**	**71.0%**

The table that follows shows for the main currencies the exposure of the assets and liabilities of the WDF Group to the currency risk at December 31, 2010:

FINANCIAL ASSETS

In thousands of Euro	Brazilian real	Canadian dollar	Colombian peso	Cape Verdean escudo	British pound	Indian rupee	Kuwaiti dinar	Sri Lanka rupee	Mexican peso	Peruvian nuevo sol	US dollar	Total in other currencies	Total per Financial Statements	% of balance in other currencies
Cash and cash equivalents	62	1,730	224	739	21,951	6,756	2,667	5,128	2,345	1,607	7,223	50,432	55,663	90.6%
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	184	0.0%
Other receivables	-	711	83	41	1,976	322	1,406	(213)	1,697	528	4,040	10,591	17,309	61.2%
Trade receivables	-	1,056	54	1	4,077	73	852	114	807	600	2,690	10,324	32,938	31.3%
Current assets	**62**	**3,497**	**361**	**781**	**28,004**	**7,151**	**4,925**	**5,029**	**4,849**	**2,735**	**13,953**	**71,347**	**106,094**	**67.2%**
Other financial assets	-	88	-	5	-	-	-	54	2	4	66	219	1,125	19.5%
Other receivables	-	-	-	-	-	-	-	-	565	394	11,465	12,424	12,446	99.8%
Non-current assets	**-**	**88**	**-**	**5**	**-**	**-**	**-**	**54**	**567**	**398**	**11,531**	**12,643**	**13,571**	**93.2%**

FINANCIAL LIABILITIES

In thousands of Euro	Brazilian real	Canadian dollar	Colombian peso	Cape Verdean escudo	British pound	Indian rupee	Kuwaiti dinar	Sri Lanka rupee	Mexican peso	Peruvian nuevo sol	US dollar	Total in other currencies	Total per Financial Statements	% of balance in other currencies
Trade payables	-	3,427	150	34	77,610	7,658	2,204	3,813	3,090	2,678	13,721	114,385	200,620	57,0%
Other payables	-	119	7	4	44,528	54	323	463	433	760	1,039	47,730	86,150	55,4%
Other financial liabilities	-	-	-	-	10,510	-	-	-	-	-	14,977	25,487	82,066	31,1%
Due to banks	-	-	-	-	-	-	-	-	-	-	-	-	4,007	0,0%
Current liabilities	**-**	**3,546**	**157**	**38**	**132,648**	**7,712**	**2,527**	**4,276**	**3,523**	**3,438**	**29,737**	**187,602**	**372,843**	**50,3%**
Other financial liabilities	-	-	-	-	382,707	-	-	-	-	-	-	382,707	694,559	55,1%
Loans, net of current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	0,0%
Non-current liabilities	**-**	**-**	**-**	**-**	**382,707**	**-**	**-**	**-**	**-**	**-**	**-**	**382,707**	**694,559**	**55,1%**

A 5% increase or depreciation of the Euro versus the currencies listed below would have caused, at December 31, 2012, 2011 and 2010, the effects on equity and profit shown in the table below, stated in thousands of Euro:

In thousands of Euro	**CAD**		**GBP**		**USD**		**Total**	
2012	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**
Equity	432	(477)	(3,759)	4,155	840	(928)	(2,487)	2,750
Profit for the year	181	(200)	3,863	(4,270)	482	(533)	4,526	(5,003)

In thousands of Euro	**CAD**		**GBP**		**USD**		**Total**	
2011	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**
Equity	241	(266)	102	(112)	953	(1,053)	1,296	(1,431)
Profit for the year	143	(158)	3,375	(3,730)	126	(139)	3,644	(4,027)

In thousands of Euro	**CAD**		**GBP**		**USD**		**Total**	
2010	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**	**+ 5%**	**- 5%**
Equity	87	(96)	(4,807)	5,313	1,075	(1,188)	(3,645)	4,029
Profit for the year	(70)	77	5,228	(5,778)	399	(441)	5,557	(6,142)

This analysis was performed assuming that all other variables, interest rates in particular, remained constant.

The WDF Group uses derivatives to hedge currency risk primarily in connection with intercompany transactions.

Hedging instruments are recognized at their fair value as financial assets and liabilities. In the case of financial instruments that hedge financial receivables and payables in a currency other than the reporting currency, any changes in fair value and the corresponding change in the carrying value of the hedged assets and liabilities are recognized in profit or loss, The fair value of instruments outstanding at December 31, 2012 is detailed in the table below:

Underlying	Currency	Financial institution	Notional amount in currency (in thousands)	Notional amount in Euro (in thousands)	Maturity date	Spot exchange rate	Forward exchange rate	Fair value
Intragroup loan	USD	Citibank	19,194	14,548	March 26, 2013	1.3288	1.3294	132
Intragroup loan	USD	Citibank	1,102	836	January 14, 2013	1.3288	1.3289	8
Intragroup loan	USD	Citibank	7,390	5,601	March 26, 2013	1.3288	1.3294	51
Intragroup loan	USD	BBVA	4,335	3,286	January 14, 2013	1.3282	1.3284	23
Intragroup loan	KWD	BNP	3,236	8,719	March 27, 2013	1.3732	1.3734	42
Intragroup loan	KWD	BNP	964	2,598	January 14, 2013	1.3732	1.3732	13
Intragroup loan	KWD	BNP	450	1,213	March 27, 2013	1.3719	1.3723	3
Total financial assets				**36,801**				**272**
Intercompany trade receivables/payables	USD	Citibank	(1,102)	(836)	January 16, 2013	-	1.3289	(8)
Intragroup loan	USD	Citibank	1,200	910	March 26, 2013	1.3178	1.3185	(2)
Intercompany trade receivables/payables	USD	BBVA	(4,335)	(3,286)	January 14, 2013	-	1.3284	(23)
Intercompany trade receivables/payables	USD	BBVA	(4,339)	(3,289)	January 14, 2013	-	1.3287	(24)
Intercompany trade receivables/payables	CAD	BBVA	(4,240)	(3,227)	January 15, 2013	-	1.3122	(1)
Intercompany trade receivables/payables	PEN	BBVA	(5,407)	(1,605)	January 16, 2013	-	3.4217	(25)
Intercompany trade receivables/payables	KWD	BNP	(964)	(2,598)	January 21, 2013	-	3.3755	(28)
Intercompany trade receivables/payables	GBP	Intesa San Paolo	(10,162)	(12,452)	January 15, 2013	-	0.8165	(5)
Intragroup loan	USD	BBVA	(1,600)	(1,213)	March 26, 2013	1.3295	1.3322	(11)
Intercompany trade receivables/payables	USD	BBVA	(399)	(302)	January 14, 2013	-	1.3276	(2)
Intragroup loan	USD	Banco Santander	2,903	2,200	March 26, 2013	1.3190	1.3193	(2)
Intragroup loan	USD	Banco Santander	700	531	March 26, 2013	1.3190	1.3193	0
Intragroup loan	USD	Banco Santander	1,169	886	March 26, 2013	1.3190	1.3193	(1)
Intragroup loan	PEN	BBVA	29,403	8,729	March 26, 2013	3.3680	3.3700	(25)
Total financial liabilities				**(15,552)**				**(157)**

The fair value of instruments outstanding at December 31, 2011 is detailed in the table below:

Underlying	Currency	Financial institution	Notional amount in currency (in thousands)	Notional amount in Euro (in thousands)	Maturity date	Spot exchange rate	Forward exchange rate	Fair value
Intragroup loan	USD	BBVA	8,119	6,275	March 30, 2012	1.3175	1.3078	37
Intragroup loan	USD	BBVA	3,000	2,319	March 30, 2012	1.4585	1.4477	235
Intragroup loan	USD	BBVA	1,500	1,159	March 30, 2012	1.4305	1.4233	100
Intragroup loan	KWD	BNP	750	2,081	January 26, 2012	0.3825	0.3827	116
Intragroup loan	KWD	BNP	1,000	2,775	January 26, 2012	0.3621	0.3625	10
Intragroup loan	USD	BBVA	2,000	1,546	March 30, 2012	1.3900	1.3895	99
Multicurrency 650	GBP	Intesa San Paolo	(14,000)	(3,289)	January 4, 2012	0.8406	0.8409	110
Total financial assets				**12,866**				**707**
Intragroup loan	USD	BBVA	1,500	1,159	March 30, 2012	1.2920	1.2930	(6)
Intragroup loan	USD	BBVA	(4,000)	(3,091)	January 13, 2012	1.4383	1.4328	(287)
Multicurrency 650	GBP	Citibank	(16,000)	(19,155)	January 27, 2012	0.8346	0.8350	(15)
Total financial liabilities				**(21,087)**				**(308)**

In the case of financial instruments that hedge the translation risk and, consequently, are designated as hedges of net investments, the effective component of fair value is recognized in comprehensive income and classified in equity in the "Translation reserve."

Specifically, for the purposes of containing the net total exposure to the British pound, which is related to the presence of the WDF Group in the United Kingdom, consistent with the provisions of the Policy, a portion of the indebtedness denominated in British pounds was designated as a hedge of net investment.

The fair value of financial instruments is measured in accordance with valuation techniques that use as reference parameters observable in the market, different from prices quoted on active markets for the assets and liabilities that are being valued. Consequently, in the fair value hierarchical ranking they are classifiable at Level 2 of the ranking.

Credit risk

The 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 trade receivables and financial investments of the WDF Group.

At December 31, 2012, 2011 and 2010, the carrying amount of the financial assets represents the maximum exposure of the WDF Group to the credit risk, as shown below:

In thousands of Euro	As of December 31,		
Exposure to credit risk	**2012**	**2011**	**2010**
Other financial assets - current portion	272	707	184
Trade receivables	26,912	27,053	32,938
Other receivables - current portion	25,630	29,533	17,309
Other financial assets - non-current portion	3,975	1,678	1,125
Total	**56,789**	**58,971**	**51,556**

Trade receivables consist of promotional contributions and bonuses on purchases from suppliers and receivables from customers for wholesale transactions. Because of the business model of the WDF Group, centered on the relationship with the end consumer, the credit risk on trade receivables is not high relative to the total financial assets, as the consideration due for sales is generally settled in cash.

Other receivables consist mainly of amounts due by the tax authorities and the public administration, prepaid rent and advances for services, commercial investments made on behalf of concession grantors and receivables owed by credit card issuers, all of which entail a limited credit risk.

Financial assets are recognized net of impairment losses computed to reflect the risk of default by counterparties. Impairment is determined in accordance with local procedures, which may require both impairment of individual positions, if individually material, when there is evidence of an objective condition of uncollectability or all of part of the amount due, and generic impairment calculated on the basis of historical and statistical data.

The table that follows shows the age of trade receivables at December 31, 2012, 2011 and 2010:

In thousands of Euro and percentage of trade receivables	Not expired	Expired not impaired				Total
		1-3 months	3-6 months	6 months - 1 year	Over 1 year	Total
Trade receivables as of December 31, 2012	11,045	6,563	8,210	338	756	**26,912**
percentage of total trade receivables	*41.0%*	*24.4%*	*30.5%*	*1.3%*	*2.8%*	**100.0%**
Trade receivables as of December 31, 2011	12,334	12,069	2,047	593	10	**27,053**
percentage of total trade receivables	*45.6%*	*44.6%*	*7.6%*	*2.2%*	*0.0%*	**100.0%**
Trade receivables as of December 31, 2010	17,100	11,763	3,204	756	115	**32,938**
percentage of total trade receivables	*51.9%*	*35.7%*	*9.7%*	*2.3%*	*0.3%*	**100.0%**

There is no significant concentration of credit risk. The balance of the top 10 counterparties represented 13%, 14% and 13% of total trade receivables at December 31, 2012, 2011 and 2010, respectively.

Liquidity risk

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

The tables that follow shows an analysis of the maturities of financial liabilities at December 31, 2012, 2011 and 2010:

AS OF DECEMBER 31, 2012	Maturity		
In thousands of Euro	**Total**	**Up to 1 year**	**1-5 years**
Short term lines of credit	7,318	7,318	-
Loans, including current portion	495,820	56,521	439,299
Long term loans from Autogrill	70,079	79	70,000
Trade payables	203,843	203,843	-
Other financial liabilities and derivatives	7,206	7,206	-
Other payables	71,819	69,819	2,000
TOTAL	**856,085**	**344,786**	**511,299**

AS OF DECEMBER 31, 2011	Maturity		
In thousands of Euro	**Total**	**Up to 1 year**	**1-5 years**
Short term lines of credit	1,041	1,041	-
Loans, including current portion	489,754	-	489,754
Long term loans from Autogrill	185,252	125	185,127
Trade payables	216,543	216,543	-
Other financial liabilities and derivatives	5,168	5,168	-
Other payables	76,948	73,948	3,000
TOTAL	**974,706**	**296,825**	**677,881**

AS OF DECEMBER 31, 2010	Maturity		
In thousands of Euro	**Total**	**Up to 1 year**	**1-5 years**
Short term lines of credit	4,007	4,007	-
Long term loans from Autogrill	776,135	81,576	694,559
Trade payables	200,620	200,620	-
Other financial liabilities and derivatives	490	490	-
Other payables	94,046	86,150	7,896
TOTAL	**1,075,298**	**372,843**	**702,455**

Please note that at December 31, 2012, 2011 and 2010, there were no financial liabilities with a maturity longer than five year.

With regard to exposure to trade payables, there is no significant concentration of suppliers. The top 10 suppliers accounted for 16%, 22% and 22% of total trade payables at December 31, 2012, 2011 and 2010, respectively. The largest supplier on the same dates was AENA, which at the close of the respective years accounts for 8%, 12% and 15% of the total balance.

The objective of the WDF Group is to maintain sufficient liquid assets to cover this risk. Moreover, the WDF Group is believed to have sufficient flexibility in the time management of its investments and in containing overheads to address any financial stress, while complying with the parameters required by the loan agreements.

Hierarchical levels for the determination of fair value

With regard to financial instruments recognized at fair value in the statement of financial position, IFRS 7 requires that the assigned values be classified in accordance with hierarchical levels that reflects the reliability of the input used to determine fair value.

There are three hierarchical levels:

Level 1 – prices quoted on an active market for the assets or liabilities that are being valued;

Level 2 – inputs that, while different from the quoted prices used in Level 1, can be observed either directly (prices) or indirectly (derived from prices) in the market;

Level 3 – input not based on observable market data.

As mentioned earlier in this note, all of the derivatives agreed by the WDF Group to hedge currencyand interest rate risks are classifiable at Level 2 in the fair value hierarchy.

39. *Financial assets and liabilities by category*

The tables that follow provide a breakdown by category of financial assets and liabilities at December 31, 2012, December 31, 2011 and December 31, 2010:

In thousands of Euro	As of December 31, 2012					
	Financial assets and liabilities at fair value through profit and loss	**Financial liabilities at fair value and other components of comprehensive income statement**	**Loans and receivables**	**Available for sale financial assets**	**Financial liabilities at amortized cost**	**Total**
Cash and cash equivalents	-	-	18,684	-	-	18,684
Other financial assets	272	-	-	-	-	272
Tax assets	-	-	7,798	-	-	7,798
Other receivables - current portion	-	-	25,630	-	-	25,630
Trade receivables	-	-	26,912	-	-	26,912
Other investments	-	-	-	-	-	-
Other financial assets - non-current portion	-	-	3,975	-	-	3,975
Other receivables - non-current portion	-	-	14,017	-	-	14,017
Total	**272**	**-**	**97,016**	**-**	**-**	**97,288**
Trade payables	-	-	-	-	203,843	203,843
Tax liabilities	-	-	-	-	18,694	18,694
Other payables - current portion	-	-	-	-	69,819	69,819
Other financial liabilities - current portion	157	6,408	-	-	720	7,285
Due to banks	-	-	-	-	63,839	63,839
Other payables - non-current portion	-	-	-	-	2,000	2,000
Other financial liabilities - non-current portion	-	-	-	-	70,000	70,000
Loans, net of current portion	-	-	-	-	439,299	439,299
Total	**157**	**6,408**	**-**	**-**	**868,214**	**874,779**

In thousands of Euro	As of December 31, 2011					
	Financial assets and liabilities at fair value through profit and loss	**Financial liabilities at fair value and other components of comprehensive income statement**	**Loans and receivables**	**Available for sale financial assets**	**Financial liabilities at amortized cost**	**Total**
Cash and cash equivalents	-	-	45,357	-	-	45,357
Other financial assets	707	-	-	-	-	707
Tax assets	-	-	4,336	-	-	4,336
Other receivables - current portion	-	-	29,533	-	-	29,533
Trade receivables	-	-	27,053	-	-	27,053
Other investments	-	-	-	395	-	395
Other financial assets - non-current portion	-	-	1,678	-	-	1,678
Other receivables - non-current portion	-	-	11,967	-	-	11,967
Total	**707**	**-**	**119,924**	**395**	**-**	**121,026**
Trade payables	-	-	-	-	216,543	216,543
Tax liabilities	-	-	-	-	14,878	14,878
Other payables - current portion	-	-	-	-	73,948	73,948
Other financial liabilities - current portion	308	3,922	-	-	1,063	5,293
Due to banks	-	-	-	-	1,041	1,041
Other payables - non-current portion	-	-	-	-	3,000	3,000
Other financial liabilities - non-current portion	-	-	-	-	185,127	185,127
Loans, net of current portion	-	-	-	-	489,754	489,754
Total	**308**	**3,922**	**-**	**-**	**985,354**	**989,584**

In thousands of Euro	As of December 31, 2010					
	Financial assets and liabilities at fair value through profit and loss	**Financial liabilities at fair value and other components of comprehensive income statement**	**Loans and receivables**	**Available for sale financial assets**	**Financial liabilities at amortized cost**	**Total**
Cash and cash equivalents	-	-	55,663	-	-	55,663
Other financial assets	184	-	-	-	-	184
Tax assets	-	-	3,340	-	-	3,340
Other receivables - current portion	-	-	17,309	-	-	17,309
Trade receivables	-	-	32,938	-	-	32,938
Other investments	-	-	-	505	-	505
Other financial assets - non-current portion	-	-	1,125	-	-	1,125
Other receivables - non-current portion	-	-	12,446	-	-	12,446
Total	**184**	**-**	**122,821**	**505**	**-**	**123,510**
Trade payables	-	-	-	-	200,620	200,620
Tax liabilities	-	-	-	-	14,985	14,985
Other payables - current portion	-	-	-	-	86,150	86,150
Other financial liabilities - current portion	109	-	-	-	81,957	82,066
Due to banks	-	-	-	-	4,007	4,007
Other payables - non-current portion	-	-	-	-	7,896	7,896
Other financial liabilities - non-current portion	-	-	-	-	694,559	694,559
Loans, net of current portion	-	-	-	-	-	-
Total	**109**	**-**	**-**	**-**	**1,090,174**	**1,090,283**

At December 31, 2012, the fair values of financial assets and liabilities are substantially in line with the current carrying amounts. Moreover, with regard to financial transactions, the corresponding liabilities are settled at market rates, while non-financial transactions, assets and liabilities are primarily settled over the short-term.

40. Segment reporting

As explained more in detail in the Foreword to these accompanying notes, the WDF Group, which is active in the Duty Free & Duty Paid sector, operated in four geographical areas: United Kingdom, Rest of Europe, Americas, Asia and Middle East, designated as operating segments pursuant to IFRS 8.

The criteria applied to designate these geographical areas as operating segments were based, inter alia, on the methods used at the highest level of operational decision making to periodically review the results of the WDF Group and adopt decisions concerning the allocation of resources to the various segments and assess their performance.

The tables below present relevant information concerning the four geographical areas during the years ended December 31, 2012, 2011 and 2010:

In thousands of Euro	As of and for the year ended December 31, 2012					
	United Kingdom	Rest of Europe	Americas	Asia and Middle East	Not allocated	Total
Revenue	961,744	596,946	280,648	162,635	-	2,001,973
EBITDA	126,179	76,731	31,992	27,435	-	262,337
Depreciation and amortization	(40,571)	(53,665)	(9,226)	(8,917)	-	(112,379)
Impairment losses on property, plant and equipment and intangible assets	-	-	(288)	-	-	(288)
Operating profit	85,608	23,066	22,478	18,518	-	149,670
Financial income	-	-	-	-	817	817
Financial expense	-	-	-	-	(19,290)	(19,290)
Income tax	-	-	-	-	(30,029)	(30,029)
Profit for the year	-	-	-	-	103,012	103,012
Total assets	888,453	394,102	135,272	130,509	50,807	1,599,143
Total liabilities	145,517	120,049	29,606	19,910	672,980	988,062
Investments in associates	-	8,668	-	468	-	9,136
Goodwill	433,124	82,248	43,397	46,348	-	605,117
Other intangible assets	339,143	203,027	32,864	47,840	-	622,874
Investment property	-	6,932	-	-	-	6,932
Property, plant and equipment	42,879	19,108	13,771	4,596	-	80,354
Capital expenditures	11,014	5,776	9,272	2,381	-	28,443

In thousands of Euro	As of and for the year ended December 31, 2011					
	United Kingdom	**Rest of Europe**	**Americas**	**Asia and Middle East**	**Not allocated**	**Total**
Revenue	859,670	571,911	240,572	148,450	-	1,820,603
EBITDA	110,776	62,440	32,431	22,662	-	228,309
Depreciation and amortization	(37,434)	(54,213)	(10,829)	(8,661)	-	(111,137)
Impairment losses on property, plant and equipment and intangible assets	-	(218)	(9,959)	-	-	(10,177)
Operating profit	73,342	8,009	11,643	14,001	-	106,995
Financial income	-	-	-	-	449	449
Financial expense	-	-	-	-	(28,660)	(28,660)
Income tax	-	-	-	-	(16,289)	(16,289)
Profit for the year	-	-	-	-	63,891	63,891
Total assets	896,518	435,788	139,282	138,333	87,613	1,697,534
Total liabilities	151,781	117,625	30,273	23,314	796,146	1,119,139
Investments in associates	-	7,127	-	468	-	7,595
Goodwill	423,098	82,836	44,787	47,299	-	598,020
Other intangible assets	353,274	239,138	39,765	57,961	-	690,138
Investment property	-	7,307	-	-	-	7,307
Property, plant and equipment	48,671	29,512	8,119	3,047	-	89,349
Capital expenditures	11,206	7,377	703	570	-	19,856

In thousands of Euro	As of and for the year ended December 31, 2010					
	United Kingdom	**Rest of Europe**	**Americas**	**Asia and Middle East**	**Not allocated**	**Total**
Revenue	784,670	534,632	197,938	158,036	-	1,675,276
EBITDA	91,132	56,219	21,318	24,913	-	193,582
Depreciation and amortization	(38,242)	(52,532)	(13,385)	(9,139)	-	(113,298)
Impairment losses on property, plant and equipment and intangible assets	-	(2,068)	-	-	-	(2,068)
Operating profit	52,890	1,619	7,933	15,774	-	78,216
Financial income	-	-	-	-	1,535	1,535
Financial expense	-	-	-	-	(45,583)	(45,583)
Income tax	-	-	-	-	(1,703)	(1,703)
Profit for the year	-	-	-	-	33,736	33,736
Total assets	884,676	478,000	147,863	150,104	93,848	1,754,491
Total liabilities	155,939	139,317	20,860	26,675	913,267	1,256,058
Investments in associates	-	6,209	-	468	-	6,677
Goodwill	410,562	82,173	43,505	45,892	-	582,132
Other intangible assets	364,157	278,069	55,102	65,351	-	762,679
Investment property	-	7,682	-	-	-	7,682
Property, plant and equipment	52,745	36,225	14,435	3,820	-	107,225
Capital expenditures	12,380	12,997	1,874	719	-	27,970

Management computes EBITDA as earnings before income taxes, impairment losses on financial assets, financial expense and income, impairment losses on property, plant and equipment and intangibles, and depreciation and amortization.

A breakdown of revenue by product category is provided in Note 25 “Revenue.”

41. *Guarantees provided, commitments and contingent liabilities*

Guarantees

The WDF Group provided guarantees totaling Euro 140.4 million at December 31, 2012, Euro 93.8 million at December 31, 2011 and Euro 81.4 million at December 31, 2010, mainly for the benefit of concession grantors.

Please note that the guarantees provided at December 31, 2012 included guarantees amounting to Euro 26.8 million related to the tax audit for 2006 described below.

Commitments

At December 31, 2012, the WDF Group did not have any significant commitments outstanding for purchases of finished goods, investments or other services, except as noted below in Note 42 "Operating leases payable."

Contingent liabilities

Please note than in 2012 the Spanish company World Duty Free España S.A. (formerly Aldeasa S.A.) was audited by the local tax authorities, which raised certain issues regarding 2006. Subsequently, similar findings were raised for 2007 and 2008. Comforted by the opinions of local tax experts, the company's management believes these findings lack sufficient legal justification and that it is highly likely that they will be dismissed when disputed.

The table below shows the tax years that were still open to tax inspection at December 31, 2012, broken down by country:

	United Kingdom	Mexico	Spain	Jordan	Chile	Canada
Income tax	2010-2012	2008-2013	2007-2011	2011-2012	2010-2012	2006-2012
VAT	2009-2012	2008-2014	2009-2012	2012	2012	2006-2013
Duties and specific taxes	2007-2012	2008-2015	2010-2012	2012	2010-2012	2006-2014
Withholding tax	2009-2012	2008-2016	2009-2012		2012	2006-2015

42. *Operating leases payable*

The WDF Group operates through administrative concessions granted by airport authorities. A breakdown by maturity of the future minimum payments owed under the abovementioned contracts at December 31, 2012, 2011 and 2010 is provided below:

In thousands of Euro	For the year ended December 31,		
	2012	**2011**	**2010**
Up to 1 year	324,184	418,153	382,871
1 - 5 years	1,159,306	1,094,583	1,074,057
More than 5 years	741,651	871,592	980,480
Total	**2,225,141**	**2,384,328**	**2,437,408**

43. *Other information*

43.1 Related party transactions

The tables below provide an overview of transactions with related parties for the 2012, 2011 and 2010, as reflected in the balances of the combined statement of financial position and the combined income statement:

In thousands of Euro	**Other receivables - current**			**Trade receivables**			**Trade payables**			**Other payables - current**			**Other financial liabilities - current and non-current**		
Statement of financial position	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Autogrill S.p.A.	235	1,039	-	-	40	1,286	-	-	-	1,384	1,470	1,338	70,079	185,252	776,135
Autogrill Iberia SAU	-	-	-	-	-	-	-	27	-	-	-	10,159	-	-	-
Autogrill Catering Uk Ltd.	-	13	365	3	-	-	-	-	-	-	-	-	-	-	-
HMS Host	-	-	-	-	-	-	-	-	-	54	25	14	-	-	-
ADR Tel S.p.A.	-	-	-	-	-	-	5	-	-	5	-	-	-	-	-
Edizione S.r.l.	164	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aeroporti di Roma S.p.A.	-	-	-	34	-	-	4	-	-	4	-	-	-	-	-
Total related parties	**399**	**1,052**	**365**	**37**	**40**	**1,286**	**9**	**27**	**-**	**1,447**	**1,495**	**11,511**	**70,079**	**185,252**	**776,135**
Statement of financial position	25,630	29,533	17,309	26,912	27,053	32,938	203,843	216,543	200,620	69,819	73,948	86,150	77,285	190,420	776,625
Incidence of related parties on the statement of financial position values	**1.6%**	**3.6%**	**2.1%**	**0.1%**	**0.1%**	**3.9%**	**0.0%**	**0.0%**	**0.0%**	**2.1%**	**2.0%**	**13.4%**	**90.7%**	**97.3%**	**99.9%**

In thousands of Euro	**Revenue and other operating income**			**Operating expenses (*)**			**Net financial expense / (income)**		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**	**2012**	**2011**	**2010**
Autogrill S.p.A.	1,191	1,378	2	1,335	1,602	(267)	2,256	21,847	43,473
Autogrill Iberia SAU	-	-	-	-	12	5	-	-	-
Autogrill Catering Uk Ltd.	-	-	-	(45)	(12)	(77)	-	-	-
HMS Host	-	-	-	44	44	46	-	-	-
ADR Tel S.p.A.	-	-	-	7	-	-	-	-	-
Aeroporti di Roma S.p.A.	-	-	-	1,159	-	-	-	-	-
ADR Mobility S.r.l.	-	-	-	9	-	-	-	-	-
Autogrill Finance S.A.	-	-	-	-	-	-	-	-	51
Total related parties	**1,191**	**1,378**	**2**	**2,509**	**1,646**	**(293)**	**2,256**	**21,847**	**43,524**
Income statement	2,028,580	1,846,125	1,706,650	1,766,243	1,617,816	1,513,068	18,473	28,211	44,048
Incidence of related parties on the income statement values	**0.1%**	**0.1%**	**0.0%**	**0.1%**	**0.1%**	**0.0%**	**12.2%**	**77.4%**	**98.8%**

(*) "Operating expenses" includes "Raw materials, supplies and goods," "Personnel expense," "Leases, rentals concessions and royalties" and "Other operating expense"

The main transactions between Autogrill and the WDF Group executed during the three-year period from 2010 to 2012 included the following:

(i) loans granted by Autogrill to the WDF Group (see Note 20 "Other financial liabilities" for additional information);

(ii) the provision of centralized services, mainly in the information and communication technology area.

The balance shown for “Other payables” owed to Autogrill Iberia SAU at December 31, 2010 reflects amounts owed by the WDF Group in connection with reorganization transactions of the Autogrill Group completed in 2010, as explained in the “General information” section of these notes.

The balance shown for “Other receivables” owed by Edizione S.e.l. at December 31, 2012 reflects the receivable resulting from the inclusion of WDFG Italia S.r.l. (formerly Alpha Retail Italia S.r.l.) in the consolidated income tax return filed by Edizione S.r.l.

The costs paid to Aeroporti di Roma S.p.A. in 2012 reflect concession fees and related incidental expenses paid to operate facilities located at the Fiumicino and Ciampino airports in Rome, as well as cost for telephone services, online services and parking services.

The transactions executed with counterparties related to the WDF Group do not qualify as atypical or unusual, as they were executed by the WDF Group in the normal course of business. These transactions were executed in the interest of the WDF Group on standard market terms.

43.2. Compensation paid to key management personnel

The compensation paid to key management personnel in the years ended December 31, 2012, 2011 and 2010 is summarized in the table below:

In thousands of Euro	**Compensation**	**Bonus and other incentives**	**Non-monetary benefits**	**Other**	**Total**
2012	1,852	811	77	2,662	5,402
2011	1,664	869	89	122	2,744
2010	1,609	923	91	224	2,847

Incentive plans

On April 20, 2010, Autogrill’s shareholders’ meeting approved a stock option plan calling for the award of stock options to executive Directors and/or employees of companies of the Autogrill Group and, specifically, a strategic executive of the WDF Group. These option convey the right to acquire through subscription, i.e., purchase, Autogrill common shares at the ratio of one share per option. Option are awarded to the beneficiaries free of charge and may be exercised, at the end of the vesting period, at a price equal to the average stock market price for the month preceding the award date.

Options may be exercised during the period between April 20, 2014 and April 30, 2015 and the maximum number of options exercisable by the WDF Group beneficiary is 120,000.

The cost recognized by the WDF Group for this plan amounted to Euro 44 thousand in 2012 and Euro 51 thousand in 2011.

Please note that on June 6, 2013, Autogrill’s shareholders’ meeting approved some amendments to the abovementioned plan calling for the award to the beneficiaries of the right, exercisable if predetermined objective are achieved, to receive, upon payment of the exercise price, one Autogrill common share and one WDF common share for each vested stock option. The option exercise period was also extended to April 30, 2018.

43.3. Fees paid to the independent auditors

The table below provides an overview of the fees paid to the independent auditors and other companies in their network for unnecessary auditing services and other services provided in 2012, 2011 and 2010:

Type of service	Service provider	Recipient	Fees for the years ended December 31 (in thousands of Euro),		
			2012	2011	2010
Auditing	Parent's auditors network	Subsidiaries	55	25	25
	Parent's auditors network	Subsidiaries	302	263	241
	Parent's auditors network	Subsidiaries	422	528	653
Other services	Parent's auditors network	Subsidiaries	-	27	96
	Parent's auditors network	Subsidiaries	111	475	69
TOTAL			**890**	**1,318**	**1,084**

44. Significant non-recurring events and transactions

There were no significant non-recurring events or transactions in the three-year period from 2010 to 2012, as defined in Consob Resolution No. 15519 and Consob Communication No. DEM/6064293.

45. Positions and transactions resulting from atypical and/or unusual transactions

During the three-year period from 2010 to 2012, there were no atypical and/or unusual transactions, as defined in Consob Communication No. DEM/6037577 of April 28, 2006 and Consob Communication No. DEM/6064293 of 28 July 2006.

46. Events after the reporting period

On February 14, 2013, following the award in December 2012 of tenders for the award of duty free and duty paid concessions to operate until 2020 airport retail facilities at airports in the Iberian Peninsula and the Canary Islands, the companies WDFG España and Sociedad de Distribución Comercial Aeroportuaria de Canarias SL, subsidiaries of WDFG, and AENA signed the corresponding concession contracts. On February 14, 2013, in implementation of the abovementioned contracts, AENA received: (i) the sum of Euro 278,933 thousand (plus VAT amounting to Euro 58,576 thousand) as advance payment of a portion of the concession fees payable over the duration of the contracts; and (ii) Euro 27,318 thousand as a security deposit. The advance will be gradually recovered by means of deductions from the concession fees payable over the duration of the concession contracts.

On April 30, 2013, the shareholders' meeting of World Duty Free Group SAU resolved to carry out a Distribution in the amount of Euro 220,000 thousand, which was paid out in full on June 5, 2013.

On May 30, 2013, World Duty Free Group SAU and some of its subsidiaries signed a long-term loan agreement for the provision of new credit lines for a total principal amount of up to Euro 1,250,000 thousand.

On June 6, 2013, the shareholders' meeting of WDF approved a plan for the partial, proportional demerger of Autogrill, to WDF, implemented through the assignment by Autogrill to WDF of its 100% ownership interest held by Autogrill in World Duty Free Group SAU.

47. List of consolidated companies

Company	Registered office	Currency	Included in the consolidated financial statements			% held at December 31,			Share capital as of December 31, 2012 (in thousands)
			2012	2011	2010	2012	2011	2010	
World Duty Free Group España, S.A.	Madrid	EUR	YES	YES	YES	100%	100%	100%	10,772
Aldeasa Chile, Limitada	Santiago de Chile	USD	YES	YES	YES	100%	100%	100%	2,517
Aldeasa Servicios Aeroportuarios, Ltda. (11)	Santiago de Chile	USD	YES	YES	YES	100%	100%	100%	15
Sociedad de Distribución Comercial Aeroportuaria de Canarias, S.L.	Las Palmas	EUR	YES	YES	YES	60%	60%	60%	667
Aldeasa Colombia, Ltda.	Cartagena de Indias	COP	YES	YES	YES	100%	100%	100%	2,356,076
Aldeasa México, S.A. de C.V.	Cancun	MXN	YES	YES	YES	100%	100%	100%	60,963
Prestadora de Servicios en Aeropuertos, S.A. de C.V.	Cancun	MXN	YES	YES	YES	100%	100%	100%	50
Aldeasa Cabo Verde, S.A.	Sal Island	CVE	YES	YES	YES	100%	100%	100%	6,000
Aldeasa Italia S.r.l.	Napoli	EUR	YES	YES	YES	100%	100%	100%	10
Aldeasa Duty Free Comercio e Importación de Productos LTDA	Sao Paulo	BRL	YES	YES	YES	100%	100%	100%	1,000
Palacios y Museos, S.L.	Madrid	EUR	YES	YES	YES	100%	100%	100%	160
Audioguiarte. S.L.	Madrid	EUR	YES	YES	YES	100%	100%	100%	251
Panalboa, S.A.	Panama	PAB	YES	YES	YES	80%	80%	80%	150
Aldeasa Jamaica Ltd. (1)	Jamaica	USD	YES	YES	NO	100%	100%	n.a.	23,740
WDFG Germany GmbH (2)	Dusseldorf	EUR	YES	NO	NO	100%	n.a.	n.a.	250
WDFG Italia, S.r.l. (3)	Roma	EUR	YES	NO	NO	100%	n.a.	n.a.	10
Cancouver Uno S.L.	Madrid	EUR	YES	YES	YES	100%	100%	100%	3
WDFG Vancouver LP	Vancouver	CAD	YES	YES	YES	100%	100%	100%	12,676
WDFG Canada INC	Vancouver	CAD	YES	YES	YES	100%	100%	100%	1
Aldeasa Jordan Airports Duty Free Shops Ltd.	Amman	USD	YES	YES	YES	100%	100%	100%	705
WDFG US INC	Wilmington	USD	YES	YES	YES	100%	100%	100%	49,012
Alpha Keys Orlando Retail Associates LLP (11)	Florida	USD	YES	YES	YES	85%	85%	85%	100
WDF US Inc.	Florida	USD	YES	YES	YES	100%	100%	100%	1,400
Aldeasa Atlanta LLC	Atlanta	USD	YES	YES	YES	100%	100%	100%	0
Aldeasa Atlanta JV	Atlanta	USD	YES	YES	YES	76%	76%	76%	1,672
Aldeasa Curaçao N.V.	Curacao	USD	YES	YES	YES	100%	100%	100%	500
Autogrill Lanka Ltd.	Fort Colombo	LKR	YES	YES	YES	99%	99%	99%	30,000
Alpha-Kreol (India) Pvt Ltd.	Mumbai	INR	YES	YES	YES	50%	50%	50%	100
Airport Retail Pvt Limited	Mumbai	INR	YES	YES	YES	100%	100%	100%	601,473
WDFG UK Holdings Limited	London	GBP	YES	YES	YES	100%	100%	100%	12,484
Autogrill Holdings UK plc	London	GBP	YES	YES	YES	100%	100%	100%	1

Company	Registered office	Currency	Included in the consolidated financial statements			% held at December 31,			Share capital as of December 31, 2012 (in thousands)
			2012	2011	2010	2012	2011	2010	
WDFG UK Limited	London	GBP	YES	YES	YES	100%	100%	100%	360
WDFG International Limited	London	GBP	YES	YES	YES	100%	100%	100%	0
Autogrill Holdings UK Pension Trustees Ltd.	London	GBP	YES	YES	YES	100%	100%	100%	0
Pratt & Leslie Jones Ltd.	London	GBP	(4)	YES	YES	(4)	100%	100%	9 (10)
Alpha Retail Ireland Ltd. (11)	Dublin	EUR	YES	YES	YES	100%	100%	100%	0
WDFG Jersey Limited	Jersey Airport, St Peter	GBP	YES	YES	YES	100%	100%	100%	4
Alpha ASD Ltd. (11)	London	GBP	YES	YES	YES	100%	50%	50%	20
Alpha ESOP Trustee Ltd.	London	GBP	(4)	YES	YES	(4)	100%	100%	0 (10)
Alpha Euroservices Ltd.	London	USD	(4)	YES	YES	(4)	100%	100%	0 (10)
Alpha Airports (FURBS) Trustees Ltd.	London	GBP	(4)	YES	YES	(4)	100%	100%	26 (10)
Alpha Airports Group (Channel Islands) Ltd. (11)	St Helier, Jersey	GBP	YES	YES	YES	100%	100%	100%	0
Dynair BV	Schipolweg	EUR	(4)	YES	YES	(4)	100%	100%	18 (10)
Airport Duty Free Shops Ltd.	London	GBP	(4)	YES	YES	(4)	100%	100%	0 (10)
Alpha Airports Retail Holdings Pvt Limited	Mumbai	INR	YES	YES	YES	100%	100%	100%	404,715
Souk Al Mohuajir DFShops (11)	Tangeri	DHS	YES	YES	YES	36%	36%	36%	6,500
Creuers del Port de Barcelona S.A.	Barcelona	EUR	YES	YES	YES	23%	23%	23%	3,005
Alpha MVKB Maldives PVT (5)	Male	MVR	NO	NO	YES	n.a.	n.a.	60%	2 (9)
Aldeasa Internacional, S.A. (6)	Madrid	EUR	NO	YES	YES	n.a.	100%	100%	1.352 (10)
Transportes y Suministros Aeroportuarios, S.A. (7)	Madrid	EUR	NO	YES	YES	n.a.	100%	100%	1.202 (10)
Aldeasa Projects Culturels, SAS (8)	Paris	EUR	NO	YES	YES	n.a.	100%	100%	823 (10)
Alpha Airport Holdings BV	Boesingheliede	EUR	(4)	YES	YES	(4)	100%	100%	75 (10)
ITDC-Aldeasa (India) Pvt, Ltd.	New Delhi	INR	YES	NO	NO	50%	n.a.	n.a.	100
WDFG Keys Orlando Llc. (11)	Delaware	USD	YES	YES	NO	100%	100%	n.a.	0

(1) Company established in 2011 and 100% held by Aldeasa S.A. (then World Duty Free Group España, S.A.)

(2) Company entirely acquired by World Duty Free Group España, S.A. as of August 2, 2012

(3) Company entirely acquired by World Duty Free Group España, S.A. in January 2012

(4) Company wound up during 2012

(5) Company sold by Alpha Airports Group Ltd (then WDFG International Limited) during 2011

(6) Company held by World Duty Free Group España and wound up on July 11, 2012

(7) Company held by World Duty Free Group España and wound up on July 11, 2012

(8) Company held by Palacios y Museos, S.L. and wound up on September 17, 2012

(9) Data as of December 31, 2010

(10) Data as of December 31, 2011

(11) Company currently winding up

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

Telefono +39 02 6763.1
Telefax +39 02 67632445
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

Report of the auditors

To the board of directors of
World Duty Free S.p.A.

1 We have audited the combined financial statements of the World Duty Free Group as at and for the years ended 31 December 2012, 2011 and 2010, comprising the combined statement of financial position, combined income statement, combined statement of comprehensive income, combined statement of changes in equity, combined statement of cash flows and notes thereto (the "combined financial statements"). These combined financial statements have been drawn up solely for their inclusion in the information document prepared as part of the procedures for listing the ordinary shares of World Duty Free S.p.A. on the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A., pursuant to Regulation no. 809/2004/EC. The parent's directors are responsible for the preparation of the combined financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union. 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 combined 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.

3 In our opinion, the combined financial statements of the World Duty Free Group as at and for the years ended 31 December 2012, 2011 and 2010 comply with the International Financial Reporting Standards endorsed by the European Union. Therefore, they are clearly stated and give a true and fair view of the financial position of the World Duty Free Group as at 31 December 2012, 2011 and 2010, the results of its operations and its cash flows for the years then ended.

KPMG

World Duty Free Group
Report of the auditors
31 December 2012, 2011 and 2010

4 This report has been prepared for the sole purposes described in paragraph 1 and cannot be used for any other purposes.

Milan, 30 August 2013

KPMG S.p.A.

(signed on the original)

Stefano Azzolari
Director

ANNEX 3
Current By-laws of World Duty Free S.p.A.

Attchment "B" No. 9,684/5,055 of rep.

By-laws

NAME, REGISTERED OFFICE, CORPORATE PURPOSE, DURATION

Article 1) – Name

The company is called WORLD DUTY FREE S.p.A. or, in brief, WDF S.p.A..

Article 2) – Registered office

The registered office of the company is in Novara (Italy).

The company has the power to set up, modify and suppress, in the ways and forms required from time to time, secondary establishments, branches, offices, outlets, agencies and annexes of any type in Italy and abroad.

Article 3) – Domicile

Shareholders' domicile, fax number, e-mail address or other addresses to which communications or notices are validly made, as provided for by the By-laws or in general made by the company, shall result from the Shareholders' ledger and in any case be effected for that purpose by the Shareholders.

Article 4) – Corporate purpose

The purpose of the Company is to exercise directly, or indirectly through subsidiary companies, both in Italy and abroad, the management of stores, shops and retail outlets and in particular in stores and outlets located in airports, in duty-free and duty-paid shops, as well as of related commercial activities in all forms and types permitted by law, including, but on a merely indicative basis, fragrances, publishing products, other consumer goods and monopoly goods, both subject to and exempt from tax.

The company may also exercise, directly or indirectly through subsidiary companies, both in Italy and abroad, the management of confectionery shops, bars, restaurants, snack bars, hotels, motels, filling stations and related services, as well as the serving and retailing of food and beverages, confectionery products and similar products.

In order to achieve its corporate purpose, the company may provide assistance and technical, commercial and administrative co¬ordination, with or without leasing of goods and equipment, of the companies and entities in which it holds interests, as well as, in a non-prevalent and entirely occasional and instrumental manner, not in dealings with the public, execute all industrial, commercial, financial, movable and real estate transactions, grant endorsements, sureties and all other guarantees in general in order to guarantee its own or third-party commitments, and also directly or indirectly acquire equity investments in other companies, entities or consortia for the sole purpose of stable investment, stipulate partnership agreements as either the associating or the associated party, grant the management of its own business or a part thereof to third parties, take on the management of third party business or parts thereof.

Article 5) – Duration

The duration of the company is fixed at December 31, 2070.

SHARE CAPITAL – SHARES

Article 6) – Share Capital

The nominal value of Company's share capital amounts to € 120,000 represented by 120,000 shares without par value.

The Company is not required to issue certificates or instruments representing its shares.

The transfer of shares is effective towards the Company following its entry in the Shareholders' ledger.

If set forth by mandatory law provisions, the Company may adopt the different representation, entitlement and circulation techniques provided for by applicable laws.

The Share Capital may be increased also through contributions differing from cash contributions, within the limits provided for by applicable laws.

Art. 7 – Transfer of shares

The shareholder who intends to carry out acts of disposal of any nature, i.e. cash sale, exchange, contribution, carry forward, donation, or any act or contract having consideration determining the direct or indirect transfer against payment to a third party or to another shareholder, of Company shares, bonds convertible into shares and/or subscription rights, or of real property and/or warranty rights relating to the abovementioned shares and convertible bonds or other rights to the aforementioned shares or convertible bonds (hereinafter, collectively, referred to as "Rights"), shall first offer the Rights to all the shareholders, in proportion to the shares held by each member in the Company, without prejudice to the right of increase of each shareholder, pre-emption to all members at the same terms.

Pre-emption rights shall be exercised pursuant to the following terms and conditions:

(i) the shareholder (hereinafter, "Offering Party") who intends to dispose of Rights he/she holds, shall offer them in advance to the other shareholders by registered letter with acknowledgment of receipt, stating the particulars of the potential buyer, the price and other conditions of the transfer warning the shareholders that, if one of them does not intend or is unable to exercise pre-emption, his/her Rights will automatically and proportionally increase the pre-emption Rights of those members who, on the contrary, intend to exercise pre-emption and who have not expressly and previously waived such additional rights upon exercise of pre-emption.

(ii) pre-emption may be exercised by notice sent by registered letter with acknowledgment of receipt directly to the Offering Party and to each of the other shareholders by the term established under penalty of forfeiture of forty-five (45) calendar days of receipt of the registered letter mentioned under point (i), it being understood that unless expressly waived, said pre-emption shall be deemed automatically exercised also for the Rights increased in proportion to each member as a result of the failure to exercise the pre-emption right by one or more of the entitled shareholders.

(iii) if pre-emption is not exercised as described above with respect to all Rights offered, the Offering Party who does not intend to exercise pre-emption limited to a portion of the Rights offered, will be entitled to transfer all Rights to the purchaser specified in the offer under point (i) above, at terms not more favourable to the latter as those specified in such offer, within 90 (ninety) days from expiration of the period specified under point (ii), or, if he/she accepts to exercise the pre-emption rights for only part of the offered Rights, he/she will be entitled, within the same period of ninety (90) days, to transfer to the Purchaser indicated in the offer under point (i) above the residual Rights, at terms not more favourable for the latter as specified in that offer. If such transfer does not occur within this period, the Offering Party shall comply once again with the provisions of this paragraph.

(iv) if the Offering Party intends to dispose of its interest against a non-monetary consideration, the shareholders who wish to exercise pre-emption shall indicate, within the period referred to under point (ii), if they intend to execute the non-monetary consideration – where possible – or its equivalent in cash; in the latter case, the purchase price will be determined by mutual agreement or in accordance with the rules provided for withdrawal.

The foregoing provisions shall also apply to whatsoever act or contract, even without consideration, determining the transfer, in any form, of the Rights of the shareholders, it being understood that the above provisions shall also apply in the absence of notice or of the offer or of the determination of a price in cash for the purpose of such offer, where the purchasing price shall be determined by mutual agreement or in accordance with the rules provided for withdrawal.

The establishment *inter vivos* in any way of securities interests (diritti reali di garanzia) or in rem rights of enjoyment (*diritti reali di godimento*) on the Company's shares shall be allowed provided that it does not determine in any case the loss, even partial, of the right to vote. In this case the above provisions shall not apply.

Notwithstanding the provisions in the preceding paragraphs, the shareholders may transfer the Rights, in whole or in part, to companies that own the entire share capital of the transferring shareholder or to companies in which the transferring shareholder owns the entire share capital, provided that:

(i) the transferring shareholder shall give prior notice to the other shareholders pursuant to the modes described above, at least fifteen (15) days prior to the transfer date,

(ii) upon transfer, the transferring shareholder and the acquiring company respectively undertake to repurchase and retransfer the full ownership of the Rights transferred before carrying out any operation that could eliminate the above-mentioned ownership relationship.

Art. 8 – Withdrawal

Shareholders are entitled to withdraw when the right is expressly provided for by law. Withdrawal shall not apply to resolutions concerning:

(a) the extension of the term;

(b) the introduction, modification or removal of restrictions on the transfer of shares.

SHAREHOLDERS MEETINGS

Art. 9 – Calling of the meeting

A Shareholders’ Meeting shall be convened by the Board of Directors in the cases provided for by law and whenever the Board of Directors deems it appropriate, and in any case at least once a year, within one hundred twenty days following the closing of the financial year or within one hundred eighty days pursuant to the terms provided for under Article 2364, paragraph 2, of the Italian Civil Code.

The meeting shall be convened by notice stating the date, time, place of the meeting, the agenda and the date of the second call. The notice shall be published in the Official Gazette at least fifteen days before the date set for the meeting or announced, unless the Company resorts to risk capital, alternatively or promiscuously, by registered letter with acknowledgment of receipt, anticipated by fax, by e-mail or by other means which ensure proof of receipt to the addresses, contact information and references under art. 3, to be sent at least eight days before the scheduled date for the meeting.

The meeting may be convened in a place other than the registered office, but only in Italy, Switzerland, or in European Union countries.

Meetings which are not called following the above conditions shall be deemed valid if the entire share capital is represented and a majority of the Board of Directors Members and the Statutory Auditors are present. In this case, each participant may object to the discussion and to the vote of the agenda which he/she feels not to have been sufficiently informed about.

In the case of the preceding paragraph, timely notice of the resolutions passed shall be given to the directors and auditors who were not present.

Art. 10 – Meeting by videoconference or teleconference

Participation in meetings can take place by means of videoconference provided that the collegial method and the principles of good faith and equal treatment for all shareholders are observed. In particular, it shall be necessary that:

(i) the Chairman of the Meeting be allowed, even through his office, to ascertain the identity and legitimacy of the participants, direct the proceedings, determine and announce the voting results;

(ii) the minutes taker be allowed to adequately perceive the events discussed and to be verbalised;

(iii) the Participants be allowed to take part in the discussion and to vote simultaneously on the agenda.

Once these conditions are satisfied, the Meeting shall be deemed to be held in the place where the Chairman and the minutes-taker are located.

Art. 11 – Calling of the Meeting and validity of resolutions

The Ordinary Shareholders' Meeting shall be duly convened on first call with the attendance of shareholders representing at least one-half of the share capital with voting rights in the said Meeting and shall resolve with the absolute majority of those present, including abstentions.

The Extraordinary Shareholders' Meeting on first call shall resolve with the favourable vote of shareholders representing more than one-half of the share capital.

At the second call, the Ordinary Shareholders' Meeting shall be constituted whatever being the portion of share capital represented and shall resolve with the absolute majority of those present, including abstentions. The Extraordinary Shareholders' Meeting shall be duly convened with the participation of more than one-third of the share capital and resolve with the favourable vote of at least two-thirds of the shares represented at the Meeting.

Additional quorums required by law shall be acknowledged, including that requiring two-thirds of the share capital for the introduction and removal of arbitration clauses, provided however in this case the right of withdrawal of absent or dissenting members.

Art. 12 – Right to attend

To be entitled to attend and vote at Shareholders meetings, the shareholders must be enrolled in the Register of Shareholders.

Art. 13 – Representation in the Shareholders meeting

Each shareholder entitled to attend a meeting may be represented pursuant to the forms and limits of the law. In any case, representation shall not be given to administrators or supervisors or employees of the Company and its subsidiaries or to the latter.

Art. 14 – Chairmanship of the Meetings. Minutes Taking

Shareholders Meetings shall be chaired by the Chairman of the Board of Directors and, in case of absence or impediment, by his/her representative; in their absence, by another person designated by the Meeting.

The Chairman of the Meeting, even through appropriate delegates, shall verify that the Meeting has been duly convened, the identity and legitimacy of the participants, supervise the proceedings, establish the rules for debate and voting (not by secret ballot) and check the results of the voting.

The Chairman shall be assisted by a secretary appointed by the shareholders, who need not be a shareholder. When required by law or when shareholders deem it appropriate, the duties of the secretary shall be exercised by a notary public.

The minutes of the Meeting shall be governed by law.

MANAGING BODY

Art. 15 – Board of Directors

The company shall be managed by a Board of Directors, composed of a number of members ranging from a minimum of three to a maximum of fifteen, according to the determination of the Shareholders' Meeting.

Directors can also be non-members and shall remain in office, according to the resolutions of the Shareholders' Meeting, for a maximum of three years, expiring at the Shareholders' Meeting called to approve the accounts at the last year of their term. They are also re-electable.

If the number of directors is determined at less than the statutory maximum, during the period of tenure of the Board, the Ordinary Shareholders' Meeting shall be entitled to increase that number to the extent of the statutory maximum. The office of new directors appointed in this case shall expire together with those in office at the time of their appointment.

In the event of termination of office of one or more directors, provisions of law shall apply. The Ordinary Shareholders' Meeting may, however, decide to reduce, within the limits of these by-laws, the number of members of the Board to that of the directors remaining in office for the remaining period.

If one-half of the directors in office resign or cease for other causes, in the case of even number, and more than one-half, in the case of odd number, the entire Board shall be deemed no longer to exist with effect from the time of its reconstitution and a new Meeting shall be immediately called by those directors remaining in office in order to appoint a new Board of Directors.

Art. 16 – Powers

The Board of Directors shall be vested with the broadest powers for the ordinary and extraordinary management of the company and shall have the power to perform all acts, even of disposal, deemed necessary for the implementation and the achievement of the corporate purpose, excluding those expressly reserved for the Shareholders as provided for by law.

Subject to the provisions of Articles 2420-*ter* and 2443 of the Italian Civil Code, the Board of Directors shall be responsible for the resolutions, to be adopted according to Article 2436 of the Italian Civil Code, relating to:

– mergers, as provided for by Articles 2505 and 2505-*bis* of the Italian Civil Code, including if mentioned for the demerger, under Article 2506-*ter* of the Italian Civil Code;
– establishment or closure of secondary offices;
– transfer of the registered office within the Italian border;
– identification of directors having legal representation;
– reduction of share capital as a result of withdrawal;
– adjustment of the By-laws to legal provisions.

Art. 17 – Chairman and executive officers

The Board of Directors shall elect a Chairman among its members, in the event he/she has not already been elected by the Shareholders. The Board of Directors may also appoint one or more Vice Chairmen, to replace the Chairman in case of absence or impediment, and may delegate, within the limits of the law, its powers to one or more of its members and determine their powers as well as – from time to time – entrust special duties to individual directors and appoint the Secretary of the Board, who may also not be a member.

It may appoint an Executive Committee, establishing, within the limits of the law, its powers, duties, number of members and rules of operation.

The Board of Directors is entitled to appoint, with the power to delegate as per the provisions of the preceding paragraphs, general managers and attorneys-in-fact for some specific transaction or for categories of transactions and determine their powers.

The delegated bodies shall report to the Board of Directors and to the Auditors, at least once every six months, on the overall performance of the business and its prospects, as well as on more important transactions, due to their size and nature, carried out by the Company and its subsidiaries.

Art. 18 – Calling and meetings

The Board shall meet at the registered office or elsewhere, whenever the Chairman or his/her representative deems appropriate or upon justified written request of at least two directors or the statutory auditors.

Meetings shall be convened by the Chairman or his/her representative by written notice containing the agenda to be sent, even by telex, fax, telegram or e-mail at least two days before the meeting, or in case of urgency, at least one day before, to the address of each director and to the address of each of the auditors.

The Board meeting shall be chaired by the Chairman or by his/her substitute or, in the event of their absence or impediment, by the person designated by the Board.

The meeting shall be validly convened as long as there is at least an absolute majority of directors in office.

The Board may meet via tele/videoconferencing, provided that all participants can be identified and are able to follow the discussion and intervene in real time on the agenda. The meeting shall be deemed to be held in the place where the Chairman and the Secretary are located.

Resolutions are passed with the favourable vote of the absolute majority of members present.

In case of equality of votes, the decisive vote shall be that of the chairman.

The minutes of the Board resolutions shall be governed by law.

The Board of Directors shall be validly formed if, even in the absence of the above forms and modes of convocation, all directors in office and all members of the Board of Auditors are present or the majority of both the directors and auditors in office are present and those who are absent have been informed of the meeting in advance and have not objected to the discussion of the agenda.

Art. 19 – Representation of the company

Representation of the company in dealings with third parties and before the Court shall be entrusted to the sole director or the Chairman of the Board of Directors and his/her substitute and, if appointed, to the Executive directors, who are also entitled to retain legal counsels and appoint attorneys.

The members of the Board of Directors, even if not in possession of a permanent power of attorney, shall be entitled to sign for and represent the Company in dealings with third parties aimed at implementing the resolutions passed by the Board of Directors for which they have been specifically appointed.

Unless differently determined by the Board resolutions, the individuals referred to in the preceding paragraphs represent the company severally.

Art. 20 – Remuneration

Shareholders shall grant the Directors a remuneration, in the form of profit sharing or assignment of rights to subscribe future shares to be issued at a predetermined price, in addition to reimbursement of expenses for office reasons.

Shareholders may determine an aggregate remuneration for all directors including those with special duties in compliance with the By-laws. Lacking any such determination, the Board of Directors, after consultation with the Auditors, shall provide accordingly.

Art. 21 – Sole Director

Shareholders are entitled to appoint, in lieu of the Board of Directors, a Sole Director having the same powers as the Board and its Chairman under these By-laws and pursuant to law.

STATUTORY AUDITORS AND STATUTORY AUDIT

Art. 22 - Auditors

The Board of Statutory Auditors shall be composed of three standing members and two alternates appointed by the Shareholders, who also designate the Chairman.

The requirements, duties, responsibilities and remuneration of the Auditors shall be regulated by law.

The meetings of the Board of Statutory Auditors may be held by tele/videoconferencing in accordance with the principles of art. 18 above.

Art. 23 – Statutory Audit

The statutory audit shall be carried out by the Auditors or, if set forth mandatorily by law or decided by resolution of the Ordinary Shareholders' Meeting and in any event in accordance with the laws and regulations currently in force, by an auditor or an audit firm registered in special register.

The requirements, functions, appointment, dismissal and termination, responsibilities and activities of the auditor or audit firm shall be regulated by law.

FINANCIAL YEAR – PROFITS

Art. 24 – Financial year

The financial year shall end on December 31 of each year.

Art. 25 – Distribution of profits

The net profits resulting from the financial statements, deducted at least 5% (five percent) to be allocated to legal reserves until this reserve reaches one-fifth of the share capital, will be distributed among the shareholders in proportion to each shareholding, unless the Shareholders' Meeting resolves a different destination and being unprejudiced the rights of particular categories of shares or financial instruments.

Art. 26 – Interim Dividends

Under the conditions provided for by law, the Board of Directors shall be entitled to resolve the distribution of interim dividends to the extent and in the manner provided for by regulations in force.

DISSOLUTION AND LIQUIDATION

Art. 27 – Dissolution and liquidation

Dissolution and liquidation of the company shall be governed by law.

FINAL PROVISIONS

Art. 28 – Reference to the rules of law

Whatever is not expressly provided for in the By-laws shall be governed by provisions of law.

ANNEX 4
By-laws of World Duty Free S.p.A. post Demerger

HEADING I

INCORPORATION OF THE COMPANY

Article 1)

Name

The company is called WORLD DUTY FREE S.p.A..

Article 2)

Corporate purpose

The purpose of the Company is to exercise directly, or indirectly through subsidiary companies, both in Italy and abroad, the business of management of stores, shops and points of sale, and in particular shops and points of sale located in airport duty-free and duty-paid shops, as well as of related trading operations in all the forms and for all the merchandise allowed by law, including, on a merely indicative basis, fragrances, publishing products, other consumer goods and monopoly goods both subject and not subject to tax.

The company may also exercise directly, or indirectly through subsidiary companies, both in Italy and abroad, the business of management of confectionery shops, bars, restaurants, snack bars, hotels, motels, filling stations and related services, as well as the serving and retailing of food and beverages, confectionery products and similar products.

In order to achieve its corporate purpose, the company may provide assistance and technical, commercial and administrative co¬ordination, with or without leasing of goods and instruments, of the companies and entities in which it holds interests, as well as, in a non-prevalent and entirely occasional and instrumental manner, not in dealings with the public, execute all industrial, commercial, financial, movable and real estate transactions, grant endorsements, sureties and all other guarantees in general in order to guarantee its own or third-party commitments, and also directly or indirectly acquire equity investments in other companies, entities or consortia for the sole purpose of stable investment, stipulate partnership agreements as either the associating or the associated party, grant the management of its own business or a part thereof to third parties, take on the management of 3rd party business or parts thereof.

Article 3)

Registered office

The registered office of the company is in Novara (Italy).

The company has the power to set up, modify and suppress, in the forms required from time to time, secondary establishments, branches, offices, outlets, agencies and annexes of any type in Italy and abroad.

Article 4)

Duration

The duration of the company ends on December 31 (thirty-one), 2070 (two thousand and seventy) and may be extended on one or more occasions, with exclusion of the right of withdrawal of Shareholders that do not participate in the approval of the relevant resolution.

HEADING II

CAPITAL STOCK – SHARES

Article 5)

Capital stock

The nominal value of Company's share capital amounts to € 63,720,000 (sixty-three million seven hundred and twenty thousand) represented by 254,520,000 (two hundred and fifty-four million five hundred and twenty thousand) shares with no par value. The capital stock may be increased by resolution of the Shareholders' Meeting also through contribution of assets in kind or amounts receivable.

Company's shares are registered and subject to dematerialized regime and to centralized management regime concerning securities negotiated in regulated markets.

Each share confers on its holder one voting right and confers on the same the capacity as Company's Shareholder. The assumption of the quality as Shareholder implies acceptance to these by-laws.

The Shareholders' Meeting may empower the Board of Directors to raise capital stock through one or more operations up to a specified amount and over a maximum period of 5 (five) years as from the date of the resolution, and also to issue on one or more occasions convertible and/or non-convertible bonds up to a specified amount and over a maximum period of 5 (five) years as from the date of the resolution.

Profits and/or profits reserves may be allocated within the bounds of the law to employees of the Company or its subsidiaries by means of rights issued in accordance with art. 2349, clause 1, Italian Civil Code.

Article 6)

Share categories

By virtue of a resolution of the Extraordinary Shareholders' Meeting the right to convert shares of one category into shares of another category may be granted.

Pursuant to the laws ruling from time to time, the company may issue special categories of shares with different rights, also as regards the incidence of losses, and determine their content with the issue resolution.

HEADING III

SHAREHOLDERS' MEETING

Article 7)

Calling, right of participation and right of representation at the Shareholders' Meeting

The Shareholders' Meeting may be held at the registered office or elsewhere in Italy or in other countries of the European Union. The calling of, right of participation in and right of representation at the Shareholders' Meeting are governed by law.

Ordinary and extraordinary sessions of the Shareholders' Meeting are usually held under a single notice of meeting, subject to voting by the majorities required by the relevant provisions of law. The Board of Directors may decide, if they see fit, that ordinary and extraordinary sessions of the Shareholders' Meeting shall be called following separate notices of meeting, subject to voting by the majorities required by the relevant provisions of law.

Shareholders' Meetings are called by means of a notice posted on the Company's website and in the manner required by law and regulations in force from time to time, with prior notice that may not be less than the minimum required by law in respect of the date fixed for the Shareholders' Meeting.

Those entitled to vote may attend the meeting by proxy electronically conferred to a third party subject to and in the manner indicated in laws and regulations in force from time to time. In this case, electronic notification of proxy may be made by sending an e-mail as indicated in the notice of meeting.

Any Shareholder or group of Shareholders representing at least 2.5% of the share capital may in accordance with laws and regulations in force from time to time apply to add items to the meeting's agenda and specify in writing the matters to be discussed in such additional items.

Notice of any additional items proposed shall be given in the manner provided for in laws and regulations in force from time to time.

Shareholders' Meetings shall take place in accordance with the Rules for Shareholders' Meetings approved by the ordinary Shareholders' Meeting.

Article 8)

Constitution of Shareholders' Meetings and validity of resolutions

The regularity of the constitution of ordinary and extraordinary Shareholders' Meetings, including any such under the same notice of meeting, the validity of the resolutions carried by such meetings and the right of participation or representation of the Shareholders are subject to the provisions of law and the by-laws.

Article 9

Chairmanship of the Shareholders' Meeting

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors and, in the event of his absence or impediment, by another Director delegated for this purpose by the Board of Directors. In default, the Shareholders' Meeting is chaired by the Deputy Chairman or by the Chief Executive Officer, if appointed and present, or else by the oldest Director present at the Shareholders' Meeting.

The Chairman is assisted by a Secretary appointed by the Shareholders as recommended by the Chairman.

When required by law or deemed appropriate by the Chairman, the minutes are drawn up by a notary, chosen by the Chairman, acting as Secretary.

The resolutions of the Shareholders' Meetings shall be confirmed by the minutes signed by the Chairman and by the Secretary or by the Notary chosen by the Chairman.

HEADING IV

MANAGEMENT

Article 10)

Board of Directors

The company is managed by a Board of Directors composed of a minimum of 5 (five) members and a maximum of 15 (fifteen) members, who serve for a term of up to 3 (three) fiscal years or a period established at the time of appointment but in any case not more than 3 (three) fiscal years, and who are eligible for re-election.

Before appointing the Board of Directors, the Shareholders' Meeting establishes the number of members.

If the Meeting does not vote on the number of members to sit on the Board of Directors, such number is automatically taken to be 15 (fifteen).

The Directors are appointed by the Shareholders from lists submitted by the Shareholders in accordance with laws and regulations in force from time to time, including those relating to gender balance, in which up to 15 (fifteen) candidates in possession of the current legal and regulatory requisites are listed under progressive numbers.

The lists must indicate any candidates who have the current legal and regulatory requisites of independence.

Lists of three or more candidates must be made up of candidates of both sexes in such a way that at least one fifth of the candidates belong to the less represented gender (at the first mandate subsequent to 6 June 2013) and then a third (in any case rounded up).

Each Shareholder may present or take part in the presentation of one list only and each candidate may be presented on one list only or not qualify for election. Lists may be presented only by Shareholders who alone or together with other Shareholders represent at least 1.5% of the share capital or any other lower legal or regulatory percentage in force from time to time.

Each such list must be accompanied, in accordance with laws and regulations in force from time to time, by statements in which the individual candidates accept their candidacy and declare, under their own responsibility, that no causes of ineligibility and incompatibility exist and that the conditions required by law for their respective positions obtain. Such declarations shall be filed along with candidates' CVs, providing personal and professional details and eventual requisites for independent directorships.

Lists failing to comply with the aforementioned requirements shall not be taken into consideration.

Each person with the right to vote may vote for one list only.

After voting, the elected candidates shall be those of the two lists that received the most votes on the basis of the following criteria:

a) the total number of directors to elect less one (1) shall be taken from the list that obtains the majority of the votes cast by the Shareholders, in the progressive order in which they are listed;
b) one (1) Director shall be taken from the list that received the most votes, after the first list, in the Meeting ("minority list"), provided it is in no way connected, not even indirectly, with the Shareholders who submitted or voted the list that received the most votes.

In the event of an equal number of votes, the entire Shareholders' Meeting shall vote again and the candidates elected shall be those who obtain a simple majority of votes subject to the provisions hereunder ensuring gender balance in compliance with current law.

If after voting, a sufficient number of Directors with the legal and regulatory independence requisites have not been elected, the last candidate in progressive order on the list that obtained the most votes who is not in possession of such requisites shall be excluded and replaced by the next candidate possessing said requisites from the same list. This procedure must be repeated until the required number of independent Directors have been elected.

If the candidates elected as described above do not produce a Board with a gender balance in accordance with current law, the candidate of the more represented gender elected last in progressive order in the list that obtained most votes shall be replaced by the first candidate in progressive order of the less represented gender not elected from that list. This substitution procedure shall be operated until the composition of the Board conforms to current law on gender balance. If said procedure does not ensure such a result, substitution shall be carried out by a resolution of the Shareholders' Meeting (voting by simple majority) following presentation of candidates belonging to the less represented gender.

If only one list is presented, or if no list at all is presented or if a list presented does not allow for the election of independent Directors pursuant to legal and regulatory requirements, the Meeting shall vote with the legal majority and subject to the provisions of current law on gender balance.

The Shareholders' Meeting may, even in the course of the mandate, change the number of members of the Board of Directors, subject to the limit stipulated in the first paragraph of this article, and proceed with the relevant appointments. The term of office of Directors thus elected shall end with that of the Board of Directors.

Should one or more Directors lapse during the fiscal year, action shall be taken pursuant to article 2836 of the Italian Civil Code. As an exception to the foregoing provisions of this article, if for any reason the Director taken from the minority list cannot take up office or having taken it up must then stand down, he shall be replaced by the next candidate belonging to the same list, by progressive order, and who is still eligible and willing to accept office.

The Shareholders' Meeting shall confirm a Director co-opted by the Board of Directors or appoint another Director to replace him, subject to voting by the majorities required by law, it being understood that, if a co-opted Director or a Director replacing him was taken from the minority list, the Shareholder representing the majority of the share capital present at the Meeting and any other Shareholders in any way connected, even indirectly, with such Shareholder are barred from voting.

The provisions of current law on gender balance must in any case be complied with both upon co-opting and in the Shareholders' Meeting.

Should the majority of the Directors lapse, the entire Board of Directors shall be considered to have resigned and the Shareholders' Meeting shall be promptly called by the Board of Directors for the re-formation of the Board of Directors.

Article 11)

Remuneration of Directors and of members of the Executive Committee, if any

The members of the Board of Directors and of the Executive Committee (if appointed) are entitled to an annual remuneration, which is established by the Shareholders' Meeting for the entire term of office, and to the reimbursement of expenses sustained in the course of their duties.

In line with the provisions of law and regulations in force from time to time, the Shareholders' Meeting also decides on matters of remuneration policy for directors, general managers and executives with key management responsibilities, and on the procedures applied for implementing such policies.

Provisions in respect of Directors vested with special powers are made pursuant to article 2389, par 2, of the Italian Civil Code.

Article 12

Company officers

The Board of Directors appoints a Chairman if not appointed by the Shareholders' Meeting, and a Secretary, who may or may not be a member of the Board. The Board may also appoint one or more Deputy Chairmen and, as prescribed by law, one or more Chief Executive Officers, with joint and/or separate powers.

The Board of Directors may also attribute special powers to the other Directors.

Article 13

Meetings of the Board of Directors

The Board of Directors is called at the registered office or elsewhere by the Chairman or, in his absence or impediment, by one of the Deputy Chairmen or, in default, by 2 (two) Directors, by means of a notice delivered with means that guarantee proof of receipt 8 (eight) days before the meeting or, in emergencies, 48 (forty-eight) hours before.

Convocation of the Board is mandatory when requested in writing by 2 (two) Directors, indicating the matters to be discussed.

The Board of Directors or the Executive Committee may be convened by any member of the Board of Statutory Auditors, after notification to the Chairman of the Board of Directors, in the manner and times indicated in the previous paragraph.

The meetings of the Board of Directors are chaired by the Chairman and, in the event of his absence or impediment, by one of the Deputy Chairmen. In default, they are chaired by another Director designated by the Board of Directors.

Meetings may take the form of teleconferences or videoconferences, on condition that each participant is able to identify all the participants and that the participants are allowed to follow the discussion and to intervene in real time in the examination of items and to view, receive or transmit documentation and that the simultaneity of examination and resolution is guaranteed.

Such conditions being fulfilled, the meeting shall be deemed to be held in the place where the Chairman and the Secretary are present.

Article 14

Resolutions of the Board of Directors

The resolutions of the Board of Directors are valid when the majority of Directors in office is present. The resolutions of the Board are carried by a simple majority of the votes of the Directors present; abstentions are not considered in the computation of the majority.

The resolutions of the Board shall be confirmed by the minutes signed by the Chairman and the Secretary.

Article 15

Powers of the Board of Directors

The Board of Directors is responsible for the governance of the company.

The Board of Directors is also responsible for adopting resolutions with regard to the following:

a) mergers in the circumstances envisaged by articles 2505 and 2505-bis of the Italian Civil Code;
b) the reduction of the share capital in the event of the withdrawal of a Shareholder;
c) the creation or suppression of secondary establishments;
d) amendments to the by-laws for compliance with the law;
e) the transfer of the registered office within Italian territory;
f) subject to Article 18 below, the designation of the Directors vested with representative powers.

The Board may delegate its powers to one or more of its members, and determine the powers delegated. It may directly appoint attorneys and agents in general for specific acts, or categories of acts, establishing the powers and any remuneration thereof.

The delegated bodies report on at least a quarterly basis, during meetings of the Board of Directors, on general business performance and on foreseeable performance, as well as on transactions with particularly important dimensions or characteristics effected by the company and by its subsidiaries.

The Directors report punctually to the Board of Statutory Auditors, on at least a quarterly basis, during meetings of the Board of Directors, or, if appointed, of the Executive Committee, on activities carried out and on the transactions of greatest economic, financial and equity significance effected by the company or by its subsidiaries; specifically, they report on transactions in which they have an interest, personally or on behalf of third parties, or that have been influenced by any party that exercises powers of direction and co-ordination.

The Board of Directors uses procedures that ensure the transparency and substantial fairness of related party transactions in accordance with the provisions of law and regulations from time to time in force.

In particular, even if the non-related independent directors' committee or equivalent body as per current provisions of law or regulations on related party transactions does not issue a justified favourable opinion, the Board of Directors may carry out "related party transactions of greater importance" as defined in the regulatory provisions in force from time to time, provided the carrying out of such transactions is authorized by the Shareholders' Meeting in accordance with art. 2364, clause 5, Italian Civil Code. Subject to the quorum requisites in art. 8 of these by-laws, related party transactions of greater importance are deemed to be authorized by the Shareholders' Meeting provided the majority of non-related voting shareholders do not vote against, as defined in the relevant provisions of law and regulations.

If a majority of non-related voting shareholders do vote against, related party transactions are only blocked if the non-related shareholders at the meeting represent at least one tenth of the share capital with voting rights. Motions to be put before the shareholders must expressly provide for the two conditions stated above.

The related party transaction procedures adopted by the Company may provide, where allowed, that in cases of urgency related party transactions may be carried out directly or through subsidiaries under the terms and conditions required by the provisions of law and regulations in force from time to time as an exception to the ordinary procedures therein, provided that such transactions are not reserved for or require the authorization of the Shareholders' Meeting.

Article 16

Executive Committee

The Board of Directors may appoint an Executive Committee pursuant to article 2381 of the Italian Civil Code and determine the number of members and term of office thereof.

The Chairman and, if appointed, the Deputy Chairman/Chairmen and the Chief Executive Officer(s) are members of the Executive Committee as of right.

The provisions of Articles 13 and 14 apply to the meetings of the Executive Committee as and where compatible.

The resolutions carried by the Executive Committee shall be notified to the Board of Directors at its first following meeting and in any case within the term envisaged by article 2381 of the Italian Civil Code.

Article 17

General Managers

The Board of Directors may appoint one or more General Manager, Deputy General Manager, Managers, Attorneys for individual acts or categories of acts, and determine the powers thereof including powers of representation of the company, and also any remuneration.

Article 18

Officer responsible for drafting the Company's accounting documents

The Board of Directors, acting on the Chief Executive Officer's proposal, after hearing the mandatory but not binding opinion of the Board of Statutory Auditors, i) appoints an officer responsible for drafting the Company's accounting documents from amongst persons having the relevant university qualifications and at least five years experience in the field of accounting, economics or finance and any other requisites specified by the Board of Directors and/or current legislation and regulations, ii) determines his/her term of office and procedure for revocation, and iii) invests in such person the relevant powers and provides the relevant resources.

Article 19

Representation

The Chairman and the Deputy Chairmen severally are the general representatives of the company in dealings with third parties and in legal matters.

The company is also represented by the Chief Executive Officers within the sphere of their duties. Persons delegated to represent the company may confer general or special powers of attorney on attorneys, lawyers and third parties.

HEADING V

BOARD OF STATUTORY AUDITORS

Article 20

Auditors

The Board of Statutory Auditors consists of 3 (three) acting Auditors and 2 (two) alternate Auditors, who may be re-elected.

The minority has the right to elect one acting Auditor and one alternate Auditor.

The powers, duties and term of office of the Board of Statutory Auditors are those established by law.

Pursuant to article 2404 of the Italian Civil Code, the meetings of the Board of Statutory Auditors may be held by means of telecommunication instruments, provided that it is possible for each participant to identify all the other participants and that the participants are allowed to follow the discussion and to intervene in real time in the examination of items and to view, receive or transmit documentation and that the simultaneity of examination and resolution is guaranteed.

Such conditions being fulfilled, the meeting shall be deemed to be held in the place where the Chairman of the Board of Statutory Auditors is present.

Persons holding office as directors or statutory auditors in any number of other companies over the limit or who do not possess the legal and regulatory requisites of integrity and professionalism may not be appointed as acting Auditors and shall be disqualified if elected.

The Board of Statutory Auditors is elected by the Shareholders' Meeting – which also establishes the criteria for its remuneration – on the basis of lists presented by the Shareholders, in accordance with laws and regulations in force from time to time, including those regarding gender balance, in which the number of candidates is not higher than the number of members to be elected. Candidates are listed progressively. The list consists of two sections, one showing the candidates for the office of acting Auditor, the other showing the candidates for the office of alternate Auditor.

A Shareholder may only present or participate in the presentation of one list. A candidate may only run for one list, on pain of ineligibility.

Lists may be presented by Shareholders who, alone or together with others, represent at least 1.5% of the share capital or any other lower legal or regulatory percentage.

The declarations in which the individual candidates accept their candidacy and declare, under their own responsibility, that no causes of ineligibility or incompatibility exist and that the conditions required by law and by the by-laws for the respective positions exist, must be filed together with each list by the respective terms indicated above. Lists that do not meet the above conditions are deemed to be not presented.

Such declarations shall be accompanied by a CV, for each candidate, providing personal and professional details.

Lists presenting a total of three or more candidates must include candidates of both sexes in such a way that the less represented gender in a list accounts for at least a fifth of the candidates for the office of acting auditor (at the first mandate subsequent to 6 June 2013) and then a third (in any case rounded up) and at least a fifth of the candidates for the office of alternate auditor (at the first mandate subsequent to 6 June 2013) and then a third (in any case rounded up).

The election of Auditors takes place as follows:

a) 2 (two) acting members and 1 (one) alternate are elected from the list that obtains the highest number of votes at the Shareholders' Meeting, based on the progressive order in which they are listed in the sections of the list;

b) the remaining acting member and the other alternate are elected from the list that obtains the second highest number of votes at the Shareholders' Meeting and that is not in any way, even indirectly, connected with the Shareholders who presented the list that got the most votes, on the basis of the progressive order in which they are listed in the sections of the list. Should more two or more minority lists obtain the same number of votes, the oldest acting and alternate auditor candidates shall be elected;

c) if a single list is presented, the Board of Statutory Auditors is elected entirely from that list.

If the procedures indicated above fail to ensure a Board of Statutory Auditors with a gender balance of acting auditors in accordance with current law, the necessary replacements shall be made from amongst the candidates for the office of acting auditor of the list that obtained the most votes, or from a sole list, in the progressive order in which the candidates are listed.

The chairman of the Board of Statutory Auditors is appointed by the Shareholders' Meeting pursuant to current law.

If an Auditor's legal and statutory requisites cease to obtain, the Auditor is stood down.

In the event of replacement, the outgoing Auditor is replaced by the alternate on the same list, even in the case of the Chairman.

The replacement procedures in the preceding paragraphs must in any case ensure compliance with current law on gender balance.

The above provisions regarding the election of Auditors do not apply at Shareholders' Meetings that are required by law to appoint acting and/or alternate Auditors and a Chairman to make up the Board of Statutory Auditors as a result of substitution or disqualification. In these cases, resolutions are carried by the majorities established by law without prejudice to the principle set out in par 2 of this Article and in compliance with current law on gender balance.

HEADING VI

FINANCIAL STATEMENTS AND EARNINGS

Article 21

Accounting year

The accounting year ends on December 31 (thirty-one) of each year.

The Shareholders' Meeting for the approval of the financial statements shall be called within the terms indicated in laws and regulations in force from time to time, within 120 (one hundred and twenty) days from closure of the accounting year, or within 180 (one hundred and eighty) days from said closure if such a term is required for production of the consolidated financial statements, if applicable, or in accordance with the other requirements envisaged under paragraph 2 of article 2364 of the Italian Civil Code.

Article 22

Allocation of earnings

Net earnings arising from the duly approved financial statements, after deduction of the amount allocated to the legal reserve until such reserve is equivalent to one fifth of share capital, are at the disposal of the Shareholders' Meeting for the distribution of a dividend to the Shareholders and for other uses.

If the assumptions and conditions envisaged by article 2433-bis of the Italian Civil Code obtain, the Board of Directors may carry a resolution for the distribution of interim dividends.

HEADING VII

DISSOLUTION AND LIQUIDATION

Article 23

Liquidation

Should the company be dissolved, the Shareholders' Meeting shall adopt the necessary resolutions pursuant to article 2487 of the Italian Civil Code.

HEADING VIII

FINAL PROVISIONS

Article 24

Reference to legislation

For matters that are not specifically provided for in the by-laws, reference shall be made to the relevant laws.